

Genomma Lab Internacional Reports Fourth Quarter & Full Year 2021 Results

HIGHLIGHTS

FY-2021 Sales increased by
Ps. 1.59 billion;
+11.5% year-on-year

FY-2021 EBITDA
 increased **+10.0%**
 with a **20.8% margin**

FY-2021 Operating Income
 increased by
Ps. 294.9 million;
+10.7% year-on-year

Q4-2021 Net Debt to EBITDA
 ratio closed at **1.45x**

Capex Investments for the
 twelve months ended
 December 31, 2021 reached
Ps. 616.6 million.

Mexico City, February 23, 2022 – **Genomma Lab Internacional, S.A.B. de C.V. (BMV: LAB B)** (“Genomma Lab” or “the Company”), today announced its results for the fourth quarter and full year ended December 31, 2021. 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 fourth quarter and full year 2021 as compared with the same audited period in 2020:

	Q4 2021	% Sales	Q4 2020 ⁽²⁾	% Sales	Var. %
Net Sales	4,062.7	100.0%	3,471.4	100%	+17.0%
Gross Profit	2,562.0	63.1%	2,158.2	62.2%	+18.7%
Operating Income	850.7	20.9%	680.9	19.6%	+24.9%
EBITDA⁽¹⁾	889.9	22.0%	720.3	20.7%	+23.6%
Net Income	359.2	8.8%	326.8	9.4%	+9.9%

	FY 2021	% Sales	FY 2020 ⁽²⁾	% Sales	Var. %
Net Sales	15,459.7	100.0%	13,870.2	100.0%	+11.5%
Gross Profit	9,549.0	61.8%	8,588.1	61.9%	+11.2%
Operating Income	3,062.9	19.8%	2,768.0	20.0%	+10.7%
EBITDA⁽¹⁾	3,215.8	20.8%	2,923.0	21.1%	+9.8%
Net Income	1,451.0	9.4%	1,470.4	10.6%	(1.3)%

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

2) FY-2020 audit adjustments were allocated to Q4-2020 as presented herein

Comments from the CEO

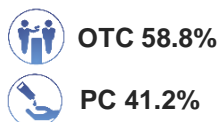
Mr. Jorge Luis Brake, Genomma Lab’s Chief Executive Officer, commented:

“2021 was Genomma Lab’s ‘Year of our People’, demonstrated by our team’s ability to adapt to the Americas’ ever-changing circumstances and ultimately deliver historic growth and profitability despite considerable obstacles. 2021 also marked Genomma’s 25th anniversary, as a relatively young company which continues to grow and evolve driven by the single shared purpose that guides us: to empower people to have excellent health and wellness.”

He added: *“This quarter we announced that, moving forward, we will highlight our inorganic growth and strategic alliances as a new pillar within Genomma’s growth strategy, as we continue capitalizing on business opportunities which leverage Genomma’s unique manufacturing and commercializing strengths and are closely aligned with our long-term strategic objectives. We therefore will deepen and broaden our leadership position in exciting new categories, further underscoring Genomma’s privileged position in the region as the partner of choice for growth and innovation in the years to come.”*

KEY DATA

Q4-2021 % of Sales by Segment:



New **Cicatricure® Gold Lift** Facial Serum



In-Store Strategy for core brands

Business Review

Genomma Lab ended another year with sustained momentum, delivering consistent levels of growth and profitability during 2021. Despite continued external headwinds, including the ongoing pandemic with related logistical challenges, the Company achieved its third consecutive year of sales growth.

Full year 2021 Net Sales reached Ps. 15.46 billion; a 11.5% year on year increase. Genomma's fourth quarter 2021 Net Sales closed at Ps. 4.06 billion; a 17.0% year on year increase. This fourth quarter Net Sales increase was primarily attributed to innovation initiatives, such as line extensions, with strong new category performance as well as aggressive external media campaigns with solid in-store marketing. To a lesser extent, increased sales were driven by a slight recovery of the Cough & Cold category during late December.

