

HIGHLIGHTS

Q2-2019 Sales increased by **Ps. 352.8 million**; a **+12.1%** year-on-year increase

Q2-2019 EBITDA margin reached **20.4%**; a **20 bps** year-on-year expansion

COFEPRIS granted the **Sanitary License** for Genomma's New **OTC Manufacturing Plant**

Capex Investments for the six months ended June 30, 2019 reached **Ps. 187.2 million**.

Genomma Lab Internacional Reports Second Quarter 2019 Results

Mexico City, July 24, 2019 – Genomma Lab Internacional, S.A.B. de C.V. (BMV: LAB B) (“Genomma Lab” or “the Company”), today announced its results for the second quarter ended June 30, 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 Mexican pesos. The margin for each figure represents its ratio to net sales and the percentage change from the second quarter 2019, as compared with the same period in 2018:

	Q2-2019	% Sales	Q2-2018	% Sales	Var. %
Net Sales	3,277.5	100.0%	2,924.7	100.0%	+12.1%
Gross Profit	2,087.9	63.7%	1,908.6	65.3%	+9.4%
Operating Income	633.3	19.3%	574.4	19.6%	+10.2%
EBITDA⁽¹⁾	667.5	20.4%	591.0	20.2%	+13.0%
Net Income	243.2	7.4%	304.3	10.4%	(20.1)%

(1) EBITDA is defined as operating income before depreciation and amortization.

Comments from the CEO

Mr. Jorge Brake, Chief Executive Officer, commented: “Genomma’s continued strong operating performance this quarter was again supported by our successful implementation of the key initiatives associated with Genomma’s new strategic priorities. The Company strong execution at our Mexico operations- and in many of the LatAm markets in which we have a presence- is further affirmation of our Company’s new growth path, supported by the four key strategic pillars of our strategy: Product Innovation and Portfolio Optimization, Best-in-Class Go-to-Market, Superior Supply Chain Capabilities and a Strengthened Corporate Culture. I’m confident that our continued discipline executing on these strategic pillars will continue driving Genomma Lab growth on a consistent basis.”

Mr. Brake continued: “Further, the Sanitary License we were granted in early July for Genomma’s OTC manufacturing plant is a significant milestone for our Company, and one that we are delighted to have reached after a phase of considerable progress. This certification will enable us to continue with the regulatory process and obtain initial GMPs for solid and semi-solids production for the Mexican market.”

KEY DATA**% Sales by Segment:**

-  OTC 45.1%
-  PC 54.9%

**Business Review**

During the second quarter of 2019, Genomma Lab achieved a solid top-line increase of 12.1%. The quarter's strong performance reaffirms the positive trend for the first half of 2019, with an 8.1% year on year⁽²⁾ sales increase during the first six months of 2019.

The Ps. 352.7 million growth in consolidated Net Sales during the second quarter of 2019 demonstrates the initial results of the Company's new growth strategy implemented at the end of 2018, including key initiatives such as a new Sales & Operation Planning (S&OP) system; brand portfolio optimization and channel distribution across all markets; additional go-to-market initiatives to increase point of sale visibility; and a focus on a strengthened corporate culture.

Additionally, the Company's focus on top-line growth and cost containment throughout the different markets in which it operates favorably impacted second quarter 2019 EBITDA, offsetting the negative foreign exchange effect- primarily driven by the Argentine peso depreciation- certain non-recurring expenses, as well as the pre-operating costs associated with the Company's new manufacturing facility. Second quarter 2019 EBITDA margin closed at 20.4%; a 20bps year on year margin expansion.

During the quarter, the implementation of Genomma's Innovation Model and first COI's (Centers of Innovation) continued; with more than 30 initiatives on the development funnel, which will enable the Company to further establish a solid foundation for future growth and innovation.

