

HIGHLIGHTS

Q1-2023 Sales increased by
Ps. 163.4 million;
+4.1% year-on-year

Q1-2023 EBITDA
 closed at
Ps. 867.3 million;
 a **+4.9%** increase
 year-on-year

Cash & Equivalents
 closed at
Ps. 1.25 billion
 as of March 31, 2023

Q1-2023 Net Debt to EBITDA
 ratio closed at **1.39x**

Capex Investments for the
 three months ended
 March 31, 2023 reached
Ps. 53.6 million.

Genomma Lab Internacional Reports First Quarter 2023 Results

Mexico City, April 26, 2023 – **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, 2023. 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. The margin for each figure represents its ratio to net sales and the percentage change in the first quarter 2023 as compared with the same period in 2022. Starting this quarter, **the Company will also present a “like-for-like” top-line growth (excluding Argentina) to illustrate the Company’s performance in constant currencies:**

	Q1 2023	% Sales	Q1 2022	% Sales	Like-for-like	Var. %
Net Sales	4,178.2	100.0%	4,014.8	100.0%	+15.2%⁽²⁾	+4.1%
Gross Profit	2,563.7	61.4%	2,513.2	62.6%		+2.0%
Operating Income	803.8	19.2%	775.2	19.3%		+3.7%
EBITDA⁽¹⁾	867.3	20.8%	826.6	20.6%		+4.9%
Net Income	358.0	8.6%	339.2	8.4%		+5.5%

1) EBITDA defined as operating income before depreciation and amortization

2) Like For Like currency (excluding Argentina)

Comments from the CEO

Mr. Marco Sparvieri, Genomma Lab’s Chief Executive Officer, commented:

“Genomma is off to a good start in 2023. The newly deployed strategy of allocating resources to our core brands and making productivity a top priority is working well. Top line is up +15.2% year on year, in like-for-like currency (excluding Argentina). When expressed in Mexican pesos, sales grew +4.1% year, affected by the strong currency appreciation.

In terms of core brands, 61% of our net sales grew share of market with most of our largest brands performing ahead of internal targets. Suerox is up on a like for like basis (excluding Argentina) by +27%, Tio Nacho by +21%, Groomen by +17%, Novamil by +51%, Tukol by +86% and Analgesics by +20%.

Our core markets performed strongly, 73% of our net sales grew ahead of local inflation with our largest markets growing ahead of our internal targets (Mexico +10.7%, US +24% and Brazil +8%) in local currency.

KEY DATA

% Sales by Segment:



OTC 57.5%



PC 42.5%



*Points of Sale



Suerox[®]
launched in
Argentina, Brazil & Peru

Productivity is becoming a core part of our culture. During Q1 we finalized three projects that will deliver approximately +120 MM in annual productivity when fully implemented. We recognize that our manufacturing facility start-up had a more than expected delay, however this quarter we delivered positive COGs savings for the first time, adding a Ps. +6.2 MM contribution. In March, we concluded the Phase 1 of Personal Care's blowing and injection vertical integration processes which will deliver a total annual savings of Ps. \$90 MM and we also concluded the cardboard cases project that will significantly reduce complexity delivering a total annual savings of Ps. 20-30 MM.

EBITDA margin closed at 20.8% (+20bps y-o-y), CCC was at 106 days and FCF of Ps. 293 million."

Business Review

Below are relevant updates related to Genomma's two primary strategic priorities: 1) global **Core Brands** 2) **Productivity** initiatives relative to profitability:

Due to the continued volatility of the various currencies within those markets where Genomma operates, the following are provided as follows: 1) "like-for-like" top-line growth (excluding Argentina) to illustrate the Company's performance in constant currency terms 2) consolidated top-line growth as expressed in Mexican Pesos.

Core Brands: Product Innovation and Portfolio Optimization

The Company's focus on core brands during the first quarter 2023 enabled **double-digit top-line growth in local currency terms**. Selected examples include: i) Infant formula portfolio expansion throughout Mexico, ii) Successful launch of Suerox[®] in Brazil and Peru, primarily focused on the convenience store channel; and iii) US introduction of Tuko[®] Day & Night Soft Gel positioning the brand as a multi-symptom treatment.

Strong Sales Performance within Core Categories

Suerox[®]: a 27% increase¹/25%^{2**} year on year sales increase driven by the launch of Suerox[®] in Brazil, Peru, Central America and Argentina during the first quarter 2023, also with continued strong progress in Chile and the U.S. The Company achieved a 17% market share within its Chile market in March 2023, with continued product expansion within the US beyond Genomma's primary markets Puerto Rico, California and Texas.