Fourth quarter EBITDA margin closed at 21.9%; a 120 bps year on year increase. Margin expansion is primarily attributable to operating leverage resulting from increased sales as well as the continued success of operational strategies during the quarter including, among others, a strong focus on cost and expense efficiency. This increase was offset by costs associated with line extension launches during the quarter.

Genomma formally updated its growth strategy as of end of year 2021, adding two additional strategic pillars: **Inorganic Growth and Strategic Alliances & Superior Brand Value and Communications**. Progress on Genomma's overall strategy during the quarter follows:

Product Innovation and Portfolio Optimization

Genomma continued implementing line extensions and new product launches as important growth drivers, reflected within full year 2021 results. During the fourth quarter of 2021, Genomma furthered innovation strategies in the different regions where it operates, examples included: 1) line extension launch of Shot-C® tabs with enhanced vitamin C absorption in a convenient tablet presentation and expanding the affordable luxury concept through the Cicatricure® Gold Lift Facial Serum, both in Mexico; 2) launch of Medicasp® sachet in Peru, customized for the traditional channel to broaden consumer access; in Argentina the launch of Tio Nacho® Celulas Madres, a new shampoo and conditioner line extension for oily hair with royal jelly and plant stem cells; and the launch of Triaptop®, a new anti-dandruff shampoo with an antifungal and keratin; and 3) launch of Suerox® Lemon-Lime Lift with immune-boosting zinc in the US.

Strengthened Marketing and Perfect Go-To-Market Execution

During the quarter, Genomma continued its successful commercial strategy implementation, reflected in progress within both the physical point of sale and within the e-Commerce ecosystems. Genomma also expanded its presence within the traditional channels in Mexico, Colombia and the Andean region, supported by accelerated distribution of well established brands such as Suerox®, X-Ray® and Medicasp®. Genomma also strengthened its position with key retail clients during the fourth quarter 2021, reaching privileged positions in online searches for brands such as Cicatricure®, Suerox®, Novamil®, among others.



Coating line for Solids
at Pharma Plant



Testimonial Ad Campaign
for Groomen
([Watch video](#))

Member of
Dow Jones
Sustainability Indices

Powered by the S&P Global CSA

Inclusion within the
2022 S&P Sustainability
Yearbook
([click for more info](#))

World-Class Supply Chain

2021 was a pivotal year for Genomma Lab, as the strengthened supply chain enabled its transformation as an important competitive advantage relative to regional competitors. 2021 was also marked by the COFEPRIS GMP approval of Genomma's Pharma Manufacturing Facility solid and semi-solid manufacturing lines. During the fourth quarter of 2021, both solid and semi-solid manufacturing lines began production for the domestic market.

During the quarter, Genomma's Personal Care and Beverage Manufacturing Plant's Suerox®, shampoo and ointment lines completed the initial production phase, reaching approximately 6.5 million bottles of Suerox, 470 thousand bottles of shampoo and 122 thousand units of ointments produced per month.

Investments related to Genomma's manufacturing facilities reached Ps. 616.6 million during full year 2021, with approximately Ps. 36.4 million in pre-operating and production expenses for the fourth quarter of 2021.

Superior Brand Value & Communication

This new pillar provides updates on customer communications investments and related results. Genomma generates content through its audiovisual production department, as part of its overall communications strategy. Examples for the quarter included the Groomen® 'testimonial' advertising campaign, which increased second half 2021 sales by more than 50%, year on year, and the new Suerox advertising campaign in Mexico to position the brand as a multipurpose beverage.

Inorganic Growth and Strategic Alliances

During the fourth quarter of 2021, Genomma Lab and Oramed subsidiary Oravax Medical announced a joint venture to commercialize and distribute the Oravax oral Covid-19 vaccine candidate, potentially benefiting millions of individuals in Mexico and Latin America as an effective vaccine option with improved efficacy through better accessibility and compliance. The new partnership builds on Oravax Medical and Genomma Lab's respective strengths to create compelling value for both companies and their stakeholders.

Sustainability and Corporate Culture

Genomma was included within the 2022 S&P Global Sustainability Yearbook for the first time, as one of 10 Mexican companies recognized for environmental, social and corporate governance (ESG) practices. The 2022 edition assesses more than 7,500 companies across 61 industries globally and showcases the best performing companies among industry peers and in terms of financially material ESG metrics. Inclusion in the Yearbook is based on sustainability performance placement in the top 15% of the industry's category and an S&G Global ESG score within 30% of the industry's top-performing companies.



