

HIGHLIGHTS

Q1-2020 Sales increased by
Ps. 196.6 million;
+6.3% year-on-year

Q1-2020 EBITDA grew **8.7%**
 with a **20.3% margin;**
+40 bps year-on-year
 margin expansion

Q1-2020 Net Income
 increased by
Ps. 121.3 million;
+48.1% year-on-year

Net Debt to EBITDA ratio
 closed at **1.8x**
 at the end of **Q1-2020**

Capex Investments for the
 three months ended
 March 31, 2020 reached
Ps. 108.5 million.

Genomma Lab Internacional Reports First Quarter 2020 Results

Mexico City, April 22, 2020 – **Genomma Lab Internacional, S.A.B. de C.V. (BMV: LAB B)** (“Genomma Lab” or “the Company”), today announced its results for the first quarter ended March 31, 2020. All figures included herein are stated in nominal Mexican pesos and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The following tables provide 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 first quarter 2020 as compared with the same period in 2019:

	Q1 2020	% Sales	Q1 2019	% Sales	Var. %
Net Sales	3,334.5	100%	3,137.9	100.0%	6.3%
Gross Profit	2,061.6	61.8%	2,022.1	64.4%	2.0%
Operating Income	640.6	19.2%	597.1	19.0%	7.3%
EBITDA⁽¹⁾	678.4	20.3%	624.2	19.9%	8.7%
Net Income	373.6	11.2%	252.3	8.0%	48.1%

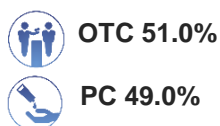
1) EBITDA defined as operating income before depreciation and amortization

Comments from the CEO

Mr. Jorge Brake, Chief Executive Officer, commented: “The unprecedented COVID-19 crisis has presented Genomma Lab with challenges as well as important opportunities to step up our production and distribution of extremely high demand products, particularly in the health and hygiene categories. Our company has a long history of a unique capacity to nimbly adapt when faced with adversity while identifying exciting new and innovative ways to serve our customers’ ever-evolving needs and demands.” He added: “I’ve never been more proud of our Genomma team that is working tirelessly to fulfill demand for our products while helping the communities where we operate stay healthy. The strength of our supply chain, with benefit of a revitalized corporate culture, is reflected in our Company’s ability to act with speed and agility. Our top priorities as a company are our employees and their families as well as maintaining the profitability of our business, thus seeking the highest return on investment for our shareholders and stakeholders, and contributing to the health and wellbeing of human kind.”

KEY DATA

% Sales by Segment:



*Point of Sale



XL-3[®]
Hand Sanitizer
 New line of antibacterial
 products in **Mexico**

Business Review

Genomma Lab's strong start to 2020 swiftly confronted an evolving economic and health-related environment resulting from the COVID-19 global pandemic, which required social distancing and various degrees of quarantine around the globe.

The virus' rapid spread has profoundly impacted global economies and most industries, resulting in unprecedented changes in purchasing behavior, sources of income, unemployment, supply chain management and in critical shortages of basic products and raw materials. However, Genomma Lab's unique business model and ability to swiftly adapt to changes in consumer habits and demand have enabled the Company to execute on various strategies, mitigating material disruptions and ensuring Genomma's resilience, while also capitalizing on important short and long-term opportunities.

First quarter 2020 Net Sales reached Ps. 3,334.5 million; a 6.3% year on year increase with a 40bps expansion in EBITDA margin. Increased Net Sales and EBITDA during the quarter are primarily the result of successful execution of Genomma's growth strategy, which the Company began implementing in early 2019 based on four key pillars. These results are consistent with the growth trends shown during 2019. Updates on related progress during the first quarter 2020 follow:

Product Innovation and Portfolio Optimization

Genomma Lab's exceptional ability to innovate and adapt is reflected in its response to altered patterns in consumer demand associated with the COVID-19 pandemic. By quarter's end, the Company began initial production and distribution of a new line of antibacterial products under the XL-3[®] brand in Mexico and the Next[®] brand within the United States. Initial production focused on antibacterial gel sanitizer, currently in extremely high demand, and has been allocated to key retailers and drugstores across Mexico and the US. Genomma will continue to launch new antibacterial presentations including hand soap, disinfecting towels and sprays, and other related products, within each market as new product developments and innovation are completed. As part of Genomma Lab's strong commitment to social responsibility, the Company's management team has made the decision to donate a percentage of the initial production to local health and welfare institutions.