Hair Care: Tío Nacho[®] sales increased by 21%¹/10%^{2**} year on year, with increased sell-out in nearly all countries where Genomma has a presence, driven by: i) increased sales of 950ml presentation format, ii) launch of Tío Nacho[®] "Anticanas" (anti-gray) and iii) the favorable impact of TV advertising in Mexico.

¹ * Like-for-like (Constant Currency, excluding Argentina)

² ** Consolidated sales growth in Mexican pesos



Record sales for **Tukol®**
across all regions

Blades & Razors: sales increased by 17%*/12%** year on year. Notably, Groomen® razors were launched within the Colombia market with strong customer demand resulting in a 10.9% increase in Mexico sales.

Cough & Cold: sales increased by 39%*/43%** YoY, driven by the strong 2022/23 winter season reflected in a considerable 107% year on year increase in Tukol® sales.

Gastro: 8%*/3%** sales increase primarily driven by increased sales of QG5 colitis medication in Chile and Peru. Mexico sales of Genomma's Nikzon® hemorrhoid cream increased by 10.1% in Mexico.

Infant Nutrition: sales increased by +51%* year on year led by innovation with the release of Novamil ARD PAX with iron, as well as the Company's strategy to focus on the three product priorities: rice, AE (iron formula for infants with special nutrition needs) and Symbiotic Premium with iron and probiotics. It is important to note that the Company is lapping last year's low base due to 2022 palm oil supply chain issues.

Analgesics (excluding Argentina): grew +20%*/+10%** YoY. All markets showed strong performance. In Mexico, sell out grew +9%, gaining +1.9 pp in market share. Colombia continues to show strong results with a +35% sales increase, reaching 8.4% of market share and consolidating Genomma's position as the third brand within this category in this market.

Hot Spots

Analgesics in Argentina: declined -39%** YoY mainly affected by Tafirol® due to the market deceleration of paracetamol and the Omicron base in 2022. The Company was able to maintain market share at 37.5% by launching Tafirol® Plus and other line extensions during the quarter.

Skin Care: Cicatricure® sales decreased by -2%*/-10%** year on year due to fill-rate issues in Argentina, and innovation delays which impacted brand performance in the first quarter 2023. The Company expects to release new innovation across all markets in the second half of 2023 and to turn around the sales trend. Teatrical® sales declined -5%*/-9.3%** year on year with mixed sell out across markets. Asepxia® sales declined by -18%*/-21.7%** year on year. For Asepxia®, the Company is implementing a turnaround plan including brand communication and positioning for the second half 2023, as well as formula enhancements in 2024.

Productivity in Manufacturing & Supply Chain

The Company's Industrial Complex added Ps. 6.2 million in total profitability for the first time. During the first quarter 2023, the plant manufactured a total of 31.2 million finished product units (+12% ahead of internal plan).



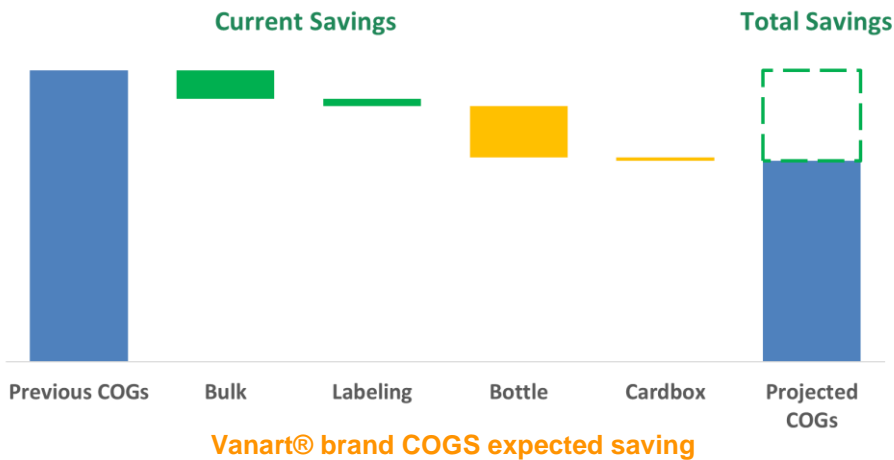
New line extension
for **Novamil®**
in **Mexico**



Vanart®
expected savings of
up to 30%
of total brand COGs

The OTC manufacturing plant produced 4.2 million units, while the Personal Care manufacturing plant produced 5.5 million units of shampoos and 21.5 million units of Suerox®. In terms of efficiency improvements, Genomma achieved a higher efficiency level within the Suerox® line and continued the ramp-up process for the shampoo line, reaching a 60% efficiency rate during the quarter.

