

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

2023
ANNUAL REPORT

Bina's Performance vs the S&P500

Year	Annual Percentage Change in Per-Share Book value of Bina	Annual Percentage Change in S&P500 with dividends included	Relative result
Mar-21			
Sep-21	1.5	13.0	(11.4)
Sep-22	(35.9)	(13.8)	(22.2)
Sep-23	28.2	1.4	26.28
Annual compound gain mar-21 to sep-23	(7) %	(0.5) %	(6.5) %
Net gain mar-21 to sep-23	(16.6) %	(1.3) %	(15.4) %

Note: Bina Ormasel decided to restart operations on March 11, 2021, so the date of March 1, 2021, was used to calculate the S&P 500 with dividends reinvested.

The S&P 500 numbers are calculated before taxes, while Bina's numbers are calculated after taxes. If a company like Bina only owned the S&P 500 and paid the necessary taxes, its results would have been worse than the S&P 500 during years when that index performed well. However, it would have outperformed the S&P 500 in years when the index had negative returns. Over time, tax costs would have caused a significant difference in performance.

BINA ORMASEL, S.A.P.I. DE C.V.

To the Shareholders of Bina Ormasel, SAPI de CV:

Bina earned a net profit of \$49,191 pesos in 2023, according to standard accounting practices.

This figure includes \$17,466 pesos from capital gains and an increase in total comprehensive income of \$31,724 pesos. These amounts are already calculated after taxes.

Since Bina did not have full operations in 2023, we have no operating results.

This report reaches you a year late (I am writing it in 12, October 2024), and I want to sincerely apologize for this delay. I accept responsibility for any decisions any of you may make because of it.

If I were an investor, I wouldn't want to be treated this way.

That's why I want to express my gratitude to each of you for your patience, friendship, and understanding during this journey. We can discuss this further at the annual meeting or in a private message whenever one of you finds it convenient.

I also want to emphasize that this will not happen again.

Though I have made some mistakes that I consider serious and feel embarrassed about, I want to assure you, as sincerely as possible, that I have stayed committed, within my capabilities, to significantly increase the intrinsic value of Bina.

In the next letter and at the annual meeting, I will explain in more detail what I mean and how we are achieving it.

My decisions and Bina's performance have not met my personal expectations regarding the stock's book value. However, I firmly believe that the intrinsic value of Bina's stock has met expectations significantly. This is the only thing that brings me some comfort.

Despite my mistakes over the past two years (the most significant was selling the position in Meta Platforms, expecting Alibaba's position would eventually gain value, though it now trades above \$600 per share), in 2023, we outperformed the U.S. market by more than 22 percentage points.

In this letter, I will focus only on giving an overview of how things looked a year ago, as I don't believe it's worthwhile to analyze the environment at that time. A more complete analysis will be available in the 2024 report.

Investments

At the end of 2023, our capital was invested in companies we do not control. Below is a list of our main positions as of the date of this report.

<u>Shares</u>	<u>Company</u>	2023-09-30	
		<u>Cost*</u>	<u>Market</u>
		<i>(000's pesos)</i>	
227	Alibaba Group Holding Limited	\$449.4	\$342.9
9	Bank OZK	7.6	5.8
	Other**	28.7	7.7
	Total Investments in shares at Market Value	<u>\$485.7</u>	<u>\$356.4</u>

* This is at purchase price.

Annual Meeting

An annual meeting was not held to discuss the 2023 report.

In the 2024 report, we will review the last two years as if they were a single period.

October 12, 2024

Guillermo Estefani M.
Chairman of the Board

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 ANNUAL REPORT

Number of common shares outstanding as of October 15, 2024:

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)

	September 30, 2023	September 30, 2022
ASSETS		
Cash and equivalents – Note 3	3,073	14,765
Investments in shares – Note 4	356,351	192,616
Taxes receivable	1,359	479
Total Assets	360,782	207,860
LIABILITIES AND EQUITY		
Taxes payable	6,119	3,533
Total liabilities	6,119	3,533
Shareholders' Equity:	(6,341)	3,924
Share premium	442,125	330,925
Retained earnings	113,477	27,826
Other comprehensive income	(194,598)	(158,349)
Shareholders' Equity	354,663	204,327
Book Value per Share	83	65

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

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

BINA ORMASEL, SAPI de CV

Consolidated Cash Flow Statement
(in mexican pesos)

	12 months	
	Oct 1, 2022 to Sep 30, 2023	Oct 1 2021 to Sep 30, 2022
Cash from Operating Activities:		
Net Income (Loss) for the Year	17,466	26,692
Taxes Payable	2,579	3,362
Taxes Receivable	(879)	(379)
Gains from Sale of Capital Assets	(25,524)	(32,044)
Interest Receivable	95	371
Taxes Paid	-	(35)
Net Cash Flows from Operating Activities	(6,263)	(2,033)
Cash from Investing Activities:		
Purchase of Investments in Stocks	(288,175)	(329,325)
Sale of Investments in Stocks	181,602	214,754
Dividends Received	210	233
Net Cash Flows from Investing Activities	(106,363)	(114,338)
Cash from Financing Activities:		
Stock Subscriptions	100,935	91,073
Cash Flow from Financing Activities	100,935	91,073
Net Change in Cash for the Period	(11,691)	(25,298)
Cash and Cash Equivalents at the Beginning of the Period	14,763	40,062
Cash and Cash Equivalents at the End of the Period	3,073	14,763

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of September 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:

	September 30, 2023
Cash	3,072.79
Immediately available fixed income instruments	-

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 September 30, 2023, are summarized below, based on the main industry of the business.

	Cost	Unrealized Gains	Unrealized Losses	Market Value
Banks, Insurance, and Finance	7,582	-	(1,772)	5,809
Commercial, Industrial, and Others**	28,768	-	(21,082)	7,685
Consumer Products	449,381	-	(106,526)	342,856
Total	485,731	-	(129,381)	356,351

**** 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 6. Contingencies and Commitments

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