The above described new product launches enable Genomma to attract new consumers while addressing their modified lifestyle and important related needs. The Company will further implement this strategy throughout all regions in which it operates. Similarly, advertising and marketing of key Genomma brands have been quickly modified and adapted to the current scenario, specifically for antiviral and medications to ease flu-related symptoms, within the OTC segment in Mexico and



Vanart®

New presentations of individual use “**Sachets**” in **Colombia** and **Peru**

Asepxia®

New strategy to raise consumer awareness and consciousness about hygiene and cleanliness
([Watch video](#))



Next® Go

New product in **Argentina** to strengthen the immune system
([Watch video](#))

Latin America, as well as skin and hygiene products such as Genomma's Asepxia® brand for the Personal Care segment.

During the first quarter 2020, Genomma Lab continued its strategy of introducing new products and presentations within existing markets while expanding key brands to new markets. Examples include the launch of Vanart® shampoo in Chile and Nicaragua as well as new presentations of single-use product “sachet” pouches within the Colombia and Peru traditional channels. Tio Nacho® “Coco” coconut shampoo continued its penetration in Genomma's Latin America markets with strong initial results, and increased presence of the Teatrical® and Revie® brands in Brazil. The Bufferin® relaunch in the United States at the end of the fourth quarter 2019 showed continued strong progress during the first quarter 2020, with a 147% sequential increase and a presence at more than 7,800 points of sale by quarter's end.

In Mexico, the Novamil® brand, of which Genomma began distribution and sales in October 2019, achieved increased sales by the end of the first quarter 2020 surpassing the Company's initial expectations. This is another example of Genomma successfully executing on its strategy to leverage the Company's strong operating capacity to enter new categories representing considerable growth potential.

Strengthened Marketing and Perfect Go-To-Market Execution

Genomma Lab's direct distribution partnership program, which enables the Company to sell directly to the “Mom and Pop” traditional channel, proved to be an important competitive advantage in light of the challenges which characterize the current operating environment, with reduced retail store traffic and social distancing behaviors. During the first quarter 2020, Genomma continued expanding its presence within the traditional channel in Mexico. In the coming quarters, the Company will proceed with its plans to execute a direct distribution program specifically adapted to and aligned with countries in Central America.

Genomma successfully capitalized on increased e-commerce-related demand resulting from enforced social quarantining as an opportunity to better connect with customers, closely monitoring a variety of e-commerce sales channels to ensure product access and availability. Further, Genomma remains focused on exploring new high-demand sales channels which most effectively address current and continuously evolving consumer behavior, including digital channels and e-commerce platforms.

World-Class Supply Chain

Genomma Lab remained focused on productivity and demand planning during the quarter, to achieve a sustained fill-rate at its highest possible levels with benefit of the important investments in information technology and the Company incursion in artificial intelligence.



Tafirol®

Increased sales during the quarter due to strong demand for **Paracetamol**



New Manufacturing Facility ([Watch video](#))



Strong Corporate Culture

Along these lines, Genomma is proactively implementing all appropriate sanitary and regulatory measures related to its supply chain, and to logistics and distribution specifically to deal with COVID-19 situation. This has enabled the Company to maintain optimum levels of operation, while closely monitoring both current supply levels and product demand, to ensure adequate and effective product distribution while building inventories of critical product where demand is expected. The Company continues to leverage its relationships and works closely with key suppliers to minimize supply and price risks.

In addition, the commissioning of state-of-the-art equipment at the Company's Personal Care facility successfully continued during the first quarter 2020, with initial stages of operation expected during the second half of the year.

In light of the COVID-19 situation, the Mexican regulatory authority (COFEPRIS) is expected to reschedule a new date for the GMP certification process for the OTC plant.

During the first three months of 2019, investments related to Genomma's manufacturing plant reached Ps 108.5 million with pre-operating expenses of approximately Ps. 33.3 million.

Corporate Culture and Organization

Genomma continued to develop internal talent and to promote from within for key positions, aligned with its strategy to drive productivity throughout the organization.