New Manufacturing Facility

On July 15, 2019, Genomma announced that the Company's Mexico-based OTC manufacturing plant received COFEPRIS Sanitary License, representing an initial milestone enabling the Company to move forward with the filing process for GMP certification for the production of Solid (pills) and Semisolid (ointments) at Genomma's state-of-the-art OTC production lines. The Company will simultaneously apply for GMP certification from the national regulatory body of each respective export market.

During the second quarter of 2019, investments related to the manufacturing project reached Ps. 80.8 million, primarily at Genomma's Personal Care plant and to complete the Superflat concrete flooring of the Finished Products Warehouse; Superflat floors are constructed to far tighter tolerances than conventional floor slabs, using a specialized tolerance system and optimizing the performance of the lift truck operation. Year to date, the Company has invested Ps. 187.2 million in the new manufacturing facility.

(2) 2018 quarterly financials were restated applying IAS-29 and IAS-21 International Standards for Hyperinflationary Accounting in Argentina, in line with the 2018 Audited Financial.



New Suerox Formula
for adults with
Infinitri Technology



Cicatricure® Aqua Defense
launched in the U.S.



Cicatricure® Gold Lift
launch in Argentina



Revie® Premium Shampoo
launched in Brazil

Mexico

During the second quarter of 2019, Genomma's Mexico operations delivered double-digit topline growth of 12.1%, as compared to the same quarter of 2018. The Ps. 155.4 million increase was due to Genomma's continued success optimizing its brand portfolio and increasing its presence and visibility at the point of sale, as well as strengthened distribution within the traditional channel and key drugstore chains.

Additionally, the Company experienced better than expected demand during the summer, driven by seasonal brands and supported by aggressive TV and marketing campaigns. Fill-rate levels in Mexico continued to improve for the second consecutive quarter.

U.S.

Genomma's U.S. operations' top-line in local currency increased by 1.6%, year on year, and was adversely impacted by the appreciation of the MXN Peso versus US Dollar, resulting in a 0.4% sales decrease in Mexican Pesos. Initial progress related to the Company's go-to-market and in-store visibility efforts, as well as the optimization of marketing strategies, supported second quarter 2019 sales.

New Personal Care product line extensions were launched during the second quarter 2019. These included Asepxia® Baking Soda, Teatrical® Tone Correcting and Cicatricure® Aqua Defense & Skin Brightening further building on Genomma's brand portfolio in line with today's current global developments. These initiatives should reflect positive trends in the quarters ahead.

Latin America

Genomma's LatAm operations closed the quarter with a 27.1% top-line increase when conveyed in local currency; representing a 15.2% increase in Mexican Pesos. FX headwinds explain the growth rate difference. Aside from the major devaluation of the Argentinian Peso, other local currencies, including Colombia, Brazil, Uruguay and Paraguay, also experienced depreciations against the Mexican Peso.

Genomma's operations in Brazil, Central America and Chile performed particularly well during the second quarter 2019, partially mitigating foreign exchange-related effects and supporting double-digit sales growth for this region.

Various brand marketing and in-store strategies were again implemented throughout the second quarter 2019. The expansion of Teatrical®, Tio Nacho® and Asepxia® Carbón achieved double-digit growth rates during the quarter, as did the introduction of the new Cicatricure® Gold Lift line. In Brazil, the Company launched Revie®, its new premium line of shampoo, through the Lojas Americanas retail chain. In Chile, the relaunch of the Tio Nacho® and Cicatricure® brand have doubled the Company's share within this market.

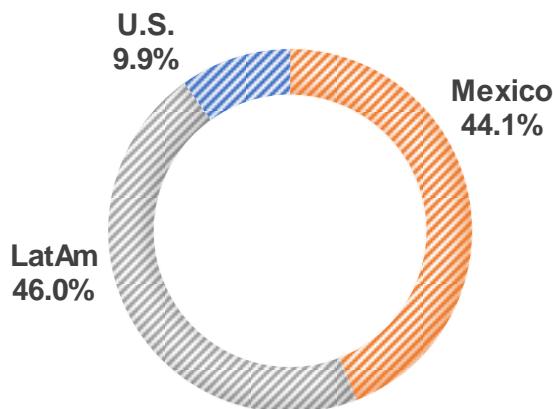
Sales by Category & Region

(Figures in million Mexican Pesos)

