Genomma Lab Internacional Reports Third Quarter 2018 Results

KEY DATA

Net Sales reached **Ps. 9.15 billion**, for the first nine months ended September 30, 2018

Net Revenues grew +4.9% as expressed in local currency for **Q3 2018**

EBITDA margin for the first nine months of 2018 closed at **21.2%**

SGM&A[1] for the first nine months ended September 30, 2018 closed at **46.0%**, a **130 bps** year-on-year improvement

Free Cash Flow of **Ps. 97.9 million** by September 30, 2018

Capex Investments for the first nine months of 2018 reached **Ps. 839.4 million** allocated to:
- New Plant
- Brand acquisitions

Ps. 121.1 million invested in **Share Buy-backs** year-to-date.

(1) Selling, General, Marketing and Administrative Expenses.

Mexico City, October 24, 2018 – **Genomma Lab Internacional, S.A.B. de C.V.** (BMV: LAB B) ("Genomma Lab" or "the Company"), today announced its results for the third quarter ended September 30, 2018. 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 Mexican pesos. The margin for each figure represents its ratio to net sales and the percentage change in the third quarter 2018 as compared with the same period in 2017:

	Q3-2018	% Sales	Q3-2017	% Sales	Var. %
Net Sales	**3,020.6**	***100.0%***	**3,079.5**	***100.0%***	**(1.9)%**
Gross Profit	2,020.9	*66.9%*	2,088.3	*67.8%*	(3.2)%
Operating Income	603.9	*20.0%*	687.5	*22.3%*	(12.2)%
EBITDA(2)	**621.0**	***20.6%***	**703.3**	***22.8%***	**(11.7)%**
Net Income(3)	213.1	*7.1%*	230.5	*7.5%*	(7.6)%

(2) EBITDA is defined as operating income before depreciation and amortization.
(3) Net Income of Majority Shareholders for Q3-2017.

Comments from the CEO

Mr. Jorge Brake, Chief Executive Officer, commented: *"I am very pleased to take the helm at Genomma Lab, a company with leading OTC and Personal Care brands present in millions of homes throughout Mexico, Latin America and increasingly in the U.S. Over the last 45 days I have visited most of our markets and met with experienced, agile and engaged leaders who are well-positioned to work together to launch our Company into its next phase of growth. Important steps have been taken over the last few years to initiate the Company's transformational process. Based on what I have seen so far, it is clear to me that today we have a strong platform in place to fully capitalize on our Company's potential: a very strong team, a highly effective GTM model, a product innovation pipeline which will expand our presence in key consumer segments, a right-sized and efficient operating structure, an improved financial model and structure, and a strong plan to fully optimize our supply chain to now drive profitable near-term growth."*

Mr. Brake continued: *"During my first 100 days leading Genomma, I have committed to developing a five-year strategic plan focusing primarily on accelerating our top-line growth. So far, I have seen clear opportunities to leverage and expand our presence in the current categories we manage in those countries in which we operate, while adding new adjacent categories with considerable growth potential. Importantly, innovation will be a key component of this strategy. We will also review our pricing strategy and assess opportunities to expand our footprint within our markets via the right portfolio of products. I am encouraged by the success achieved with the turnaround process to date, which focused primarily on cost efficiency. We now will fine-tune Genomma's business model to establish a solid performance for the years to come. Genomma Lab is well positioned for the future, driven by our*

KEY DATA Q3

% Sales by Segment:

OTC 50.4%

PC 49.6%

Company's ability to capitalize on our many strengths and competitive advantages. I am looking forward to optimizing shareholder value building from our solid foundation, through the achievement of our long term top-line growth plan."

Business Review

During the third quarter 2018, the Company's topline grew by +4.9% as expressed in local currency, yet faced major foreign exchange and macroeconomic headwinds that impacted growth as expressed in Mexican pesos. The 1.9% year on year contraction in net sales that affected third quarter results was mainly due to hyperinflation and exchange rate depreciation in Argentina. To a lesser extent, Genomma's Brazil operations were also affected by FX and political volatility, impacting consumer demand across different segments. These negative effects were partially offset by innovation and execution initiatives at the point of sale in the U.S., Colombia and Central America.