The Company remains focused on guaranteeing the safety of its employees, communities and contractors, as well as maintaining environmental safeguards. Genomma implemented a series of measures in accordance with local requirements and within the framework of the Company's Pandemic Response Plan, these include:

- Established a Crisis Committee comprised of the Company's C-level team that sessions daily to assess regional and local operations and report in real-time
- Global best practice and local protocols were triggered to prevent contagion: stop non-essential travel; limit gatherings and group events; assign teams to alternate work schedules or sites and establish work-from-home protocols; protect service from critical suppliers; enhance sanitization measures
- All positions deemed not essential to the field operation have been mandated to work from home, leveraging use of current technologies
- Increased staff communications around prevention, personal and family care



Novamil[®] Rice
 Infant formula for special
 nutritional needs



Bufferin[®]
 Renewed US market
 presentation with presence
 at
+7,800 Points of Sales



Teatrical[®]
 Successful launch within the
Brazilian market

- Social-distancing standards implemented throughout workspaces for those employees considered essential to Genomma's business; health gear provided and additional cleaning and sanitizing measures in place.

Mexico

Genomma's Mexico operations achieved a 9.7% increase in sales during the first quarter 2020, to close at Ps. 1.46 billion. This Ps. 129.1 million increase in sales is mainly due to the increase in number of points of sale served, additional sales resulting from new categories and new lines of products and presentations, as well as a temporary increase in sales in some categories within the portfolio related to COVID-19 specific demand. EBITDA margin for the quarter expanded 880 bps; a 76.0% year on year increase, primarily due to increased operational leverage on fixed expenses from the sales growth achieved during the quarter and tight cost and expense control.

U.S.

Genomma's U.S. operation closed with a 0.7% net sales decrease for the quarter in Mexican pesos. The sales decline in local currency is mainly due to the significant reduction in foot traffic due to recently implemented COVID-19 social distancing policies. This negative impact was partially offset by a favorable currency conversion effect, with depreciation of the Mexican peso relative to the U.S. dollar.

First quarter 2020 EBITDA margin closed at 9.4%, a 40-basis point year on year contraction, mainly as a result of higher investments made in advertising and publicity at the point of sale.

Genomma began implementing a new strategy for its U.S. operation during the second half of 2019, which includes a comprehensive restructuring of the business model in this country to accelerate growth while increasing its efficiency and presence in strategic markets and with the consumer. This includes a focus on specific states and on the Hispanic and mainstream consumer, as well as with an expanded and renewed portfolio of brands, with a new dedicated team. Positive results and initial traction from this strategy are expected to be reflected in the quarters ahead.

Latin America

During the quarter, sales at Genomma's Latin America operations closed at Ps. 1,51 billion pesos; a 4.8% increase, year on year. The above is the result of increased revenues from the Company's Argentina, Bolivia, Uruguay, Paraguay and Central America operations, partially offset by decreased sales in Brazil, Chile and Colombia during the quarter.

Sales for the quarter were primarily affected by the adverse impact of COVID-19 on sales of certain Genomma products and, to a lesser extent, the depreciation of some local currencies where Genomma operates.

As a result of lower sales increase during the quarter and the impacts in cost and expenses on some of LatAm's operations due to the COVI-19 impacts in the region, as well as higher raw materials prices resulting from the impact of local currency depreciation, the EBITDA margin for the quarter contracted by 730 bps year on year.

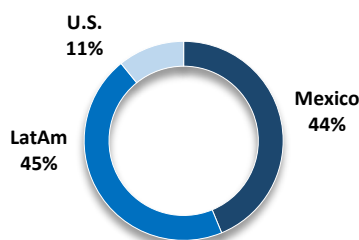
New Manufacturing Facility



New Manufacturing Facility in Toluca (San Cayetano), State of Mexico

Manufacturing Facility
In the process to obtain
GMP certificate for the **OTC**
semi-solids production line

Q1-2020 SALES*



*Percentage of Consolidated Sales by Region for the 3 months of Q1-2020.

40 bps of **EBITDA Margin**
expansion year on year

Consolidated Results for the First Quarter of 2020

First Quarter 2020 Net Sales reached Ps. 3.33 billion; a 6.3% year on year increase. This Ps.196.6 million increase is mainly due to the execution of key go-to-market initiatives, to the attributed sales of the new infant formula category, to an increasing base of points of sales served and higher fill rates. These positive effects on sales were partially offset by new consumption behaviors and restrictions across the region due to COVID-19 social distancing policies.

