

# QUARTERLY REPORT

For the quarterly period ending June 30, 2023

## **BINA ORMASEL, S.A.P.I. DE CV**

**Jalisco**

State of incorporation

**BOR-141001-QM8**

Federal Tax Registration

**Tecnológico 309, Olga Margarita, C.P. 34270, Durango, Durango**

Main Office Address

2023-3

## QUARTERLY REPORT

Number of common shares outstanding as of September 12, 2023:

Series A:	500
Series C:	3,753
Total:	4,253

**Part I. Financial Information**  
**Element I. Financial Statements**  
**BINA ORMASEL, SAPI de CV**  
**Consolidated Balance Sheet**  
**(in mexican pesos)**

	June 30, 2023	September 30, 2022
<b>ASSETS</b>		
Cash and equivalents – Note 3	4,379	14,765
Investments in shares – Note 4	338,406	192,616
Taxes receivable	1,188	479
<b>Total Assets</b>	<b>343,974</b>	<b>207,860</b>
<b>LIABILITIES AND EQUITY</b>		
Taxes payable	6,199	3,533
<b>Total liabilities</b>	<b>6,199</b>	<b>3,533</b>
<b>Shareholders' Equity:</b>	(6,341)	3,924
Share premium	442,125	330,925
Contributions from partners		
Retained earnings	46,433	27,826
Other comprehensive income	(144,362)	(158,349)
<b>Shareholders' Equity</b>	<b>337,855</b>	<b>204,327</b>
<b>Book Value per Share</b>	<b>79</b>	<b>65</b>

**BINA ORMASEL, SAPI de CV**  
**Consolidated Income Statement**  
**(in mexican pesos)**

	9 months	
	Oct 1, 2022 to Jun 30, 2023	Oct 1 2021 to Jun 30, 2022
Operating Expenses		
Financial expenses	(4,432)	(1,762)
Financial products	95	371
<b>Earnings Before Taxes and Gains from Sale of Capital Assets</b>	<b>(4,337)</b>	<b>(1,390)</b>
Gains from Sale of Capital Assets	25,523	32,044
Earnings Before Taxes	21,185	30,654
Taxes on Earnings	(2,579)	(3,344)
<b>Net Income (Loss) for the Year</b>	<b>18,606</b>	<b>27,310</b>
Change in Revaluation of Shares	13,830	(83,075)
<b>Comprehensive Income of the Year</b>	<b>32,436</b>	<b>(55,764)</b>
<b>Shares outstanding</b>	<b>4,253</b>	<b>3,040</b>

**BINA ORMASEL, SAPI de CV**  
**Consolidated Cash Flow Statement**  
**(in mexican pesos)**

	9 months	
	Oct 1, 2022 to Jun 30, 2023	Oct 1 2021 to Jun 30, 2022
Cash from Operating Activities:		
Net Income (Loss) for the Year	18,606	27,310
Taxes Payable	2,579	3,344
Taxes Receivable	(708)	(282)
Gains from Sale of Capital Assets	(25,524)	(32,044)
Interest Receivable	95	371
<b>Net Cash Flows from Operating Activities</b>	<b>(4,952)</b>	<b>(1,301)</b>
Cash from Investing Activities:		
Purchase of Investments in Stocks	(288,125)	(329,361)
Sale of Investments in Stocks	181,602	214,754
Dividends Received	156	179
<b>Net Cash Flows from Investing Activities</b>	<b>(106,367)</b>	<b>(114,428)</b>
Cash from Financing Activities:		
Contribution from Previous Operating Surplus		
Stock Subscriptions	100,935	82,185
<b>Cash Flow from Financing Activities</b>	<b>100,935</b>	<b>82,185</b>
<b>Net Change in Cash for the Period</b>	<b>(10,384)</b>	<b>(33,543)</b>
Cash and Cash Equivalents at the Beginning of the Period	14,765	40,062
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>4,379</b>	<b>6,518</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
As of June 30, 2023

**Note 1. General**

The unaudited consolidated financial statements presented in this document include the accounts of Bina Ormasel, SAPI de CV (“Bina” or “Company”) where Bina has a controlling financial interest as of the date of the financial statement. In these notes, the terms “we,” “our,” and “us” refer to Bina and its consolidated subsidiaries.

In 2022, the decision was made to align Bina's investment operations with the natural calendar: the winter season runs from October 1 to March 31, and the summer season from April 1 to September 30.

Therefore, starting with this report, the period from October to December 2022 is considered the first quarter of 2023.

**Note 2. Accounting procedures**

We are currently evaluating the effects of adopting the accounting standards of International Financial Reporting Standards (IFRS) for our Consolidated Financial Statements.

**Nota 3. Immediately Available Fixed Income Instruments**

Investments in fixed-income instruments are shown in our Consolidated Balance Sheet in pesos:

	<b>June 30, 2023</b>
<b>Cash</b>	15.42
<b>Immediately available fixed income instruments</b>	-

Bina's liquid resources are automatically invested in an instrument where the majority is invested in demand deposits. A portion of the portfolio is invested in AAA-rated debt from high-quality corporate, bank, and government sources.

**Nota 4. Investments in shares**

The capital stock investments as of June 30, 2023, are summarized below, based on the main industry of the business.

	<b>Cost</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Market Value</b>
<b>Banks, Insurance, and Finance</b>	7,582	-	(1,388)	6,194
<b>Commercial, Industrial, and Others**</b>	28,768	-	(20,772)	7,996
<b>Consumer Products</b>	449,381	-	(125,164)	324,217
<b>Total</b>	485,731	-	(147,325)	338,406

**\*\* Note:** This includes a leftover from the "pilot" operation, which consists of 9,000 shares of the previous company ICA acquired at a cost of \$15,316.96, as well as 300 shares of the company Convertidora Industrial acquired at a cost of \$1,507.00.

It is important to mention that Bina believes it has no unrealized losses that are not temporary because of: (a) our ability and intention to hold the shares we bought until they recover, (b) our assessment that the underlying businesses and financial conditions of our investment targets support our decisions, (c) our opinion that the price declines are not significant, and (d) our belief that market prices will increase and exceed our costs.

Our business acquisition strategy is to participate in a business at sensible prices, with consistent purchasing power, good returns on invested capital, and strong management.

#### Note 5. Common Shares

The changes in the number of issued shares, treasury shares, and shares outstanding during the first 3 months of 2022 are shown below:

	Series A, \$100 Par Value (500 authorized shares)			Series C, \$100 Par Value (2,000,000 authorized shares)		
	Issued	Treasury	Outstanding	Issued	Treasury	Outstanding
Balance as of September 30, 2022	500	-	500	2,000,000	1,997,359	2,641
Shares sent to treasury	-	-	-	-	-	-
Shares issued	-	-	-	-	(1,112)	1,112
Balance as of March 31, 2023	500	-	500	2,000,000	1,996,247	3,753

Each Series A common share has one vote per share. Series C shares have dividend and distribution rights equivalent to 1:1 of Series A shares. Series C common shares do not have voting rights in the company's management decisions.

#### Note 7. Dividends received

Below is a balance of the dividends that Bina has received to date:

	As of December 31, 2021	As of December 31, 2022	As of March 31, 2023
Mexican entities	382.01	382.01	382.01
Foreign entitites	227.63	437.34	539.31
Total	<b>609.64</b>	<b>819.35</b>	921.32

#### Note 6. Contingencies and Commitments

Currently, there are no situations that affect the normal operations of Bina Ormasel.