Tío Nacho®

100% sustainable packaging



Suerox® Lemon-Lime Lift
New flavor for the U.S.
market



Triatop®
New anti-dandruff shampoo
for Argentina

Mexico

Genomma's fourth quarter 2021 Mexico net sales increased by 25.6%, closing at Ps. 1.85 billion. The Ps. 376.2 million year on year sales increase is primarily due to initiatives which drove increased market share within key categories as well as new core brand line extensions. Some examples during the quarter included: double-digit sales increase of Tío Nacho® since the third quarter 2021 launch of a new 100% sustainable packaging presentation; Asepxia® Gen micellar gel launch to boost category expansion; and the Alli-Triple® line extension reaching important market share levels within its first year through strong pharmacy channel in-store marketing. To a lesser extent, cough and cold products recovered slightly during December due to the Omicron variant which presented similarly to the common flu for most of those infected.

Fourth quarter EBITDA margin reached 22.6%; a 80 bps year on year margin expansion primarily due to increased operating leverage, successful cost and expense controls, price increases which mitigated macroeconomic headwinds, as well decreased non-recurring expenses associated with Genomma's new Industrial Cluster.

U.S.

Fourth quarter 2021 U.S. net sales increased by 1.6%, reaching Ps. 327.2 million. Net sales were adversely affected by Covid's impact on store operations, delaying various yearly sales programs with key U.S. pharmacies and retailers. This was partially offset by strong performance of Cough & Cold category brands, such as TukoI®, in late December 2021 as well as aggressive expansion of Suerox® within points of sale in Puerto Rico, reflected in record fourth quarter 2021 Suerox® sales for this market.

Fourth quarter 2021 EBITDA margin reached 6.2%; a 130bps year-on-year decrease. EBITDA for the region was adversely affected by extraordinary expenses related to distribution, marketing and new product launches to support Genomma's new business model for this market.

Latin America

Fourth quarter 2021 Latin America net sales reached Ps. 1.89 billion; a 12.5% year on year increase compared to audited 2020 figures. Sales increased due to strong execution of Genomma's innovation and expansion strategies as well as increased points of sale served within the region. This was partially offset by a negative FX impact in some countries where Genomma operates.

EBITDA margin for Latin America closed at 23.9%; a 90 bps year on year increase primarily due to favorable sales mix with higher operating leverage resulting from incremental sales, successful cost and expense control management as well as price increases which mitigated macroeconomic headwinds.

Genomma's New Industrial Cluster

Isotonic Beverage Line
producing full flavor
portfolio of Suerox[®]



Personal Care Plant (**Isotonic Beverage Line**)

**Ointments
Production Line**
ramp-up process



Personal Care Plant (**Ointments Manufacturing Line**)

**Shampoo
Production Line**
ramp-up process
completed
(+450k bottles/month)



Personal Care Plant (**Shampoo Manufacturing Line**)

**Pharma Semi-solid
Manufacturing Line**
calibration process



Ekato Manufacturing Reactor (**Semi-solids Manufacturing Line**)

**Pharma Solid
Manufacturing Line**
initial test batches



Pill Boxes for Tablets (**Solids Manufacturing Line**)



Coater & Granulator (**Coating Manufacturing Line**)

Consolidated Results for the Full Year 2021

Full Year 2021 Net Sales reached Ps. 15.46 billion; a 11.5% year on year increase. The Ps. 1.59 billion sales increase was supported by product innovation, new category expansion, an expanded presence within the traditional channel and within e-commerce and digital channels, as well as decreased COVID-19 restrictions in some countries where the company operates.