The 2.2 percentage point decrease in EBITDA margin for the quarter is primarily attributed to the above-mentioned impacts on Genomma's Argentina operations, and to a lesser extent by a short-term product mix effect, as well as pre-production and pre-operating expenses associated with the new manufacturing plant.

As part of Genomma's transformation process, the Board of Directors appointed Jorge Luis Brake as Genomma Lab Internacional's new Chief Executive Officer, effective September 10, 2018. Mr. Brake will focus on top-line growth, and will continue executing those strategic initiatives previously outlined by Max Juda, including Genomma Lab's Mexico manufacturing plant.

Mexico

During the quarter, the top-line for Genomma's Mexican operations increased by 2.0%, year on year. Net Sales were primarily driven by the execution of innovation initiatives at the point of sale, with a positive sell-out trend in brands such as: *Suerox®* hydration beverage, *Asepxia® Carbón* facial cleanser and *Cicatricure®* cream, which helped offset high year on year comparables due to aggressive promotional activities during the third quarter 2017 winter season.

EBITDA margin for Genomma's Mexico operations contracted by 1.3 percentage points, year on year, due to pre-operating and pre-production expenses associated with the Company's new manufacturing plant. EBITDA margin improved by 220 basis points on a sequential basis, as the Company recovers from the short-term effect of high margin SKU supply shortages on the sales mix.

In the third quarter 2018, the Company reached more than 30,000 additional points of sale within the Mom & Pop channel, engaging 6 new direct *Distribution Business Partners*, and attained direct distribution to more than 98,000 POS in this channel.

During the quarter, the Company invested Ps. 344.4 million in the new manufacturing project and incurred pre-operating and pre-production expenses in the amount of Ps. 24.5 million.

The Company is in the process of obtaining the required permits to begin manufacturing its Over-the-Counter (OTC) product line in the first quarter of 2019, and for its Personal Care plant during the second quarter of 2019. To accelerate the learning curve ahead of full production, the Company initiated trial production runs of a limited number of SKU's at its Mexico City pilot plant.

3Q-2018 innovation
for US Market

U.S.

During the third quarter of 2018, Genomma's U.S. operations continued its successful transformation process to drive top line growth. Net sales increased by a solid 10.5% in local currency, and by 17.7% in Mexican pesos. During the quarter, sales growth accelerated in brands including Genomma's *Cicatricure®* and *Teatrical®* facial creams in the Personal Care segment, and *Lagicam®* antifungal cream, *Dragón®* pain relief cream and *Nikzon®* hemorrhoidal cream in the OTC segment, supported by enhanced TV & Digital advertising as well as by ongoing efforts to increase distribution and visibility at the point of sale.

The Company's continued focus on cost and expense reduction throughout the organization resulted in an 830 basis point EBITDA margin expansion, closing with 16.8% margin.

3Q-2018 brand introduction
#1 skincare brand in Argentina

Latin America

Genomma's Central and South America operations achieved a 10.0% increase in sales when expressed in local currency, primarily driven by pricing strategies as well as by outstanding performance by Genomma's *Teatrical®* facial cream in Argentina and *Cicatricure®* facial cream and *Asepxia® Carbón* cleanser throughout Latin America. When expressed in Mexican Pesos, top-line for the Latin America region contracted by 8.6% year on year, primarily due to hyperinflation and foreign exchange headwinds in Argentina and Brazil, reflected in a Ps. 228.4 million revenue decrease in both countries despite growing 12.0% and 11.9%, respectively, when expressed in local currency.

The Company launched a very successful *Cicatricure®* TV and advertising campaign across the region, which allowed the brand to achieve a double-digit growth year on year in sell-out.

Successful brand execution across **all regions**

Genomma's Colombia, Chile, Peru and Central America operations achieved double-digit year on year increases, enabling the Company to partially offset the negative top-line impact due to foreign exchange impacts in Argentina.

Genomma's continuous efforts to increase penetration through new customers, allowed us to sign a new agreement with *Coopidrogas*, one of the largest pharma distributors in Colombia, to reach more than 8,000 independent pharmacies, which contributed to the double-digit growth in that country.

