Genomma Lab Internacional Reports First Quarter 2019 Results

HIGHLIGHTS

Consolidated Net Sales closed at **Ps. 3.14 billion**, a **4.2%** growth year-on-year

Mexico Net Sales increased 18.0% year on year

LatAm EBITDA margin for Q1-2019 closed at **27.3%**; a **230bps** year-on-year expansion

Capex Investments for the three months ended March 31, 2019 reached **Ps. 106.4 million**.

Mexico City, April 29, 2019 – Genomma Lab Internacional, S.A.B. de C.V. (BMV: LABB) ("Genomma Lab" or "the Company"), today announced its results for the first quarter ended March 31, 2019. All figures included herein are stated in nominal Mexican pesos and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The following table provides an abridged Income Statement, in millions of pesos. The margin for each figure represents its ratio to net sales and the percentage change from the first quarter 2019, as compared with the same period in 2018:

	Q1-2018(1)	% Sales	Q1-2019	% Sales	Var. %
Net Sales	**3,010.8**	**100.0%**	**3,137.9**	**100.0%**	**+4.2%**
Gross Profit	2,028.9	67.4%	2,022.1	64.4%	(0.3)%
Operating Income	650.5	21.6%	597.1	19.0%	(8.2)%
EBITDA(2)	**666.7**	**22.1%**	**624.2**	**19.9%**	**(6.4)%**
Net Income	375.7	12.5%	252.3	8.0%	(32.9)%

(1) 2018 Restated Results by the application of IAS-29 & IAS-21 under IFRS standards as if adopted on January 1st. 2018.
(2) EBITDA is defined as operating income before depreciation and amortization.

Comments from the CEO

Mr. Jorge Brake, Chief Executive Officer, commented: *"We began 2019 with strong progress executing on the four key pillars of our **Growth and Industrial Integration Strategy** to increase shareholder value, as reflected in our top-line for the first quarter despite the continued effects of Argentina's macro headwinds on our consolidated figures. Tight cost controls and streamlined operations also successfully mitigated these effects, and we remain focused on executing important expense and cost containment strategies in tandem with our Growth Strategy to drive results throughout the different regions in which we operate."*

Mr. Brake continued: *"Further, among other important initiatives, we made continued progress on our Mexico manufacturing facility during the first quarter, and kicked-off our Center of Innovation program, which will establish a solid pipeline for Genomma's sustained profitable growth."*

KEY DATA

% Sales by Segment:

OTC 49.3%

PC 50.7%

Presence in **19 Countries** and over **290,000 POS***

OTC Solid Product by direct compression; first OTC product to be manufactured at Genomma's new production facility.

*POS: Points of Sale.

Business Review

Net sales for the first quarter increased by 12.4% year on year excluding Argentina, or 4.2% as reported. The first growth figure is presented in an effort to provide our readers with a useful measure of our Company's underlying performance and isolate the complexity of Argentina's macroeconomics and hyperinflationary accounting.

Top-line growth was primarily driven by double-digit sales increase in local currency for Mexico and Latin America. This was the result of the initiatives implemented throughout the regions as part of its new four-pillar strategy, as well as key marketing initiatives implemented to drive sustainable growth in the mid to long-term.

The Ps. 127.1 million increase in sales was partially offset by the negative effect from a decline in U.S. sales due to a weaker than expected winter season as well as by the ongoing macroeconomic headwinds in Latin America, specifically currency devaluation in Argentina and its hyperinflationary environment. The top-line increase favorably impacted EBITDA, however, the negative impacts from Argentina headwinds, an extraordinary marketing and TV advertising expense, and pre-operating expenses associated with Genomma's new manufacturing facility resulted in a 2.2 percentage point year on year EBITDA margin contraction.

Genomma Lab began executing on its new growth strategy based on four key pillars to drive future growth: 1) Product innovation and portfolio optimization; 2) Best in class go-to-market; 3) World-class manufacturing and supply chain capabilities and; 4) Corporate culture focused on consumers, employees and internal talent.

Genomma also created its first COI (Center of Innovation) in the first quarter 2019, which enables the Company to develop a solid innovation foundation and pipeline. These nine new Innovation Centers are focused on creating disruptive ideas to secure new opportunities within the OTC and Personal Care categories, representing growth potential and expansion capacity.