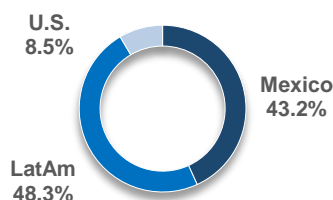
Full Year 2021 EBITDA reached Ps. 3.21 billion, compared to Ps. 2.92 billion for the same period of 2020. Full Year 2021 EBITDA margin reached 20.8%; a 30 bps year on year EBITDA margin contraction primarily due to FX headwinds, raw materials and commodities inflation, and non-recurring expenses related to new product launches and e-commerce platform investments. To a lesser extent, margins decreased due to a negative product mix effect with increased sales of lower margin products, as well as investments made to begin Genomma's Industrial Cluster operations.

Consolidated Results Fourth Quarter 2021

Fourth Quarter 2021 Net Sales reached Ps. 4.06 billion; a 17.0% year on year increase. Increased sales were primarily due to successful implementation of product innovation initiatives, such as line extensions, with strong new category performance, as well as aggressive external media campaigns with solid in-store marketing for Genomma's Mexico and LatAm operations. To a lesser extent, increased sales were driven by a slight recovery of Cough & Cold category during late December.

Fourth Quarter 2021 EBITDA increased Ps. 169.6 million to Ps. 890.0 million as compared with the same audited period of 2020. The fourth quarter EBITDA margin closed at 21.9%; a 120 bps year on year increase when compared with 2020 audited figures primarily due to operational leverage resulting from increased sales, a favorable product mix effect, as well as operating efficiencies. To a lesser extent, EBITDA margin improvement was driven by price increases implemented during the fourth quarter 2021.

FY-2021 Sales*



*Percentage of Consolidated Sales by Region for the 12 months of 2021.

Q4-2021 Net Sales

increased

+17.0% year on year

+120 bps year on year

EBITDA Margin expansion



*Percentage of Consolidated Sales by Region for the Q4-2021.

MEXICO
Sales in MXN: 1.85 billion
EBITDA Margin: 22.6%

U.S.
Sales in MXN: 327.2 million
EBITDA Margin: 6.2%

Sales by Category & Region

(Figures in millions of Mexican Pesos)

	Over-the-counter (OTC)			Personal Care			Total		
	4Q-20	4Q-21	% Var.	4Q-20	4Q-21	% Var.	4Q2020	4Q2021	% Var.
Mexico	845.1	1,120.1	32.5%	625.3	726.5	16.2%	1,470.4	1,846.6	25.6%
LatAm	662.5	1,053.5	59.0%	1,013.1	835.4	(17.5)%	1,675.6	1,888.9	12.7%
U.S.	202.6	213.9	5.6%	119.3	113.3	(5.0)%	321.9	327.2	1.6%
Total	1,710.2	2,387.5	39.6%	1,757.7	1,675.2	(4.7)%	3,467.9	4,062.7	17.2%

	Over-the-counter (OTC)			Personal Care			Total		
	FY-20	FY-21	% Var.	FY-20	FY-21	% Var.	FY-20	FY-21	% Var.
Mexico	3,364.5	3,631.8	7.9%	2,565.7	3,048.5	18.8%	5,930.2	6,680.3	12.6%
LatAm	2,759.1	4,002.6	45.1%	3,637.9	3,459.5	(4.9)%	6,397.0	7,462.1	16.6%
U.S.	1,090.1	821.3	(24.7)%	449.4	496.0	10.4%	1,539.5	1,317.3	(14.4)%
Total	7,213.7	8,455.7	17.2%	6,653.0	7,004.0	5.3%	13,866.7	15,459.7	11.5%

Results by Region for the Fourth Quarter 2021

Mexico

Fourth quarter 2021 Net Sales reached Ps. 1.85 billion; a 25.6% year on year increase. This Ps. 376.2 million increase was primarily due to initiatives which drove increased market share within key categories as well as new core brand line extensions. To a lesser extent, cough and cold products recovered slightly during December due to the Omicron variant which presented similarly to the common flu for most of those infected.

EBITDA for the quarter reached Ps. 417.5 million with a 22.6% EBITDA margin. The 80 bps margin year on year improvement was the result of higher operating leverage, successful cost and expense controls, price increase strategies to recover macroeconomic headwinds, and to a slight decrease in pre-operating expenses associated with Genomma's new Industrial Cluster.

U.S.