From a margin and profitability perspective, the Company's pricing strategies, innovation initiatives and cost and expense controls played an important role across the region, mitigating the 4.3 percentage point EBITDA margin contraction.

KEY POINTS

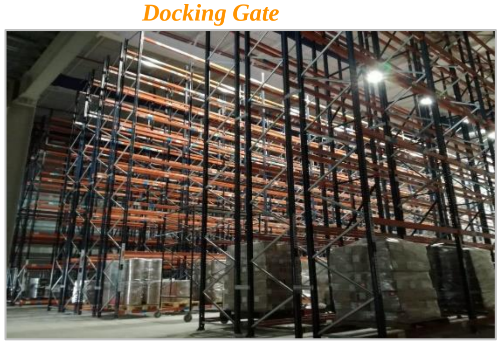
- Significant construction progress at Genomma's **new manufacturing facility**
- Genomma **installed two production lines** at its Mexico facility during the third quarter 2018
- The **warehouse for finished goods** at the manufacturing site has a capacity to hold up to **50,000 storage locations.**

New Manufacturing Facility

Inside the OTC Plant, October 2018

OTC Raw Materials Warehouse Docking Gate

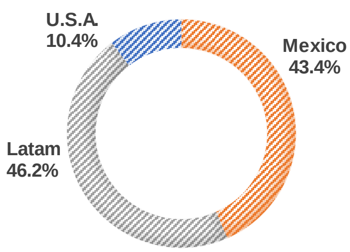
Progress on the Finished Product Warehouse (over 31,000 SQM)



Equipment installed at OTC Plant

Sales by Region*

3Q-2018



3Q-2018 Net Sales of
Ps. 3.02 billion

Sales by Category & Region

(Figures in million Mexican Pesos)

	Over-the-Counter (OTC)			Personal Care (PC)			Total		
	Q3-2017	Q3-2018	%Var	Q3-2017	Q3-2018	%Var	Q3-2017	Q3-2018	%Var
Mexico	686.6	808.6	17.8%	597.8	501.7	(16.1)%	1,284.4	1,310.3	2.0%
Latam	531.8	532.0	0.0%	997.3	865.3	(13.2)%	1,529.1	1,397.3	(8.6)%
U.S.	107.4	182.5	70.0%	158.6	130.5	(17.7)%	266.0	313.0	17.7%
Total	**1,325.8**	**1,523.1**	**14.9%**	**1,753.7**	**1,497.5**	**(14.6)%**	**3,079.5**	**3,020.6**	**(1.9)%**

Consolidated Results for 3Q-2018

Third Quarter 2018 Net Sales reached Ps. 3.02 billion; a 1.9% year on year decrease. This decrease is primarily due to the negative foreign exchange impact from Argentina, which was partially offset by innovation and execution initiatives at the point of sale throughout the different regions in which Genomma has a presence.

Third Quarter 2018 EBITDA closed at Ps. 621.0 million, as compared to 703.3 million for the same period of 2017. Third quarter 2018 EBITDA margin reached 20.6%; a 220 year on year bps contraction. The EBITDA margin decrease was due to the previously mentioned impacts from Argentina macro headwinds, as well as by short-term product mix effect and Ps. 24.5 million in pre-operating expenses associated with the new manufacturing plant.

Results by Region

Mexico

MEXICO
Sales: Ps. 1.31 billion
EBITDA Margin: 16.0%

Net Sales for the third quarter 2018 reached Ps. 1.31 billion; a 2.0% year on year increase. The Ps. 25.9 million increase is primarily due by "*perfect store*" visibility-focused initiatives at the point of sale and by an enhanced emphasis on innovation. The increase in sales was partially offset by the aforementioned effect as discussed in the business review section.

EBITDA for the quarter reached Ps. 209.1 million; a 16.0% margin reflecting a 1.3 percentage point year on year contraction and a 2.2 percentage point sequential increase. Third quarter 2018 EBITDA was impacted by Ps. 24.5 million in expenses associated with pre-production and pre-operating processes related to Genomma's new manufacturing facility.