NOTE:

- The Company implemented hyperinflationary accounting under IFRS Standards (IAS-29 & IAS-21) for its Argentina subsidiary to its Full Year 2018 Audited Financial Statements since January 1, 2018.
- For comparative purposes, the Q1 2018 results have also been restated accordingly within the Q1 2019 report. For further detail regarding these new IFRS standards please click: Non-cash new IFRS accounting adjustments.

Manufacturing Facility

To date, Genomma has completed the initial construction phase for its OTC product manufacturing facility as well as the installation process for the first solid direct compression and semi-solid product manufacturing lines.

The Company expects to receive from the Mexican authorities the sanitary license in May 2019 that will enable the Company to start the process of obtaining the GMP's (Good Manufacturing Practices) certification that will allow us to begin the initial production batches in the coming months.

Between January and March 2019, investments in the manufacturing facility amounted to Ps. 106.4 million with pre-operating and pre-production expenses in the amount of Ps. 30.1 million.

70% of the Company's Personal Care facility construction phase has been completed, with 90% of equipment acquisition. The facility is expected to begin operation during the second half of 2019. The finished products warehouse is in the process of laying a concrete floor and is expected to be fully functional during the third quarter of 2019.

Asepxia's Dermo Clear Line, a new line extension that was launched during the quarter in Argentina.

Mexico

Between January and March 2019, sales in Mexico increased by a solid 18.0%, reflecting the first positive effects of the new growth strategy, coupled with an enhanced go-to-market execution and improved visibility at the point of sale. In addition to these initiatives, during the quarter the Company continued to improve the Mexican operation's fill-rates, achieving levels exceeding 94.0% during the quarter. The above was supported by aggressive advertising and marketing campaigns executed during the winter season.

The first quarter 2019 sales mix contributed to strong growth in the OTC segment. Tukol® and Alliviax® brands again posted a double-digit increase, exceeding expectations. During the quarter, the Company re-established its presence at one of the largest pharmacy chains in Mexico, adding more than 2,000 additional POS and resulting in a positive impact on quarterly sales. TV and marketing investments contributed significantly to the implementation of brand positioning strategies of products previously considered as niche but have since been repositioned as multi-symptom brands, resulting in important market share gains.

U.S.

Operations at Genomma's U.S. subsidiary were adversely impacted by a challenging consumption environment due to a weak cough, cold and flu season compared to the year ago quarter, which affected Genomma's U.S. Cough and Cold brand portfolio, which represents approximately 30% of total U.S. Sales. The 6.9% year on year top-line decline was also due to a challenging comparison base effect, as the 2018 cough, cold and flu season resulted in record high sales for the first quarter 2018. Due to the mild 2019 winter season in the U.S., decreased visits to the pharmacies resulted in store traffic decline, affecting demand for other OTC or Personal Care products.

Asepxia Carbón
POS visibility strategy

EBITDA for the quarter amounted to Ps. 35.7 million, with a 9.8% margin as of March 31, 2019. The 10.5 percentage points EBITDA margin contraction is mainly due to increased investments allocated to advertising, publicity, and visibility at the point of sale for Genomma's winter season product portfolio, from which no positive impact was reflected on top-line results. In addition, logistics expenses increased substantially during the quarter due to higher freight costs in line with the ongoing trucker shortage. To a lesser extent, during the quarter corporate expenses were reallocated throughout Genomma's country operations, impacting margins at some of the Company's international operations.

Tío Nacho end-caps, an example of **POS visibility strategies**

Latin America

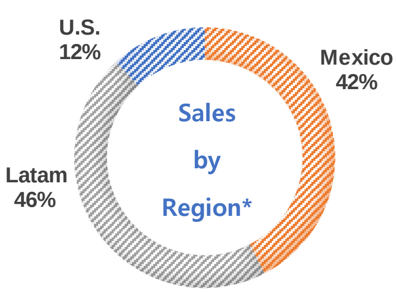
Excluding the exchange rate depreciation effect, Genomma's Latin America operations grew 18.5% in local currency year-on-year, mainly driven by outstanding performance of Central America, Chile, Ecuador and Colombia.

This strong performance was the result of expanded marketing communication and brand positioning strategies implemented during the quarter, related to brands including Tío Nacho® and Teatrical® in Panama, Chile and Colombia. In addition, Genomma signed a new agreement during the quarter with one of the main retailers in Peru, successfully expanding its regional presence in this geography. During the quarter, Genomma launched an extended line of the Asepxia® Carbon product in Argentina, where initial results reflected important market share gains for the category.