Fourth quarter 2021 U.S. net sales increased by 1.6%, to Ps. 327.2 million, due to an increased e-commerce presence, as well as new product launches in Puerto Rico and California. This was adversely impacted by delayed innovation strategies scheduled for 4Q, due to COVID's impact on store operations.

EBITDA margin for the quarter closed at 6.2%; a 130 bps year-on-year contraction. EBITDA for the region was adversely affected by extraordinary expenses related to distribution, marketing and new product launches to support Genomma's new business model for this market.

LATIN AMERICA**Sales in MXN: 1.89 billion****EBITDA Margin: 23.9%****Local Currency
Expressed in MXN****ARS* (15.6%)****CLP (7.1%)****COP (5.0%)****BRL (2.4%)****UYU (2.1%)**

* Exchange rate at the end of the period.

Latin America

Fourth quarter net sales increased by 12.6% year on year, to Ps. 1.89 billion, due to innovation and expansion strategies supported by increased points of sale served. This was partially offset by a negative FX impact in some countries where Genomma operates.

Fourth quarter 2021 EBITDA reached Ps. 452.2 million, as compared to Ps. 385.3 million for the same period in 2020. EBITDA margin for the quarter closed at 23.9%; a 90 bps year on year margin expansion largely attributed to successful cost and expense control as well as price increases during the quarter which mitigated macroeconomic headwinds.

Other Income Statement Results for the Fourth Quarter of 2021

Gross Profit increased by 18.7%, to Ps. 2.56 billion, compared to Ps. 2.16 billion for the audited figures of fourth quarter 2020. Gross margin increased by 90 bps year on year to close at 63.1%, primarily due to pricing and a favorable sales mix with a slight Cough & Cold category recovery during late December. This was offset by FX-related increases on certain input costs.

Selling, General, Marketing and Administrative Expenses increased as a percentage of sales; to 41.4% for the fourth quarter of 2021 from 36.7% for the fourth quarter of 2020. The enactment of the Mexican Labor Reform on subcontracting resulted in hiring more than 750 merchandisers, who were added to the Company's payroll. During the quarter Genomma also made investments in marketing and digital initiatives as well as in trade channels to increase net sales.

Non-Operating Result for the Fourth Quarter of 2021

Comprehensive Financing Result represented a Ps. 193.5 million expense in the fourth quarter of 2021, compared to a Ps. 241.8 million expense within fourth quarter 2020. The Ps. 48.3 million cost decrease is due to: i) Ps. 105.3 million increase in Foreign Exchange Gain and, ii) a Ps. 5.3 million increase in financial interest income during the quarter. This was partially offset by: i) a Ps. 60.0 million year-on-year net foreign exchange increase of the Company's monetary position within its inflationary subsidiary, and ii) a Ps. 2.3 million year-on-year net increase in the financial interest expense during the quarter.

Income Tax Expense for the fourth quarter 2021 reached Ps. 245.3 million as compared to the Ps. 154.7 million income tax expense for the fourth quarter 2020.

Net Income reached Ps. 359.2 million for the fourth quarter; a Ps. 32.4 million increase compared to fourth quarter 2020 audited results primarily due to higher fourth quarter 2021 operating income as well as a reduced cost of comprehensive financing. To a lesser extent, net income improvement was offset by the result of a higher reported effective tax rate as compared to the same quarter of 2020.

Net Income for the fourth quarter 2021 was adversely impacted by results from Genomma's associated distribution company, Grupo Comercial e Industrial Marzam, S.A.P.I. de C.V. ("Grupo Marzam"), in which Genomma is a non-controlling minority shareholder and therefore over which it does not exercise control. Excluding this effect, Genomma's net income for the fourth quarter 2021 would have been Ps. 411.9 million, as compared to an ex. Marzam net income of Ps. 284.4 million for the fourth quarter of 2020. This represents a Ps. 127.4 million, or 45%, year-on-year increase in fourth quarter 2021 net income for Genomma. It's also important to note the above is a non-cash loss.