U.S.

U.S.
Sales: Ps. 313.0 million
EBITDA Margin: 16.8%

Third quarter 2018 Net Sales for Genomma's U.S. operations increased by 17.7%, to Ps. 313.0 million; a Ps. 47.0 million year on year increase. Expressed in U.S. dollars, top-line growth increased by 10.5%, year on year.

*Percentage of Consolidated Net Sales by Region as of Q3-2018.

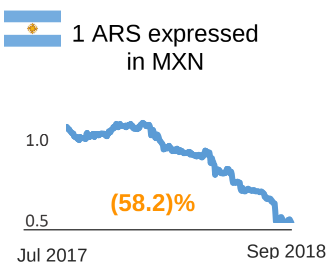
Third quarter 2018 EBITDA amounted to Ps. 52.7 million; a Ps. 30.1 million year on year increase. Third quarter 2018 EBITDA margin closed at 16.8%. The 8.3 percentage point variation in margin as compared to the 8.5% EBITDA margin of the third quarter 2017 is a reflection of the Company's ongoing focus on cost and expense containment throughout Genomma's U.S. operations over the last twelve months.

LATIN AMERICA
Sales: Ps. 1.40 billion
EBITDA Margin: 25.7%

Latin America

Third quarter 2018 Net Sales decreased by 8.6% year on year, to Ps. 1.40 billion. When expressed in local currency, year on year sales increased by 10.0%; this increase in local currency sales was driven by pricing strategies, product innovation and by initiatives at the point of sale implemented throughout the region. The increase in sales was offset by currency depreciation and consumer capacity contraction in Argentina.

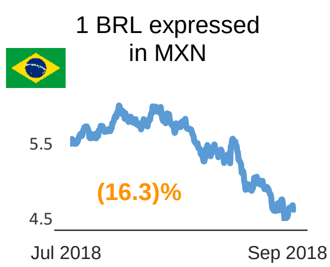
FX headwinds



EBITDA for the third quarter of 2018 reached Ps. 359.2 million, as compared to Ps. 458.3 million for the same period in 2017. The EBITDA margin for the quarter closed at 25.7%; a 4.3 percentage point decrease as compared to the 30.0% EBITDA margin in the third quarter of 2017. The EBITDA margin contraction is mainly attributable to macro headwinds and political uncertainty in Argentina and Brazil which impacted consumer demand in these two countries.

Other Income Statement Results

Gross Profit declined by 3.2% to Ps. 2.02 billion in the third quarter of 2018, compared to Ps. 2.09 billion during the third quarter of 2017. Third quarter 2018 Gross Margin decreased by 90 bps, to close at 66.9%. Gross margin contraction for the quarter was primarily driven by a short-term product mix effect, as certain higher-cost SKU's made a more significant contribution to the Company's top-line results in the quarter, and, to a lesser extent, to increased input costs associated with foreign exchange impact when consolidating the various currencies which depreciated during the quarter.



Selling, General, Marketing and Administrative Expenses, increased by 1.3 percentage points as a percentage of net sales, to 46.8%, compared to an SGM&A of 45.5% for the same quarter of 2017. The increased margin reported in the quarter is due to the pre-operating expenses associated with the investments made related to Genomma's new manufacturing facility.

Comprehensive Financing Result represented a Ps. 286.0 million cost in the third quarter of 2018, compared to a Ps. 174.3 million cost in the third quarter of 2017. The Ps. 111.7 million negative variation was a result of: i) a Ps. 142.0 million Foreign Exchange loss during Q3 2018, compared to a Ps. 46.3 million loss during Q3 2017; ii) a Ps. 11.5 million increase in Financial Expenses to Ps. 149.9 million during Q3 2018, compared to Ps. 138.4 million during Q3 2017; and to iii) lower interest income amounting to Ps. 5.9 million during Q3 2018, compared to Ps. 10.4 million in Q3 2017.

Income Tax Expense for the third quarter 2018 reached Ps. 122.9 million as compared to the Ps. 257.7 million of Income Tax Expense during the third quarter of 2017. The Ps. 134.8 million variation is due to a lower amount of dividends repatriated from international operations.