First quarter 2019 results for Genomma's Central and South America region were strongly impacted by the Company's Argentina operations (Genomma's second largest market in terms of sales). During the quarter, the hyperinflationary environment in Argentina continued and the exchange rate depreciated by more than 100% versus prior year. Genomma has adopted hyperinflationary accounting standards (IAS-29 and IAS-21), which negatively impacted sales, to close the quarter with a 3.3% year-on-year top-line decline in Latin America after converting to Mexican Pesos.

EBITDA margin in the Latin America region expanded by 230 basis points when compared with the same period of 2018. The margin increase is the result of the aforementioned strong performance of Genomma's Latin America operations, savings and efficiency initiatives implemented during the quarter, as well as the positive impact from the new comparison base of first quarter 2018 results, which was negatively impacted by the application of IFRS IAS-29 & IAS-21 hyperinflation accounting in Argentina. The EBITDA margin expansion was partially offset by exchange rate depreciation of some local currencies.

1Q-2019



*Percentage of Consolidated Net Sales by Region as of Q1-2019.

Sales by Category & Region

(Figures in million Mexican Pesos)

	Over-the-Counter (OTC)			Personal Care (PC)			Total		
	Q1-2018	Q1-2019	%Var	Q1-2018	Q1-2019	%Var	Q1-2018	Q1-2019	%Var
Mexico	684.7	786.8	14.9%	442.6	543.5	22.8%	1,127.3	1,330.3	18.0%
Latam	569.8	556.9	(2.3)%	923.7	887.4	(3.9)%	1,493.5	1,444.3	(3.3)%
U.S.	224.5	203.7	(9.3)%	165.5	159.6	(3.6)%	390.0	363.3	(6.9)%
Total	**1,479.0**	**1,547.4**	**4.6%**	**1,531.8**	**1,590.5**	**3.8%**	**3,010.8**	**3,137.9**	**4.2%**

KEY POINTS

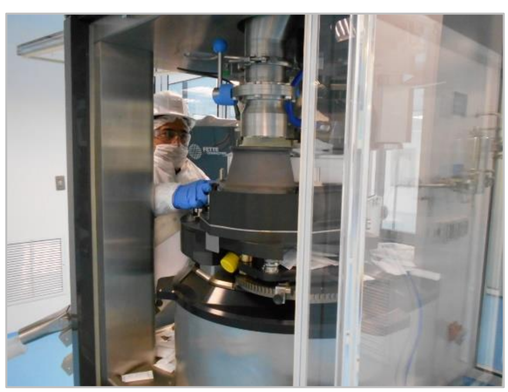
- **67,000 square meters** under construction

- **New Production Lines** for Solid and Semi-Solids products ready to begin operation

- Direct Compression equipment for **Solid Products** with capacity to produce more than **237,000 pills per hour**.

New Manufacturing Facility

OTC Plant Manufacturing Process for Solid Products with Direct Compression



Genomma Lab® Internacional

New Manufacturing Facility

KEY POINTS

- **One Stirred Tank Reactors** with a **5,000 liter** production capacity
- More than **14,000 tons** of super flat concrete will be laid in the **Central Warehouse**
- **40 loading docking doors** at Central Warehouse.

OTC Plant Manufacturing Equipment

Finished Product Warehouse

PC Raw Materials Warehouse Docking Area

Genomma Lab Internacional

CONSOLIDATED RESULTS FOR Q1-2019(3)

Net Sales increased by **Ps. 127.1 million**

First Quarter 2019 Net Sales reached Ps. 3.14 billion; a 4.2% year on year increase. This increase is primarily due to the execution of key go-to market initiatives, improved fill-rates that resulted from the implementation of new Sales & Operation Planning (S&OP) as well as to aggressive advertising and marketing campaigns throughout the regions in which Genomma operates. These positive impacts on sales were partially offset by currency translation effects at the Company's Argentina subsidiary and to market softness in the U.S. as previously mentioned.