	Over-the-Counter (OTC)			Personal Care (PC)			Total		
	Q2-2018	Q2-2019	%Var	Q2-2018	Q2-2019	%Var	Q2-2018	Q2-2019	%Var
Mexico	705.7	755.4	7.0%	583.1	688.8	18.1%	1,288.8	1,444.2	12.1%
Latam	501.1	549.8	9.7%	809.9	959.9	18.5%	1,311.0	1,509.7	15.2%
U.S.	169.6	173.8	2.5%	155.3	149.8	(3.6)%	324.9	323.6	(0.4)%
Total	1,376.3	1,479.0	7.5%	1,548.4	1,798.5	16.2%	2,924.7	3,277.5	12.1%

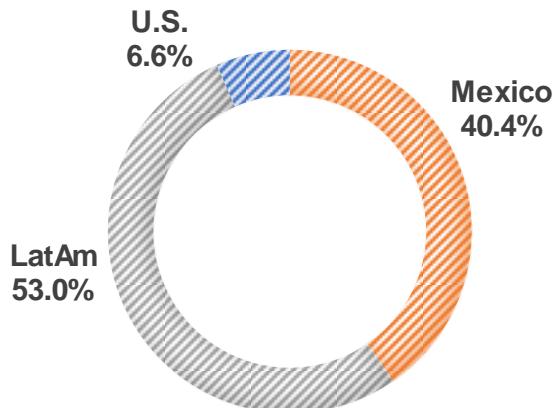
Results by Region

2Q-2019 SALES



*Percentage of Consolidated Net Sales by Region as of Q2-2019.

2Q-2019 EBITDA



*Percentage of Consolidated EBITDA by Region as of Q2-2019.

KEY HIGHLIGHTS

- **Sanitary License** granted for the OTC Manufacturing Plant
- **70,000 sqm** layout for production and warehouse operations
- **2 miles** away from “Puerta Mexico”, the largest **intermodal train** facility in Mexico
- More than **80,000 sqm** of land reserved for **future expansion**
- **Export** Capacity to serve **16 countries** across Latin America.

New Manufacturing Facility



*OTC Front Entrance
and Docking Area*



*OTC Steam Generation & Power Room
Front View*



*Inside Finished Products Warehouse
(PC equipment pending installation)*



*Warehouse Finished Product
Docking Area*



*BIN containers
to move and storage pills*



*Robotic Arm
for mixing raw materials*

2Q-2019 Sales
 with a **12.1%**
 year-on-year
increase

2Q-2019 EBITDA
 increased by
Ps. 76.5 million,
 year-on-year

MEXICO
Sales: +12.1%
EBITDA Margin: 18.7%

Consolidated Results for 2Q-2019

Second Quarter 2019 Net Sales reached Ps. 3.28 billion; a 12.1% increase compared to the same period of 2018. This year-on-year increase is primarily due to improved sell-out at the Company's Mexico operations, supported by the new Sales & Operation Planning (S&OP), to important go-to market and in-store strategies implemented across all regions in which the Company has a presence, as well as to successful advertising and marketing campaigns. To a lesser extent, second quarter 2019 top-line was supported by product innovation initiatives and the increased sales of seasonal products. This enabled the Company to offset the negative impact of regional FX headwinds.

Second Quarter 2019 EBITDA reached Ps. 667.5 million, compared to Ps. 591.0 million for the same period of 2018. Second quarter 2019 EBITDA margin reached 20.4%. This 20bps margin improvement is due to the operational leverage effect on fixed expenses due to top-line growth achieved during the quarter as well as to initial positive signs associated with the execution of the Company's new strategy across the organization. These positive effects were partially offset by FX headwinds on Cost of Goods Sold, from increased sales of lower margin seasonal products, as well as from extraordinary expenses made over the quarter, including Ps. 25.8 million in new plant pre-operating expenses as well as investments allocated to market research, new product launches and new digital and operational platforms to drive future growth.