Net Income amounted to Ps. 213.1 million in the third quarter of 2018, compared to a Ps. 230.5 million net income of majority shareholders in the third quarter of 2017. The Ps. 17.4 million decrease in Net Income is due to the lower income before income taxes resulting from the decline in Operating Income. These negative impacts in Net Income were offset by eliminating minority stockholders in any of the Company's subsidiaries, which last year earned Ps. 27.8 million during the third quarter of 2017.

Days of Accounts Receivable (DSO)

	Q3'17	Q2'18	Q3'18
Mexico	83	**91**	**99**
LatAm	94	**77**	**75**
U.S.	57	**60**	**56**
Consolidated	**85**	**81**	**83**

Financial Position

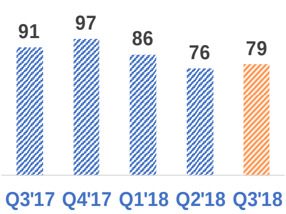
Working Capital was optimized during the quarter and cash conversion cycle was reduced from 91 days at the end September 2017 to 79 days at the end of September 2018:

- Accounts Receivable amounted to Ps. 2.76 billion as of September 30, 2018. The days of consolidated accounts receivable amounted to 83; a two-day improvement as compared to September 30, 2017.
- Inventories closed at Ps. 1.49 billion as of September 30, 2018. Days of Inventories amounted to 130; an 8-day increase compared to September 30, 2017.
- Trade Payables amounted to Ps. 1.53 billion as of September 30, 2018. As of the third quarter 2018, Days Payable Outstanding (DPO) increased to 134 days, from 116 days as of September 30, 2017.

Fixed Assets. The Company invested Ps. 344.4 million in the three months ended September 30, 2018, 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. 186.1 million year-to-date. As compared with the second quarter of 2018, recoverable taxes for the quarter declined by Ps. 78.6 million.

Cash Conversion Cycle (Days)



Net Financial Debt increased slightly during the quarter due to the significant investments made into the new plant and the resumption of the Company's share buyback program:

- Cash and Equivalents amounted to Ps. 1.13 billion as of September 30, 2018, representing a 10.1% year on year increase; primarily due to an improved collection process.
- Gross Financial Debt amounted to Ps. 5.30 billion as of September 30, 2018, compared to Ps. 4.91 billion as of September 2017; a Ps. 389.2 million

increase derived from the proceeds partially obtained from a long-term loan with the IDB Invest and IFC associated with the investments in the new manufacturing facility.

- Net Financial Debt amounted to Ps. 4.17 billion; a Ps. 286.0 million increase as compared to September 30, 2017. The Company's long-term debt represented 98. 4% of gross financial debt at the end of the third quarter 2018.

7,916,900 shares re-purchased in the first nine months of 2018, for a total investment of **Ps. 121.1 million**

Share Buyback Program. During the three months ended on September 30, 2018, the Company operated its share buyback program, repurchasing 7,226,900 shares representing a total investment of Ps. 109.6 million.

Free Cash Flow from Operations. Genomma generated Ps. 97.9 million during the first nine months of 2018. Excluding investments made in the Company's new manufacturing facility and brands acquisition, free cash flow would have reached Ps. 937.3 million for the third quarter of 2018.

Key Financial Metrics

	Q3-2018
EBITDA / Interest Paid	4.74x
Net Debt / EBITDA	1.63x
Shares Outstanding (as of September 30, 2018)	1,048,000,000

CONFERENCE CALL
Q3-2018

Thursday, October 25 2018 at 12:00 p.m. ET / 11:00 a.m. CST

Led by:
Jorge Luis Brake
CEO

Antonio Zamora
CFO

Enrique González
IRO

Webcast:
Genomma Lab Q3 '18 Results Call

To participate, please dial-in:

United States:
+1 877-407-8031

International:
+1 201-689-8031

Q3-2018 Other Relevant Corporate Events

- Genomma Lab Announces Management Changes – Mr. Jorge Luis Brake Valderrama has been appointed as Chief Executive Officer, in line with the Company's ongoing long-term strategic and succession planning, effective September 10, 2018. In addition, Mr. Marco Sparvieri has been named Executive Vice President of Operations

Sell-side Analyst Coverage

As of the end of September, 2018 LAB B is covered by 13 sell-side analysts at the following brokerages: Casa de Bolsa Credit Suisse; Banco Itaú BBA; Santander Investment Securities; BBVA Bancomer.; UBS Casa de Bolsa; Vector Casa de Bolsa; Barclays Bank; BTG Pactual US Capital; GBM Grupo Bursátil Mexicano.; Grupo Financiero Banorte; HSBC Securities (USA); Bradesco BBI and JP Morgan Securities.

About Genomma

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 *"LAB B" (Bloomberg: LABB:MM).*

Note on Forward-Looking Statements

This report may contain certain forward-looking statements and information relating to the Company that reflect the current views and/or expectations of the Company and its management with respect to its performance, business and future events. Forward looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like "believe," "anticipate," "expect," "envisages," "will likely result," or any other words or phrases of similar meaning. Such statements are subject to a number of risks, uncertainties and assumptions. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this presentation and in oral statements made by authorized officers of the Company. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and nine months ended September 30, 2018 and 2017

Thousands of Mexican pesos	THIRD QUARTER				ACCUMULATED			
	2018	%Sales	2017	%Sales	2018	%Sales	2017	%Sales
Net Sales	3,020,553	100.0%	3,079,518	100.0%	9,145,314	100.0%	9,193,233	100.0%
Cost of goods sold	999,635	33.1%	991,197	32.2%	3,041,499	33.3%	2,869,952	31.2%
Gross Profit	**2,020,918**	**66.9%**	**2,088,321**	**67.8%**	**6,103,815**	**66.7%**	**6,323,281**	**68.8%**
Selling, general and administrative expenses	1,413,183	46.8%	1,399,845	45.5%	4,205,714	46.0%	4,346,792	47.3%
Other expenses	7,044	0.2%	7,035	0.2%	21,887	0.2%	46,109	0.5%
Other income	20,300	0.7%	21,858	0.7%	65,957	0.7%	56,721	0.6%
EBITDA	**620,991**	**20.6%**	**703,299**	**22.8%**	**1,942,171**	**21.2%**	**1,987,101**	**21.6%**
Depreciation and amortization	17,095	0.6%	15,772	0.5%	50,790	0.6%	51,612	0.6%
Income from operations	**603,896**	**20.0%**	**687,527**	**22.3%**	**1,891,381**	**20.7%**	**1,935,489**	**21.1%**
Interest expense	(149,934)	(5.0)%	(138,400)	(4.5)%	(394,509)	(4.3)%	(339,458)	(3.7)%
Interest income	5,916	0.2%	10,387	0.3%	25,980	0.3%	28,371	0.3%
Exchange (expense) income	(141,995)	(4.7)%	(46,326)	(1.5)%	(239,670)	(2.6)%	(90,774)	(1.0)%
Comprehensive financing income (cost)	**(286,013)**	**(9.5)%**	**(174,339)**	**(5.7)%**	**(608,199)**	**(6.7)%**	**(401,861)**	**(4.4)%**
Associated company	18,079	0.6%	2,925	0.1%	34,174	0.4%	17,018	0.2%
Income before income taxes	**335,962**	**11.1%**	**516,113**	**16.8%**	**1,317,356**	**14.4%**	**1,550,646**	**16.9%**
Income tax expense	122,909	4.1%	257,753	8.4%	426,612	4.7%	530,321	5.8%
Consolidated net income	**213,053**	**7.1%**	**258,360**	**8.4%**	**890,744**	**9.7%**	**1,020,325**	**11.1%**
Net income of minority stockholders	-	0.0%	27,843	0.9%	-	0.0%	79,754	0.9%
Net income of majority stockholders	**213,053**	**7.1%**	**230,517**	**7.5%**	**890,744**	**9.7%**	**940,571**	**10.2%**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Thousands of Mexican pesos	As of September 30, 2018	As of September 30, 2017	As of December 31, 2017
ASSETS			
CURRENT ASSETS			
Cash and equivalents and restricted fund	1,128,873	1,025,684	1,092,741
Clients - Net	2,764,848	2,824,796	2,745,173
Recoverable Taxes	1,502,058	1,315,999	1,385,360
Other accounts receivable	997,361	1,018,147	875,085
Inventory - Net	1,490,160	1,360,307	1,264,211
Prepaid expenses	843,591	545,173	478,069
Total current assets	**8,726,891**	**8,090,106**	**7,840,639**
Non-current assets			
Trademarks	5,189,663	5,065,826	5,149,632
Investment in shares	1,525,846	1,437,498	1,472,805
Building, properties and equipment – Net	1,149,171	356,498	548,649
Deferred income tax	503,859	666,110	681,992
Deferred assets and others	210,713	251,274	191,989
Total non-current assets	**8,579,252**	**7,777,206**	**8,045,067**
TOTAL ASSETS	**17,306,143**	**15,867,312**	**15,885,706**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Current portion of long-term debt	85,428	3,201,451	3,013,055
Suppliers	1,534,980	1,290,817	1,098,471
Due to related parties	7,803	4,963	1,238
Other current liabilities	1,703,634	1,920,356	1,852,869
Income tax payable	262,729	300,202	336,373
Statutory employee profit sharing	2,360	2,290	3,017
Total current liabilities	**3,596,934**	**6,720,079**	**6,305,023**
Non-current liabilities			
Long-term debt securities	3,926,479	1,499,559	1,500,000
Long-term loans with financial institutions	1,287,395	209,060	190,054
Other long term liabilities	36,645	33,738	36,422
Deferred income tax	51,135	1,613	1,692
Employee retirement obligations	11,331	3,848	3,848
Payable dividends to shareholders	800,000	800,000	800,000
Total liabilities	**9,709,919**	**9,267,897**	**8,837,039**
Stockholders' equity			
Capital stock	1,914,306	1,914,306	1,914,306
Retained earnings	5,993,327	4,714,121	4,714,121
Net income	890,744	940,571	1,279,206
Cumulative translation effects of foreing subsidiaries	105,327	200,958	332,609
Share buy back fund	(871,044)	(1,657,060)	(1,660,094)
Share-based payments	226,869	226,869	226,869
Net premium in placement of repurchased shares	(663,305)	39,749	39,749
Minority interest	-	219,901	201,901
Total stockholders' equity	**7,596,224**	**6,599,415**	**7,048,667**
TOTAL EQUITY AND LIABILITIES	**17,306,143**	**15,867,312**	**15,885,706**