First Quarter 2019 EBITDA reached Ps. 624.2 million, compared to Ps. 666.7 million for the same period of 2018. First quarter 2019 EBITDA margin reached 19.9%; a 2.2 percentage point contraction as compared to first quarter of 2018. The EBITDA margin contraction was mainly due a product mix effect which impacted first quarter gross margin, to the impact from accruing costs related to raw materials for Genomma's future in-house production, and to additional TV advertising expenses made over the quarter, as part of the "*Mega Pauta*" testing phase as was previously disclosed within Genomma's fourth quarter 2018 earnings release, as well as to the Ps. 30.1 million in pre-operating expenses associated with the new manufacturing plant**.**

Results by Region

Mexico

First quarter 2019 Net Sales reached Ps. 1.33 billion; an 18.0% year on year increase. The Ps. 203.0 million increase is primarily the result of continued efforts to improve visibility at the point of sale, as well as the initial results from the new S&OP and Genomma's renewed relationship with one of the largest pharmacy chains in Mexico, which added more than 2,000 additional POS during the quarter. To a lesser extent, the sales increase was the result of a lower year-on-year comparison base due to the sales black-out and the new statutory Tax Invoicing Rules (CFDI 3.3) which occurred at the beginning of 2018.

MEXICO
Sales local currency: +18.0%
EBITDA Margin: 14.6%

EBITDA for the quarter reached Ps. 194.2 million; a 14.6% margin reflecting a 4.5 percentage point year on year contraction. First quarter 2019 EBITDA was impacted by Ps. 30.1 million in expenses associated with pre-production and pre-operating processes related to Genomma's new manufacturing facility, as well as increased TV advertising (*Mega Pauta*) and trade investments and, to a lesser extent, accrual of raw materials for future in-house production.

(3) 2018 Restated Results by the application of IAS-29 & IAS-21 under IFRS standards as if adopted on January 1st. 2018.

U.S.
Sales local currency: (9.3)%
EBITDA Margin: 9.8%

U.S.

First quarter 2019 Net Sales for Genomma's U.S. operations decreased 6.9%, to Ps. 363.3 million. The Ps. 26.7 million decrease in sales was primarily due to decline in consumer demand resulting from higher temperatures (weak cough, cold and flu season) which adversely impacted Genomma's sales in the region as compared record-high results for the year-ago quarter resulting from particularly cold winter that drove OTC sales. During the first quarter 2019 store traffic declined due to the mild 2019 winter season in the U.S., as decreased visits to the pharmacies resulted in store traffic decline, affecting demand for other OTC or Personal Care products.

First quarter 2019 EBITDA amounted to Ps. 35.7 million; a 54.8% year on year decrease. First quarter 2019 EBITDA margin reached 9.8%, as compared to a 20.3% EBITDA margin of the first quarter 2018. The EBITDA margin contraction was due to increased investments allocated to TV advertising (Mega Pauta), publicity, and visibility at the point of sale for the winter season portfolio, as well as increased logistics expenses due to higher freight costs.

LATIN AMERICA
Sales local currency: +18.5%
EBITDA Margin: 27.3%

Latin America

When expressed in local currency, sales increased by 18.5% as compared to the same period of last year. When converted to Mexican Pesos, net sales decreased 3.3% year on year, to Ps. 1.44 billion. The Ps. 49.2 million decrease in sales is primarily due to the Forex conversion effect of the Argentinean Peso, which was partially offset by the sales increase in Central America, Chile, Ecuador and Colombia operations.

EBITDA for the first quarter of 2019 amounted to Ps. 394.2 million, as compared to Ps. 372.9 million for the same period in 2018. The Ps. 21.3 million increase was primarily due to the previously mentioned strong performance of Genomma's Latin America operations as well as to continued SG&A efficiencies achieved during the quarter. To a lesser extent, the margin improvement is due to a favorable comparison to first quarter 2018 results which were negatively impacted by the application of IFRS IAS-29 & IAS-21 hyperinflationary accounting in Argentina. The EBITDA margin expansion was partially offset by exchange rate depreciation of some local currencies.

Other Consolidated Income Statement Results

Gross Profit decreased 0.3% to Ps. 2.02 billion in the first quarter of 2019, compared to Ps. 2.03 billion reached during the first quarter of 2018. First quarter 2019 gross margin declined 3.0 percentage points, to close at 64.4%. The gross margin contraction for the quarter was primarily driven by a product mix effect, as certain higher-cost SKU's made a more significant contribution to the Company's top-line results in the quarter, as well as to the impact from accruing raw material inventories and related-costs for future in-house production.