First Quarter 2020 EBITDA reached Ps. 678.4 million, compared to Ps. 624.2 million for the same period of 2019. First quarter 2020 EBITDA margin reached 20.3%. This 40-bps margin improvement is the result of operating leverage effect on fixed cost and expenses, and to the Company's continued focus on operational efficiencies as well as expense containment strategies. This was partially offset by foreign exchange impacts on Cost of Goods Sold, as well as certain extraordinary expenses during the quarter such as the new plant pre-operating expenses.

LATIN AMERICA

Sales in MXN: 1.51 billion

EBITDA Margin: 20.0%

Sales by Category & Region

(Figures in million Mexican Pesos)

	Over-the-counter (OTC)			Personal Care (PC)			Total		
	Q1'19	Q1'20	% Var.	Q1'19	Q1'20	% Var.	Q1'19	Q1'20	% Var.
Mexico	786.8	870.8	10.7%	543.5	588.6	8.3%	1,330.3	1,459.4	9.7%
LatAm	556.9	611.6	9.8%	887.4	902.6	1.7%	1,444.3	1,514.2	4.8%
U.S.	203.7	223.1	9.5%	159.6	137.8	(13.7)%	363.3	360.9	(0.7)%
Total	1,547.4	1,705.5	10.2%	1,590.5	1,629.0	2.4%	3,137.9	3,334.5	6.3%

Results by Region for the First Quarter of 2020**Mexico**

Net Sales for the first quarter 2020 reached Ps. 1.46 billion; a 9.7% year on year increase. This Ps. 129.1 million increase is due to increased sales of Genomma's new infant formula category as well as brand portfolio enhancement, improved go-to market and in-store visibility execution, improved fill-rate levels as well as additional points of sale resulting from the operation of the direct distribution partnership program to serve the Mom & Pop traditional channel. This sales growth was also supported by increased consumer demand at the end of the quarter ahead of the quarantine period with advanced purchases of key basic OTC drugs and Personal Care products, accelerating sales of some brands within the portfolio.

EBITDA for the quarter reached Ps. 341.8 million; a 23.4% EBITDA margin reflecting an 880 bps year-on-year expansion. First quarter 2020 EBITDA margin expansion was supported by the result of operational leverage associated with top-line growth, by the positive impacts from a strict cost and expense control strategy, as well as from operational efficiencies achieved during the quarter. This increase was also supported by improved mix, and increased sales of products with higher margins.

U.S.

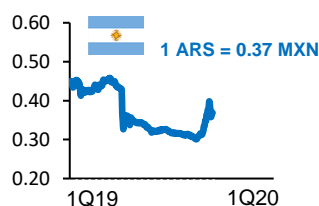
First quarter 2020 Net Sales for Genomma's U.S. operations decreased by 0.7%, to Ps. 360.9 million. Decreased sales were mainly the result of a challenging consumption environment and significant reduction of foot traffic due to COVID-19 social distancing policies, limiting the Company's ability to fully execute on its new growth strategy. This was partially offset by a weaker Mexican peso against the US dollar.

First quarter 2020 EBITDA amounted to Ps. 33.8 million; a Ps. 2.0 million year-on-year decrease representing a 40 bps EBITDA margin contraction. The EBITDA decline for the quarter was due to higher investments allocated to advertising, publicity and visibility at the point of sale, as well as significant investments in digital media marketing and social media influencers. To a lesser extent, the decrease in EBITDA was supported by lower operational leverage as a result of sales decline.

U.S.

Sales in MXN: 360.9 million

EBITDA Margin: 9.4%

FX headwinds**ARS (17.7)%****Local Currency expressed in MXN****BRL (8.3%)****CLP (2.6%)****COP (3.5%)****UYU (5.3%)****Q1-2020 Net Income**

increased by

48.1%

year-on-year

Latin America

Net Sales for the quarter grew 4.8% year on year, to Ps. 1.51 billion. New product launches and line extensions combined with successful innovation and in-store visibility initiatives as well as an increased store base resulting from new retailer relationships drove top-line growth during the quarter. The outperformance of the top-line during the quarter in operations such as Argentina and the Central America region partially offset the decline in sales of countries like Brazil, Chile and Colombia, where operations were impacted by the Covid-19 crisis in these economies. To a lesser extent, sales were impacted by FX headwinds in certain markets.