Results by Region

Mexico

Net Sales for the second quarter 2019 reached Ps. 1.44 billion; a 12.1% year on year increase. This Ps. 155.4 million increase is primarily due to improved go-to market and in-store visibility initiatives, as well as the Company's new S&OP system and additional points of sale due to Genomma's renewed relationship with one of the largest pharmacy chains in Mexico. This increase was also supported by the positive results from Genomma's product portfolio reconfiguration strategy which expands the reach of certain brands to a broader consumer base.

EBITDA for the quarter reached Ps. 269.6 million with an 18.7% margin, reflecting a 480bps expansion. This was primarily due to the operational leverage effect on fixed expenses due to top-line growth achieved during the quarter. Second quarter 2019 EBITDA was partially offset by expenses associated with the new plant pre-operating expenses and investments made in market research, among others.

U.S.

Sales local currency: +1.6%
EBITDA Margin: 13.5%

U.S.

Second quarter 2019 Net Sales for Genomma's U.S. operations decreased by 0.4%, to Ps. 323.6 million. When expressed in U.S. dollars, top-line for the quarter increased 1.6%, year on year. The Company remains focused on strengthening its operations within this geography. During the quarter, Genomma further deepened its U.S. based operations team with key sales and marketing hires who have been given the directive of reigniting growth and expanding Genomma Lab's presence throughout the region.

Second quarter 2019 EBITDA reached Ps. 43.8 million; compared to Ps. 65.7 million during the same period of 2018, with a 13.5% EBITDA margin. The year on year EBITDA margin contraction is primarily due to the significant increase in distribution expenses related to higher freight costs from the ongoing trucker shortage in the U.S. Second quarter EBITDA margin expanded by 370 bps quarter on quarter, representing a continued positive trend.

Latin America**LATIN AMERICA**

Sales local currency: +27.1%
EBITDA Margin: 23.5%

FX headwinds

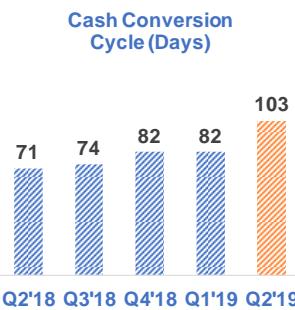
Local Currency
expressed in MXN

	BRL (9.4)%
	CLP (11.5)%
	COP (13.5)%
	UYU (15.3)%
	PYG (11.5)%

Other Income Statement Results

Gross Profit increased by 9.4% to Ps. 2.09 billion in the second quarter of 2019, compared to Ps. 1.91 billion during the second quarter of 2018. Second quarter 2019 Gross Margin declined by 160 bps, to close at 63.7%; primarily due to a short-term product mix effect, as certain higher-cost SKUs made a more significant contribution to the Company's top-line results during the quarter, as well as to FX headwinds' impact on COGS. To a lesser extent, the gross margin decline was due to the temporary effect of accruing raw material inventories as well as related costs for Genomma's future in-house production.

SGM&A decreased by 1.7 percentage points



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

Days of Accounts Receivable (DSO)			
	Q2'18	Q4'18	Q2'19
Mexico	91	105	116
LatAm	79	85	95
U.S.	60	51	77
Consolidated	82	89	102

Selling, General, Marketing and Administrative Expenses, declined by 1.7 percentage points as a percentage of net sales, to 43.5%, compared to SGM&A of 45.2% for the same quarter of 2018. The SGM&A margin contraction is primarily due to the operation leverage related to the top-line growth achieved during the quarter.

Net Income amounted to Ps. 243.2 million in the second quarter of 2019, compared to Ps. 304.3 million in the second quarter of 2018. The Ps. 61.1 million decrease in Net Income is mainly due to the Ps. 56.6 million decline in Income before taxes during the second quarter of 2019 as compared with the same period of last year, and to a Ps. 4.5 million year on year increase in Income Tax Expense.