SGM&A margin contracted by **100bps**

Selling, General, Marketing and Administrative Expenses, declined by 100 basis points as a percentage of net sales, to 44.9%, compared to an SGM&A of 45.9% for the same quarter of 2018. This SGM&A margin contraction is primarily due to the operational leverage related to first quarter 2019 top-line growth.

Net Income amounted to Ps. 252.3 million in the first quarter of 2019, compared to Ps. 375.7 million in the first quarter of 2018. The Ps. 123.4 million impact on Net Income was mainly due to the Ps. 70.5 million increase in comprehensive financial cost due to a higher interest expense and the impact from exchange rate and non-cash monetary losses from hyperinflation accounting in Argentina. To a lesser extent, first quarter 2019 Net Income was impacted by the Ps. 53.4 million decline in Operating Income for the quarter.

Non-Operating Results

Comprehensive Financing Result represented a Ps. 237.4 million loss in the first quarter of 2019, compared to a Ps. 166.9 million loss recorded in the first quarter of 2018. This variation was a result of: i) a Ps. 45.5 million loss in Q1 2019 related to the Exchange Rate conversion from the Company's international operations, compared to a Ps. 42.5 million loss in Q1 2018: ii) a Ps. 43.3 million increase in Financial Expenses to Ps. 162.2 million during Q1 2019, compared to Ps. 118.9 million during Q1 2018; to iii) lower interest income amounting to Ps. 8.1 million during Q1 2019, compared to Ps. 8.2 million in Q1 2018; and to iv) a non-cash Ps. 37.8 million monetary loss resulting from applying hyperinflation accounting (IFRS IAS-29) in Argentina, compared to the non-cash Ps. 13.6 million monetary loss during Q1 2018.

Income Tax Expense for the first quarter 2019 reached Ps. 117.6 million; a Ps. 1.1 million decrease as compared to the income tax expense of Ps. 118.7 recorded during the first quarter of 2018.

Financial Position

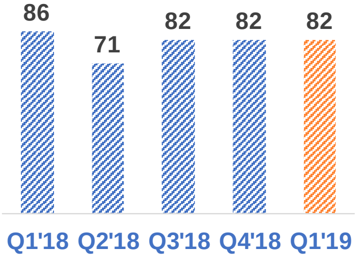
Working Capital was optimized during the quarter and the cash conversion cycle was reduced from 86 days at the end of the first quarter of 2018 to 82 days at the end of March 2019:

- **Accounts Receivable** amounted to Ps. 3.19 billion as of March 31, 2019. The days of consolidated accounts receivable amounted to 96; an increase of six days as compared to the first quarter of 2018.
- **Inventories** closed at Ps. 1.85 billion as of March 31, 2019. Days of Inventory amounted to 160; a 58 day increase compared to March 31, 2018. This temporary increase was planned and required to improve fill rates as part of the first phase of the Company's new Sales and Operations Planning (S&OP) to align and synchronize all functions across the Organization.

Days of Accounts Receivable (DSO)

	Q1'18	Q4'18	Q1'19
Mexico	107	105	106
LatAm	81	85	90
U.S.	74	51	82
Consolidated	**90**	**89**	**96**

Cash Conversion Cycle (Days)*



*2018 Restated Results as if IAS-29 & IAS21 IFRS Accounting Standards were adopted on January 1st. 2018.

- **Trade Payables** amounted to Ps. 2.01 billion as of March 31, 2019. As of the first quarter 2019, Days Payable Outstanding (DPO) increased to 174 days, from 106 days as of March 31, 2018. This was also part of the first phase of the Company's new S&OP.

Fixed Assets. The Company invested Ps. 106.4 million in the three months ended March 31, 2019, primarily related to the construction of the Company's new manufacturing facility located in the State of Mexico.

Recoverable Taxes. The position is comprised of claims against the tax authorities relating mostly to VAT (IVA) and income taxes. The position increased by Ps. 84.9 million during the three months ended March 31, 2019, as compared to three months ended December 31, 2019.

Net Financial Debt increased slightly during the quarter due to significant investments made related to the Company's new manufacturing facility and share buybacks:

Cash and Equivalents of **Ps. 1.40 billion** as of March 31, 2019

- **Cash and Equivalents** amounted to Ps. 1.40 billion as of March 31, 2019, representing a 42.1% year on year decrease; primarily due to the use of proceeds for investments made in Genomma's new manufacturing facility as well as proceeds allocated to the share buyback program.