EBITDA for the first quarter of 2020 reached Ps. 302.8 million, as compared to Ps. 394.2 million for the same period in 2019 with a 20.0% EBITDA margin; a 730-bps year on year margin decrease. The EBITDA margin contraction was due to an increase in Cost of Goods Sold resulting from higher raw material prices that were impacted by FX and macro headwinds. In addition, EBITDA for the quarter was impacted by significant investments in TV marketing and in-store visibility initiatives to drive future growth, as well as expenses from new product launches and line extensions.

Other Income Statement Results for the First Quarter of 2020

Gross Profit increased by 2.0%, to Ps. 2.06 billion in the first quarter of 2020, compared to Ps. 2.02 billion during the first quarter of 2019. Gross margin for the quarter decreased by 260 bps, to close at 61.8%. Gross margin contraction for the quarter was primarily driven by increased input costs due to the depreciation of various currencies in the countries where Genomma operates.

Selling, General, Marketing and Administrative Expenses for the quarter declined by 340 bps as a percentage of net sales, to 41.5%, compared to 44.9% for the same quarter of 2019. The SGM&A improvement as a percentage of sales is primarily due to the operating leverage resulting from top-line growth and to the Company's ongoing focus on expense control.

Net Income amounted to Ps. 373.6 million in the first quarter of 2020, compared to Ps. 252.3 million in the first quarter of 2019. The Ps. 121.3 million increase is mainly the result of higher operating profit, lower cost of financing and a positive foreign exchange result.

Non-Operating Result for the First Quarter of 2020

Comprehensive Financing Result represented a Ps. 74.2 million expense in the first quarter of 2020, compared to a Ps. 237.4 million expense in the first quarter of 2019. The Ps. 163.2 million positive variation was due to: i) a positive variation of Ps. 188.2 million in Foreign Exchange result during Q1 2020, as compared to Q1 2019; ii) a Ps. 32.9 million decrease in interest expense during Q1 2020 as compared to Q1 2019. The above was offset by a i) Ps. 2.6 million net decrease in interest income during Q1 2020 as compared to the same period of 2019 and to ii) a Ps. 55.3 million net increase in the loss on the Company's monetary position in its inflationary subsidiary during Q1 2020 as compared to a 37.8 million loss in Q1 2019

Income Tax Expense for the first quarter 2020 reached Ps. 206.1 million as compared to the Ps. 117.6 million Income Tax Expense recorded during the first quarter of 2019.

Financial Position

Working Capital was optimized during the quarter and the cash conversion cycle was Reduced by 2 days: from 101 days at the end of 2019 to 99 days at the end of March 2020:

- **Accounts Receivable** amounted to Ps. 4.10 billion as of March 31, 2020. The days of consolidated accounts receivable amounted to 114; a 15-day increase as compared to the fourth quarter of 2019. This was mainly as a result of higher sales accounted for at the end of the quarter.
- **Inventories** closed at Ps. 2.07 billion as of March 31, 2020. Days of Inventories amounted to 156; an 8-day sequential increase as compared to December 31, 2019, and a 4-day decrease when compared with the first quarter of 2019.
- **Trade Payables** amounted to Ps. 1.71 billion as of March 31, 2020. As of the first quarter 2020, Days Payable Outstanding (DPO) increased to 171 days, from 146 days as of December 31, 2019. The 25-day increase is the result of Genomma's new phase supported by S&OP.

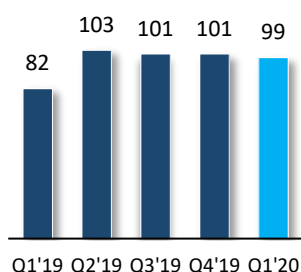
Fixed Assets. The Company invested Ps. 108.5 million in the three months ended March 31, 2020, primarily related to the construction of the Company's new manufacturing facility located in the State of Mexico.

Recoverable Taxes. This position is comprised of claims against the tax authorities relating mostly to VAT (IVA) and income taxes. The position decreased by Ps. 144.0 million over the last twelve months.