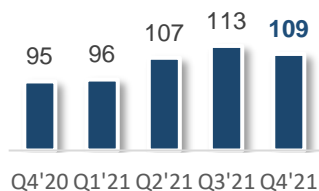
Financial Position

Working Capital was adjusted during the fourth quarter 2021 and the cash conversion cycle ended at 109 days; a 4-day improvement since the end of September 2021:

Days of Accounts Receivable (DIO)

	4Q20	3Q21	4Q21
Mexico	144	143	149
LatAm	80	79	66
U.S.	55	71	59
Consolidated	105	106	100

Cash Conversion Cycle
(Days)



- **Accounts Receivable** amounted to Ps. 4.29 billion as of December 31, 2021. Days of consolidated accounts receivable amounted to 100; a 6-day decrease when compared to the end of September 2021. This was mainly due to strengthened collections and other successful initiatives during the quarter.
- **Inventories** closed at Ps. 2.14 billion as of December 31, 2021. Days of Inventories amounted to 130; a 24-day decrease since the end of September 2021. This is due to the favorable impact of Genomma's improved S&OP system on controls and operations.
- **Trade Payables** amounted to Ps. 1.44 billion as of December 31, 2021. Days Payable Outstanding (DPO) decreased to 121 days, from 147 days on September 30, 2021. The 26-day decrease is due to the acceleration of payment agreements to take advantage of certain year-end discount opportunities and strategies.

Fixed Assets. The Company invested Ps. 616.6 million during the twelve months ended December 31, 2021, primarily related to the start-up process and new line commissioning at the Company's new Industrial Cluster located in the State of Mexico.

Q4-2021 Net Debt to EBITDA
ratio closed at **1.45x**

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. 219.6 million during 2021.

Net Financial Debt at the end of December 2021 increased when compared with year-end 2020:

- **Cash and Equivalents** amounted to Ps. 1.25 billion as of December 31, 2021; a 40.4% year on year decrease primarily due to debt repayment throughout the year.
- **Gross Financial Debt** amounted to Ps. 5.90 billion as of December 31, 2021, compared to Ps. 6.42 billion as of December 31, 2020; a Ps. 519.6 million decrease. The Company's long-term debt represented 64.9% of gross financial debt by end of the fourth quarter 2021.
- **Net Financial Debt** amounted to Ps. 4.65 billion as of December 31, 2021; a Ps. 329.7 million year on year increase.

Share Buyback Program. The Company repurchased a total of 2,802,499 shares during the three months ended December 31, 2021, representing an estimated Ps. 53.2 million investment.

Free Cash Flow from Operations. Excluding investments made in the Company's new manufacturing facility, free cash flow for the twelve months ended December 31, 2021 would have reached Ps. 1.43 billion. Most of the cash flow generated during the year was reinvested into the Company's new Personal Care manufacturing facility and Central Warehouse, as well as working capital investments to drive growth.

Key Financial Metrics

	Q4-2021
EBITDA / Interest Paid	7.24x
Net Debt / EBITDA	1.45x

A total balance of
44,562,667 shares
in the **Buyback Program**
as of December 31, 2021

CONFERENCE CALL Q4-2021

Thursday, February 24, 2021
at 11:00 a.m. ET /
10:00 a.m. CST

Led by:

Jorge Luis Brake
CEO

Antonio Zamora
CFO

Webcast:

[Genomma's Q4' & Full Year 2021
Earnings Call](#)

**To participate, please
dial-in:**

United States:
+1 877-407-0784

International:
+1 201-689-8560

Receive a Call:
[Call Me Link](#)

Fourth quarter 2021 Other Relevant Events

- [Genomma Lab Internacional Announces Dividend Payment](#)
"The Company presented the Notice of Rights, communicating the payment of a dividend to shareholders for the total amount of \$ 400,000,000.00 M.N."
- [Oramed and Genomma Lab Internacional Announce Joint Venture to Develop and Commercialize Oral COVID-19 Vaccine](#)
"The new partnership builds on the respective strengths of Oravax Medical and Genomma Lab to create compelling value for both companies and their stakeholders"

Additional Information

- [New Accounting Standards Impact \(April 29, 2019\)](#)
- [Genomma Lab Internacional 2020 Integrated Annual Report](#)
- [2020 Audited Results \(XBRL Format\)](#)

Sell-side Analyst Coverage

As of February 23, 2022 "LABB" is covered by 13 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); 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**).