- **Gross Financial Debt** amounted to Ps. 6.01 billion as of March 31, 2019, compared to Ps. 6.19 billion as of March 31, 2018; a Ps. 186.6 million decrease year on year. The Company's long-term debt represented 66.8% of total Gross Financial Debt at the end of the first quarter of 2019.

- **Net Financial Debt** as of March 31, 2019 amounted to Ps. 4.61 billion; a Ps. 832.6 million increase as compared to the Ps. 3.77 billion as of March 31, 2018.

A total balance of **33,794,645 shares** in the **Buyback Program** as of March 31, 2019

Share Buyback Program. During the three months ended on March 31, 2019, the Company repurchased 3,557,000 shares, representing a total investment of Ps. 47.1 million.

Cash Flow from Operations. Genomma generated Ps. 290.1 million during the first quarter of 2019, Most of which were invested in the Company's new manufacturing facility.

Key Financial Data

Financial Metrics	Q1-2019
EBITDA / Interest Paid	3.91x
Net Debt / EBITDA	1.97x

As of March 31, 2019, the Company had a total of 1,048,000,000 shares outstanding.

CONFERENCE CALL
Q1-2019

Tuesday, April 30, 2019
at **12:00 p.m. ET /**
11:00 a.m. CST

Led by:
Jorge Brake
Chief Executive Officer

Antonio Zamora
Chief Financial Officer

Enrique González
Investor Relations

Webcast:
[Genomma Lab Q1 '19 Results Call]

To participate, please dial-in ten minutes ahead of the scheduled time.

United States:
+1 877-407-8031

International:
+1 201-689-8031

Sell-side Analyst Coverage

As of the end of March 31, 2019 LAB B is covered by 14 sell-side analysts at the following brokerages: Casa de Bolsa Credit Suisse; Banco Itaú BBA; Santander Investment Securities; BBVA Bancomer.; UBS Casa de Bolsa; JP Morgan Securities; Vector Casa de Bolsa; Barclays Bank; BTG Pactual US Capital; GBM Grupo Bursátil Mexicano.; Grupo Financiero Banorte; HSBC Securities (USA); Bradesco BBI and Actinver Casa de Bolsa, S.A. de C.V.

About Genomma Lab

Genomma Lab Internacional, S.A.B. de C.V. is one of the leading pharmaceutical and personal care products companies in Mexico with an increasing international presence. Genomma Lab develops, sells and markets a broad range of premium branded products, many of which are leaders in the categories in which they compete in terms of sales and market share. Genomma Lab relies on the combination of a successful new product development process, a consumer-oriented marketing, a broad retail distribution network and a low-cost, highly flexible operating model.

Genomma Lab's shares are listed on the Mexican Stock Exchange under the ticker ***"LABB" (Bloomberg: LABB:MM).***

LAB   IPC Sustentable   ESR Empresa Socialmente Responsable   The Global Compact

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GENOMMA LAB INTERNACIONAL, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months ended March 31,

Thousands of Mexican pesos	FIRST QUARTER				
	2019	**% Sales**	**2018**	**% Sales**	*Var %*
Net Sales	3,137,851	100.0%	3,010,791	100.0%	4.2%
Cost of goods sold	1,115,745	35.6%	981,932	32.6%	13.6%
Gross Profit	**2,022,106**	**64.4%**	**2,028,859**	**67.4%**	(0.3)%
Selling, general and administrative expenses	1,409,129	44.9%	1,383,187	45.9%	1.9%
Other (income) expense	(11,196)	(0.4)%	(21,063)	(0.7)%	(46.8)%
EBITDA	**624,173**	**19.9%**	**666,735**	**22.1%**	(6.4)%
Depreciation and amortization	27,059	0.9%	16,192	0.5%	67.1%
Income from operations	**597,114**	**19.0%**	**650,543**	**21.6%**	(8.2)%
Interest expense	(162,217)	(5.2)%	(118,879)	(3.9)%	36.5%
Interest income	8,145	0.3%	8,163	0.3%	(0.2)%
Foreign exchange result	(45,516)	(1.5)%	(42,530)	(1.4)%	7.0%
Inflationary result from monetary position	(37,827)	(1.2)%	(13,634)	(0.5)%	
Comprehensive financing income (cost)	**(237,415)**	**(7.6)%**	**(166,880)**	**(5.5)%**	42.3%
Associated company	10,162	0.3%	10,776	0.4%	(5.7)%
Income before income taxes	**369,861**	**11.8%**	**494,439**	**16.4%**	(25.2)%
Income tax expense	117,600	3.7%	118,745	3.9%	(1.0)%
Consolidated net income	**252,261**	**8.0%**	**375,694**	**12.5%**	(32.9)%