GENOMMA LAB INTERNACIONAL, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended September 30, 2018

Thousands of Mexican pesos	2018
Cash and cash equivalents beginning of period	**1,187,029**
Consolidated Net Income	**213,054**
Charges to results with no cash flow:	
Depreciation and amortization	18,476
Income tax	122,909
Accrued interest and others	125,836
	480,275
Changes in Working Capital:	
Clients - Net	(50,539)
Recoverable taxes	(101,093)
Inventories	(291,718)
Suppliers	276,144
Other current assets	148,577
Paid income tax	(117,509)
Other current liabilities	(38,750)
	(174,888)
Net cash generated (used) in operating activities	**305,387**
Investing activities:	
Investment in fixed assets	(307,591)
Sales of equipment	566
Brand acquisitions and others	(17,867)
Disposals of assets available for sale	84,963
Other assets acquisitions	(93,396)
Net cash generated (used) in investing activities	**(352,192)**
Financing activities:	
Payments of borrowings with financial institutions	(369,005)
Loans with financial and securities institutions	737,357
Interest paid	(124,212)
Stock repurchase	(110,266)
Net cash used in financing activities	**133,874**
Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash	**87,069**
Foreign exchange and inflationary effects from international operations	(145,225)
Accumulated cash flow at the end of the period	**1,128,873**
Less - restricted fund	23,269
Cash and cash equivalents at end of period balance for operation	**1,105,604**