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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. Risks and uncertainties include, but are not limited to: risks related to the impact of the COVID19 global pandemic, such as the scope and duration of the outbreak, government actions and restrictive measures implemented in response, material delays, supply chain disruptions and other impacts to the business, or on the Company's ability to execute business continuity plans as a result of the COVID-19 pandemic, economic factors, such as interest rate and currency exchange rate fluctuations; competition, including technological advances, new products attained by competitors; challenges inherent in new product development; the ability of the Company to successfully execute strategic plans; the impact of business combinations and divestitures; manufacturing difficulties or delays, internally or within the supply chain; significant adverse litigation or government action, including related to product liability claims; changes to applicable laws and regulations, including tax laws; changes in behavior and spending patterns of purchasers of products and services; financial instability of international economies and legal systems and sovereign risk. A further list and descriptions of these risks, uncertainties and other factors can be found within the Company's related filings with the Bolsa Mexicana de Valores. Any forward-looking statement made in this release speaks only as of the date of this release. 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 and twelve months ended December 31, 2021 and 2020

Thousands of Mexican pesos

	FOURTH QUARTER				ACCUMULATED			
	2021	%Sales	2020*	%Sales	2021	%Sales	2020*	%Sales
Net Sales	4,062,733	100.0%	3,471,378	100.0%	15,459,675	100.0%	13,870,148	100.0%
Cost of goods sold	1,500,721	36.9%	1,313,197	37.8%	5,910,701	38.2%	5,282,059	38.1%
Gross Profit	2,562,012	63.1%	2,158,181	62.2%	9,548,974	61.8%	8,588,089	61.9%
Selling, general and administrative expenses	1,681,058	41.4%	1,274,362	36.7%	6,394,055	41.4%	5,511,024	39.7%
Other (income) expense	(8,987)	(0.2)%	163,515	4.7%	(55,174)	(0.4)%	154,102	1.1%
EBITDA	889,941	21.9%	720,304	20.7%	3,210,093	20.8%	2,922,963	21.1%
Depreciation and amortization	39,260	1.0%	39,375	1.1%	147,197	1.0%	154,961	1.1%
Income from operations	850,681	20.9%	680,929	19.6%	3,062,896	19.8%	2,768,002	20.0%
Interest expense	(99,251)	(2.4)%	(96,977)	(2.8)%	(444,222)	(2.9)%	(461,107)	(3.3)%
Interest income	9,616	0.2%	4,337	0.1%	65,428	0.4%	31,396	0.2%
Foreign exchange result	3,548	0.1%	(101,757)	(2.9)%	(25,505)	(0.2)%	10,782	0.1%
Inflationary result from monetary position	(107,406)	(2.6)%	(47,393)	(1.4)%	(334,725)	(2.2)%	(178,132)	(1.3)%
Comprehensive financing income (cost)	(193,493)	(4.8)%	(241,790)	(7.0)%	(739,024)	(4.8)%	(597,061)	(4.3)%
Associated company	(52,734)	(1.3)%	42,378	1.2%	(10,378)	(0.1)%	66,270	0.5%
Income before income taxes	604,454	14.9%	481,517	13.9%	2,313,494	15.0%	2,237,211	16.1%
Income tax expense	245,281	6.0%	154,725	4.5%	862,497	5.6%	766,833	5.5%
Consolidated net income	359,173	8.8%	326,792	9.4%	1,450,997	9.4%	1,470,378	10.6%

*2020 Audited Figures.