Days of Accounts Receivable (DSO)

	1Q19	4Q19	1Q20
Mexico	106	118	121
LatAm	90	86	112
U.S.	82	73	93
Consolidated	96	99	114

Cash Conversion Cycle
(Days)



At the end of **Q1-2020** the **Net Debt to EBITDA** ratio closed at **1.8x**

A total balance of **36,050,792 shares** in the **Buyback Program** as of March 31, 2020

Debt-to-Equity ratio of **0.71x** as of March 31, 2020

Net Financial Debt increased year-on-year mainly due to the investments made into the Company's new manufacturing facility, while on a consecutive basis declined:

- **Cash and Equivalents** amounted to Ps. 1.37 billion as of March 31, 2020, representing a 2.2% year on year decrease.
- **Gross Financial Debt** amounted to Ps. 6.18 billion as of March 31, 2020, compared to Ps. 6.01 billion as of March 2019; a Ps. 171.0 million increase year on year. The Company's long-term debt represented 68.4% of gross financial debt at the end of the first quarter 2020.
- **Net Financial Debt** amounted to Ps. 4.81 billion as of March 31, 2020; a Ps. 202.4 million increase as compared to March 31, 2019.

Share Buyback Program. During the three months ended March 31, 2019 the Company repurchased a total of 190,000 shares, representing a total investment of Ps. 3.3 million. Furthermore, the Company sold 200,000 of its shares from its internal Share Buyback position, representing cash income of Ps. 4.4 million.

Free Cash Flow from Operations. Excluding investments made in the Company's new manufacturing facility, adjusted free cash flow for the three months ended March 31, 2019 would have reached Ps. 515.7 million. Most of the cash flow generated during the year was reinvested into the Company's new manufacturing facility and working capital investments to fuel growth.

Key Financial Metrics

	Q1-2020
EBITDA / Interest Paid	4.6x
Net Debt / EBITDA	1.8x

CONFERENCE CALL Q1-2020

Thursday, April 23, 2020
at 11:00 a.m. ET /
10:00 a.m. CST

Led by:

Jorge Luis Brake
CEO

Antonio Zamora
CFO

Enrique González
IRO

Webcast:

[Genomma's Q1 '20 Earnings Call](#)

To participate, please
dial-in:

United States:
+1 877-407-8031

International:
+1 201-689-8031

First Quarter 2020 Other Relevant Events

- Genomma Lab Internacional S.A.B. de C.V. will hold its Annual General Meeting on April 30, 2020.
- [Link to Genomma Lab 2020 AGM Proxy Documents](#)

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 April 22, 2020 LAB B is covered by 14 sell-side analysts at the following brokerages: Casa de Bolsa Credit Suisse; Banco Itaú BBA; JP Morgan Securities; BBVA Grupo Financiero; 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; Actinver Casa de Bolsa and Monex Grupo Financiero.

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 INCOME

For the three months ended March 31, 2020 and 2019

Thousands of Mexican pesos

	FIRST QUARTER				
	2020	% Sales	2019	% Sales	Var %
Net Sales	3,334,536	100.0%	3,137,851	100.0%	6.3%
Cost of goods sold	1,272,916	38.2%	1,115,745	35.6%	14.1%
Gross Profit	2,061,620	61.8%	2,022,106	64.4%	2.0%
Selling, general and administrative expenses	1,384,517	41.5%	1,409,129	44.9%	(1.7)%
Other (income) expense	(1,251)	(0.0)%	(11,196)	(0.4)%	(88.8)%
EBITDA	678,354	20.3%	624,173	19.9%	8.7%
Depreciation and amortization	37,798	1.1%	27,059	0.9%	39.7%
Income from operations	640,556	19.2%	597,114	19.0%	7.3%
Interest expense	(129,301)	(3.9)%	(162,217)	(5.2)%	(20.3)%
Interest income	5,500	0.2%	8,145	0.3%	(32.5)%
Foreign exchange result	142,694	4.3%	(45,516)	(1.5)%	-
Inflationary result from monetary position	(93,133)	(2.8)%	(37,827)	(1.2)%	-
Comprehensive financing income (cost)	(74,240)	(2.2)%	(237,415)	(7.6)%	(68.7)%
Associated company	13,389	0.4%	10,162	0.3%	31.8%
Income before income taxes	579,705	17.4%	369,861	11.8%	56.7%
Income tax expense	206,072	6.2%	117,600	3.7%	75.2%
Consolidated net income	373,633	11.2%	252,261	8.0%	48.1%