Non-Operating Results

Comprehensive Financing Result represented a Ps. 237.5 million cost in the second quarter of 2019, compared to a Ps. 107.8 million cost in the second quarter of 2018. The Ps. 129.7 million negative variation was a result of: i) a Ps. 70.0 million net loss in Q2 2019 related to the exchange rate conversion effect from the Company's international operations; ii) a Ps. 37.8 million net increase in the loss on monetary position in inflationary subsidiary during Q2 2019 as compared to Q2 2018; iii) a Ps. 16.9 million net increase in interest expense during the second quarter of 2019, as compared with the same period of 2018; and to iv) Ps. 5.0 million decrease in interest income during Q2 2019, as compared to Q2 2018.

Income Tax Expense for the second quarter 2019 reached Ps. 172.3 million as compared to the Ps. 167.7 million Income Tax Expense recorded during the second quarter of 2018. As of June 30, 2019, the precedent conditions established by the Argentinean Income Tax Law, allowing companies to deduct inflationary losses, have not yet been met ⁽³⁾, resulting in a temporary increase in effective tax rate for the quarter.

Financial Position

Working Capital was adjusted during the quarter and the Company's cash conversion cycle increased from 82 days at the end of the previous quarter to 103 days at the end of June 2019:

- **Accounts Receivable** amounted to Ps. 3.47 billion as of June 30, 2019. The days of consolidated accounts receivable amounted to 102; a thirteen-day increase as compared to the first quarter of 2019.
- **Inventories** closed at Ps. 1.96 billion as of June 30, 2019. Days of Inventories amounted to 163; a 3-day increase compared to March 31, 2019. This temporary increase was planned and required to improve fill rates as part of the initial stages of the Company's new Sales and Operations Planning (S&OP) to align and synchronize all functions across the Organization.

(3) The Argentinean 27.468 Law introduced amendments to the Income Tax Law for the fiscal years beginning on January 1, 2018, establishing that adjustments for tax inflation will be applicable only if the inflation for the first year reaches 55% (not met), or the cumulative inflation exceeds 85% by or earlier than December 31, 2019, or 100% by the end of 2020.

- **Trade Payables** amounted to Ps. 1.95 billion as of June 30, 2019. As of the second quarter 2019, Days Payable Outstanding (DPO) increased to 162 days, from 159 days as of December 31, 2018. This was also part of the initial phase of the Company's new S&OP.

Fixed Assets. The Company invested Ps. 80.8 million in the three months ended June 30, 2019, primarily related to the construction of the Company's new manufacturing facility located in the State of Mexico.

Recoverable Taxes. This position is comprised of claims against the tax authorities relating mostly to VAT (IVA) and income taxes. Recoverable Taxes increased by Ps. 49.5 million year-to-date.

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

- **Cash and Equivalents** amounted to Ps. 1.21 billion as of June 30, 2019, representing a 2.3% year on year increase.
- **Gross Financial Debt** amounted to Ps. 6.04 billion as of June 30, 2019, compared to Ps. 4.92 billion in June 2018; a Ps. 1.12 billion increase year on year. The 22.8% increase in gross financial debt is primarily due to investments made over the last twelve months in the Company's manufacturing project.
- **Net Financial Debt** amounted to Ps. 4.83 billion; a Ps. 1.09 billion increase as compared to June 2018. The Company's long-term debt represented 64.4% of total debt at the end of the second quarter 2019.

Share Buyback Program. During the three months ended on June 30, 2019, the Company repurchased 772,677 shares, representing a total of Ps. 12.1 million.

Free Cash Flow from Operations. Excluding investments made in the Company's new manufacturing facility, adjusted free cash flow for the first six months of 2019, would have reached Ps. 138.2 million. Most of the cash flow generated over the quarter was invested in the Company's new manufacturing facility and in working capital investments to fuel growth.