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

As of December 31, 2021 and 2020 and September 30, 2021

<i>Thousands of Mexican pesos</i>	As of		As of
	December 31,	December 31,	September 30,
	2021	2020	2021
ASSETS			
CURRENT ASSETS			
Cash and equivalents and restricted fund	1,254,542	2,103,870	1,755,220
Clients - Net	4,293,252	4,027,382	4,385,775
Recoverable Taxes	1,450,296	1,669,847	1,528,632
Other accounts receivable*	1,750,664	1,613,649	1,930,903
Inventory - Net	2,138,541	2,045,983	2,441,728
Prepaid expenses	654,441	576,743	644,681
Total current assets	11,541,736	12,037,474	12,686,939
Non-current assets			
Trademarks	4,961,106	4,851,459	4,952,167
Investment in shares	1,712,431	1,700,991	1,743,347
Building, properties and equipment – Net	3,310,255	2,795,312	3,199,894
Deferred income tax, assets and others	892,765	690,527	601,667
Assets by right of use	48,772	56,853	46,889
Total non-current assets	10,925,329	10,095,142	10,543,964
TOTAL ASSETS	22,467,065	22,132,616	23,230,903
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Current portion of long-term debt	2,072,309	1,970,239	2,331,623
Suppliers	1,443,850	1,644,766	1,781,774
Other current liabilities	2,582,807	2,686,346	2,615,096
Income tax payable	461,517	275,791	386,070
Liabilities from short-term leases	32,818	36,829	30,744
Total current liabilities	6,593,301	6,613,971	7,145,307
Non-current liabilities			
Long-term debt securities	2,490,384	2,484,386	2,488,886
Long-term loans with financial institutions	1,341,649	1,969,361	1,465,248
Deferred income tax and other long term liabilities	603,698	609,928	716,526
Payable dividends to shareholders	408,244	800,000	800,000
Liabilities from long-term leases	23,717	20,783	20,133
Total liabilities	11,460,993	12,498,429	12,636,100
Stockholders' equity			
Contributed Capital	1,912,967	1,912,967	1,912,967
Retained earnings	10,352,785	8,876,426	9,955,776
Cumulative translation effects of foreign subsidiaries	(47,927)	(22,359)	(38,464)
Repurchased shares - Net	(1,211,753)	(1,132,847)	(1,235,476)
Total stockholders' equity	11,006,072	9,634,187	10,594,803
TOTAL EQUITY AND LIABILITIES	22,467,065	22,132,616	23,230,903

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the three and twelve months ended December 31, 2021

Thousands of Mexican pesos	4Q-2021	2021
<i>Cash and cash equivalents beginning of period</i>	1,755,220	2,103,870
<i>Consolidated Net Income</i>	359,173	1,450,997
<i>Charges to results with no cash flow:</i>		
Depreciation and amortization	41,153	154,215
Income tax	245,281	862,497
Accrued interest and others	207,850	639,060
	853,457	3,106,769
<i>Changes in Working Capital:</i>		
Clients - Net	54,660	(369,821)
Recoverable VAT	76,270	213,720
Inventories	282,611	(163,982)
Suppliers	(324,248)	(167,412)
Other current assets	(84,289)	(310,448)
Paid income tax	(189,662)	(838,432)
Other current liabilities	12,648	(22,877)
	(172,010)	(1,659,252)
<i>Net cash generated (used) in operating activities</i>	681,447	1,447,517
<i>Investing activities:</i>		
Investment in fixed assets	(153,050)	(630,209)
Subsidiary acquisition	(21,819)	(21,819)
Sales of equipment	2,844	5,904
Other asset acquisitions	(135,025)	(119,494)
<i>Net cash generated (used) in investing activities</i>	(307,050)	(765,618)
<i>Financing activities:</i>		
Payments of borrowings with financial institutions	(553,363)	(2,576,053)
Loans with financial and securities institutions	170,518	2,053,614
Interest paid	(87,250)	(418,912)
Stock repurchase	(53,176)	(155,805)
Effect for transactions with own share	76,899	76,899
Payment of liabilities for lease	(15,417)	(57,051)
Dividends paid to shareholders	(391,756)	(391,756)
<i>Net cash used in financing activities</i>	(853,545)	(1,469,064)
<i>Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash</i>	(479,148)	(787,165)
Foreign exchange and inflationary effects from international operations	(21,530)	(62,163)
<i>Accumulated cash flow at the end of the period</i>	1,254,542	1,254,542
Less - restricted fund	43,927	43,927
<i>Cash and cash equivalents at end of period balance for operation</i>	1,210,615	1,210,615