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

As of March 31, 2020 and 2019 and December 31, 2019

<i>Thousands of Mexican pesos</i>	As of March 31,		As of
	2020	2019	December 31, 2019
ASSETS			
CURRENT ASSETS			
Cash and equivalents and restricted fund	1,370,093	1,401,542	922,946
Clients - Net	4,097,748	3,186,979	3,496,266
Recoverable Taxes	1,527,950	1,671,964	1,556,986
Other accounts receivable*	1,343,610	958,246	1,430,303
Inventory - Net	2,073,425	1,852,501	1,902,567
Prepaid expenses	863,667	416,092	681,360
Total current assets	11,276,493	9,487,324	9,990,428
Non-current assets			
Trademarks	4,937,800	4,821,824	4,754,093
Investment in shares	1,613,417	1,565,996	1,600,702
Building, properties and equipment – Net	2,273,139	2,102,959	2,200,591
Deferred income tax, assets and others	754,776	840,662	786,777
Assets by right of use	50,822	66,870	-
Total non-current assets	9,629,954	9,398,311	9,342,163
TOTAL ASSETS	20,906,447	18,885,635	19,332,591
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Short-term debt and Current portion of long-term debt	1,952,456	1,992,042	1,550,006
Suppliers	1,714,008	2,007,226	1,870,566
Other current liabilities	2,601,460	1,955,415	2,010,186
Income tax payable	331,150	302,543	196,501
Liabilities from short-term leases	15,243	25,978	-
Total current liabilities	6,614,317	6,283,204	5,627,259
Non-current liabilities			
Long-term debt securities	2,441,044	2,432,089	2,438,806
Long-term loans with financial institutions	1,784,307	1,582,717	2,045,860
Deferred income tax and other long term liabilities	543,822	144,101	175,837
Payable dividends to shareholders	800,000	800,000	800,000
Liabilities from long-term leases	39,507	40,307	-
Total liabilities	12,222,997	11,282,418	11,087,762
Stockholders' equity			
Contributed Capital	1,914,306	1,914,306	1,914,306
Retained earnings	7,973,563	7,045,739	7,752,494
Cumulative translation effects of foreign subsidiaries	196,608	8,154	(19,891)
Repurchased shares - Net	(1,403,365)	(1,367,320)	(1,404,418)
Fair value through profit OCI	2,338	2,338	2,338
Total stockholders' equity	8,683,450	7,603,217	8,244,829
TOTAL EQUITY AND LIABILITIES	20,906,447	18,885,635	19,332,591

*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 March 31, 2020

<i>Thousands of Mexican pesos</i>	2020
<i>Cash and cash equivalents beginning of period</i>	922,946
<i>Consolidated Net Income</i>	373,633
<i>Charges to results with no cash flow:</i>	
Depreciation and amortization	38,666
Income tax	206,072
Accrued interest and others	195,534
	813,905
<i>Changes in Working Capital:</i>	
Clients - Net	(613,067)
Recoverable VAT	28,973
Inventories	(201,463)
Suppliers	(164,886)
Other current assets	224,899
Paid income tax	(139,975)
Other current liabilities	617,224
	(248,295)
<i>Net cash generated (used) in operating activities</i>	565,610
<i>Investing activities:</i>	
Investment in fixed assets	(158,369)
Sales of equipment	7,417
Interest collected	14,647
<i>Net cash generated (used) in investing activities</i>	(136,305)
<i>Financing activities:</i>	
Payments of borrowings with financial institutions	(652,315)
Loans with financial and securities institutions	800,000
Interest paid	(129,504)
Stock repurchase	(3,317)
Sale of repurchased shares	4,371
Payment of liabilities for lease	(11,542)
<i>Net cash used in financing activities</i>	7,693
<i>Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash</i>	436,998
Foreign exchange and inflationary effects from international operations	10,149
<i>Accumulated cash flow at the end of the period</i>	1,370,093
Less - restricted fund	23,274
<i>Cash and cash equivalents at end of period balance for operation</i>	1,346,819