Key Financial Data

Financial Metrics	Q2-2019
EBITDA / Interest Paid	3.92x
Net Debt / EBITDA	2.00x

Cash and Equivalents
of **Ps. 1.21 billion**
as of June 30, 2019

A total balance of
34,567,322 shares
in the **Buyback Program**
as of June 30, 2019

CONFERENCE CALL Q2-2019

Thursday, July 25, 2019
at 12:00 p.m. EST /
11:00 a.m. CST

Led by:
Jorge Brake
CEO

Antonio Zamora
CFO

Enrique González
IRO

Webcast:
[Genomma Lab Q2 '19 Results Call](#)

To participate, please
dial-in:

United States:
+1 877-407-8031

International:
+1 201-689-8031

Q2-2019 Other Relevant Events

Manufacturing Plant

- [Genomma's OTC Manufacturing Plant Receives COFEPRIS Sanitary License \(July 15, 2019\)](#)

Short-Term Ratings for Corporate Debt

- **Fitch Ratings** assigns **F1+(mex)** and **HR Ratings** assigns **HR1** National Short-Term Ratings for Genomma Lab. These ratings are a reflection of the strongest intrinsic capacity for timely payment for up to 12 months for Genomma's Corporate Local Bond.

Impact from the Adoption of New Accounting Standards

- [New Accounting Standards Impact \(April 29, 2019\)](#)
- [2018 Quarterly Financial Statements Restatement \(May 1, 2019\)](#)

Sell-side Analyst Coverage

As of the end of June, 2019 LAB B is covered by 15 sell-side analysts at the following brokerages: Casa de Bolsa Credit Suisse; Banco Itaú BBA; Santander Investment Securities; JP Morgan 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); Invex Grupo Financiero; Bradesco BBI, and Actinver Casa de Bolsa.

About

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 six months ended June 30, 2019 and 2018

Thousands of Mexican pesos	SECOND QUARTER					ACCUMULATED				
	2019	% Sales	2018	% Sales	Var %	2019	% Sales	2018	% Sales	Var %
Net Sales	3,277,463	100.0%	2,924,736	100.0%	12.1%	6,415,314	100.0%	5,935,526	100.0%	8.1%
Cost of goods sold	1,189,592	36.3%	1,016,095	34.7%	17.1%	2,305,338	35.9%	1,998,028	33.7%	15.4%
Gross Profit	2,087,871	63.7%	1,908,641	65.3%	9.4%	4,109,976	64.1%	3,937,498	66.3%	4.4%
Selling, general and administrative expenses	1,424,303	43.5%	1,321,845	45.2%	7.8%	2,833,428	44.2%	2,705,031	45.6%	4.7%
Other (income) expense	(3,949)	(0.1)%	(4,235)	(0.1)%	(6.8)%	(15,145)	(0.2)%	(25,300)	(0.4)%	(40.1)%
EBITDA	667,517	20.4%	591,031	20.2%	12.9%	1,291,693	20.1%	1,257,767	21.2%	2.7%
Depreciation and amortization	34,234	1.0%	16,591	0.6%	106.3%	61,294	1.0%	32,785	0.6%	87.0%
Income from operations	633,283	19.3%	574,440	19.6%	10.2%	1,230,399	19.2%	1,224,982	20.6%	0.4%
Interest expense	(142,288)	(4.3)%	(125,357)	(4.3)%	13.5%	(304,505)	(4.7)%	(244,235)	(4.1)%	24.7%
Interest income	6,430	0.2%	11,404	0.4%	(43.6)%	14,574	0.2%	19,567	0.3%	(25.5)%
Foreign exchange result	(41,309)	(1.3)%	28,723	1.0%	(243.8)%	(86,825)	(1.4)%	(13,807)	(0.2)%	528.8%
Inflationary result from monetary position	(60,374)	(1.8)%	(22,553)	(0.8)%		(98,201)	(1.5)%	(36,187)	(0.6)%	
Comprehensive financing income (cost)	(237,541)	(7.2)%	(107,783)	(3.7)%	120.4%	(474,957)	(7.4)%	(274,662)	(4.6)%	72.9%
Associated company	19,702	0.6%	5,319	0.2%	270.4%	29,864	0.5%	16,095	0.3%	85.5%
Income before income taxes	415,444	12.7%	471,976	16.1%	(12.0)%	785,306	12.2%	966,415	16.3%	(18.7)%
Income tax expense	172,269	5.3%	167,725	5.7%	2.7%	289,870	4.5%	286,471	4.8%	1.2%
Consolidated net income	243,175	7.4%	304,251	10.4%	(20.1)%	495,436	7.7%	679,944	11.5%	(27.1)%