GENOMMA LAB INTERNACIONAL, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Thousands of Mexican pesos	As of March 31, 2019	As of March 31, 2018	As of December 31, 2018
ASSETS			
CURRENT ASSETS			
Cash and equivalents and restricted fund	1,401,542	2,420,771	1,414,641
Clients - Net	3,186,979	2,987,331	2,923,135
Recoverable Taxes	1,671,964	1,467,677	1,587,097
Other accounts receivable*	958,246	926,358	808,944
Inventory - Net	1,852,501	1,120,042	1,697,032
Prepaid expenses	416,092	666,315	566,715
Total current assets	**9,487,324**	**9,588,494**	**8,997,564**
Non-current assets			
Trademarks	4,821,824	4,955,655	4,858,774
Investment in shares	1,565,996	1,483,581	1,555,834
Building, properties and equipment – Net	2,102,959	658,255	1,870,234
Deferred income tax, assets and others	840,662	857,600	794,851
Assets by right of use	66,870	-	-
Total non-current assets	**9,398,311**	**7,955,091**	**9,079,693**
TOTAL ASSETS	**18,885,635**	**17,543,585**	**18,077,257**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Current portion of long-term debt	1,992,042	2,098,482	676,022
Suppliers	2,007,226	1,168,662	1,774,441
Other current liabilities	1,955,415	1,860,904	1,866,678
Income tax payable	302,543	377,045	168,177
Liabilities from short-term leases	25,978	-	-
Total current liabilities	**6,283,204**	**5,505,093**	**4,485,318**
Non-current liabilities			
Long-term debt securities	2,432,089	3,923,930	3,928,961
Long-term loans with financial institutions	1,582,717	171,049	1,268,389
Deferred income tax and other long term liabilities	144,101	144,336	166,770
Payable dividends to shareholders	800,000	800,000	800,000
Liabilities from long-term leases	40,307	-	-
Total liabilities	**11,282,418**	**10,544,408**	**10,649,438**
Stockholders' equity			
Contributed Capital	1,914,306	1,914,306	1,914,306
Retained earnings	7,045,739	6,022,205	6,806,180
Cumulative translation effects of foreign subsidiaries	8,154	249,007	27,606
Repurchased shares - Net	(1,367,320)	(1,186,341)	(1,320,273)
Fair value through profit OCI	2,338	-	-
Total stockholders' equity	**7,603,217**	**6,999,177**	**7,427,819**
TOTAL EQUITY AND LIABILITIES	**18,885,635**	**17,543,585**	**18,077,257**

GENOMMA LAB INTERNACIONAL, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended March 31,

Thousands of Mexican pesos	2019
Cash and cash equivalents beginning of period	**1,414,641**
Consolidated Net Income	**252,261**
Charges to results with no cash flow:	
Depreciation and amortization	27,377
Income tax	117,600
Accrued interest and others	168,498
	565,105
Changes in Working Capital:	
Clients - Net	(263,845)
Recoverable VAT	(84,867)
Inventories	(156,441)
Suppliers	232,785
Other current assets	75,358
Paid income tax	(140,858)
Other current liabilities	62,843
	(275,025)
Net cash generated (used) in operating activities	**290,080**
Investing activities:	
Investment in fixed assets	(251,871)
Sales of equipment	1,208
Interest collected	8,145
Other asset acquisitions	11,168
Net cash generated (used) in investing activities	**(231,350)**
Financing activities:	
Payments of borrowings with financial institutions	(969,005)
Loans with financial and securities institutions	1,100,000
Interest paid	(141,207)
Stock repurchase	(47,047)
Net cash used in financing activities	**(57,259)**
Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash	**1,471**
Foreign exchange and inflationary effects from international operations	(14,570)
Accumulated cash flow at the end of the period	**1,401,542**
Less - restricted fund	23,217
Cash and cash equivalents at end of period balance for operation	**1,378,325**