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

Thousands of Mexican pesos	As of June 30, 2019	As of December 31, 2018
ASSETS		
CURRENT ASSETS		
Cash and equivalents and restricted fund	1,214,160	1,186,892
Clients - Net	3,469,504	2,711,302
Recoverable Taxes	1,636,624	1,580,348
Other accounts receivable*	1,246,481	974,398
Inventory - Net	1,958,495	1,130,732
Prepaid expenses	954,453	871,060
Total current assets	10,479,717	8,454,732
Non-current assets		
Trademarks	4,823,098	4,920,938
Investment in shares	1,585,698	1,488,900
Building, properties and equipment – Net	1,760,761	858,704
Deferred income tax, assets and others	763,048	652,097
Total non-current assets	8,932,605	7,920,639
TOTAL ASSETS	19,412,322	16,375,371
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portion of long-term debt	2,150,196	426,022
Suppliers	1,946,071	1,257,697
Other current liabilities	2,093,249	1,760,344
Income tax payable	114,676	203,576
Total current liabilities	6,304,192	3,647,639
Non-current liabilities		
Long-term debt securities	2,434,328	3,923,998
Long-term loans with financial institutions	1,455,800	569,044
Deferred income tax and other long term liabilities	496,801	193,982
Payable dividends to shareholders	800,000	800,000
Total liabilities	11,491,121	9,134,663
Stockholders' equity		
Contributed Capital	1,914,306	1,914,306
Retained earnings	7,365,773	6,226,459
Cumulative translation effects of foreign subsidiaries	18,147	297,822
Repurchased shares - Net	(1,377,025)	(1,197,879)
Total stockholders' equity	7,921,201	7,240,708
TOTAL EQUITY AND LIABILITIES	19,412,322	16,375,371
		18,077,257

*Includes warranty deposits, deferred income tax, investment projects, software and sanitary registries.

GENOMMA LAB INTERNACIONAL, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended June 30, 2019

Thousands of Mexican pesos	2Q-2019
Cash and cash equivalents beginning of period	1,401,542
Consolidated Net Income	243,175
Charges to results with no cash flow:	
Depreciation and amortization	33,930
Income tax	172,270
Accrued interest and others	154,784
	604,159
Changes in Working Capital:	
Clients - Net	(282,524)
Recoverable VAT	35,340
Inventories	(105,954)
Suppliers	(61,154)
Other current assets	(58,768)
Paid income tax	(193,830)
Other current liabilities	74,299
	(592,591)
Net cash generated (used) in operating activities	11,568
Investing activities:	
Investment in fixed assets	(135,931)
Sales of equipment	10,273
Interest Collected	6,429
Other asset acquisitions	(126)
Net cash generated (used) in investing activities	(119,355)
Financing activities:	
Payments of borrowings with financial institutions	(269,006)
Loans with financial and securities institutions	300,000
Interest paid	(141,524)
Stock repurchase	(12,043)
Net cash used in financing activities	(122,573)
Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash	(230,360)
Foreign exchange and inflationary effects from international operations	42,978
Accumulated cash flow at the end of the period	1,214,160
Less - restricted fund	22,419
Cash and cash equivalents at end of period balance for operation	1,191,741