Genomma fully commissioned three extrusion-blow molding lines and three plastic injection lines, enabling Genomma to produce its plastic container shampoo products in-house. This will represent plastic bottle transport and storage savings of up to 30% of total Vanart® brand COGs once the project is completed.



In Q1 2023, Genomma completed the cardboard packaging simplification project, the Company has therefore decreased from 14 suppliers and 74 sizes to only 2 suppliers and 12 sizes, significantly reducing complexity and cost. When fully implemented this project will deliver total annual savings of Ps. 20-30 million.

Sustainability and Corporate Culture

The Company initiated a program to improve its recycled materials use within, as well as the recyclability of, its Vanart® shampoo through the use of a new transparent high-density polythene container. Genomma has also successfully integrated post-consumer recycled resin within packaging of its Tío Nacho®, Cicatricure®, Teatrical® and Groomen® brands, among others.

Additionally, during the quarter Genomma became a member of *Empresas Mexicanas X la Equidad* (EM-X+), an International Finance Corporation (IFC, the World Bank private investment arm) initiative in partnership with the government of Japan, to reduce gender gaps and promote diversity and inclusion within the Mexican labor market.



Genomma became a
member of EM-X+,
an **IFC initiative**
([Click here for more
information](#))

First Quarter of 2023 Reported Results, in MXN

Consolidated Results

First quarter 2023 Net Sales reached Ps. 4.18 billion; a 4.1% year on year increase reflecting sequential quarterly of sales growth. This was partially offset by macroeconomic headwinds, particularly FX depreciation of some countries where Genomma operates relative to the Mexican Peso.

EBITDA margin reached 20.8%; a +4.9% year on year increase, and a +20bps margin expansion primarily attributed to operating leverage from increased sales, a favorable product mix, and a strong cost and expense controls.

Mexico

First quarter 2023 Mexico sales increased by 10.7% year on year, to close at 1.74 billion pesos. 85% of the total Mexico brand portfolio grew in sales during the quarter, driven by the successful execution of the **new strategy based on core brand** line extensions and strong core brand sales: **Tio Nacho[®]** (+53% increase, year on year), **Tukol[®]** (+74%, year on year increase) and **Novamil[®]** (+51% increase, year on year). This was driven by strong in-store presence, particularly within Mexico's pharmacy channel.

Genomma's Personal Care category was adversely impacted by its skin care portfolio.

EBITDA margin for the quarter closed at 18.2%; a 200bps year on year contraction. As the Company continues its transition from third party manufacturers into its own manufacturing facility, certain inventories were classified as non-usable for the plant and were therefore written-off during the first quarter 2023, representing an additional **one-time cost** amounted to Ps. 65 million.

U.S.

U.S. Net Sales increased by 15.7%, to Ps. 477.3 million, driven by double-digit growth of core brands. Noteworthy performance included a **+106%** year on year increase in sales of **Tukol[®]** and a **20%** year on year sales increase in **Suerox[®]**. First quarter 2023 US sales also benefitted from double digit growth within its Puerto Rico market due to increased points of sale served as well as strong e-commerce channel performance.

Top-line growth was offset by the continued strength of the Mexican Peso, which appreciated by 9.0% year on year relative to the US Dollar.

First quarter 2023 U.S. EBITDA margin closed at 9.1%; a 180bps year on year increase due to increased gross profit with higher operational leverage resulting from improved sales, a favorable product mix and continued efficient cost and expense control.

MEXICO

Sales in MXN: 1.74 billion

EBITDA Margin: 18.2%

U.S.

Sales in MXN: 477.3 million

EBITDA Margin: 9.1%

USD* (9.0%)

*Average Exchange rate Q1-2022 vs. Q1-2023.

LATIN AMERICA

Sales in MXN: 1.97 billion

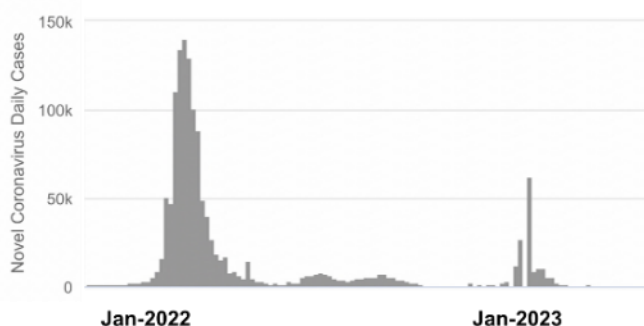
EBITDA Margin: 25.9%

Latin America








Latin America first quarter 2023 net sales reached Ps. 1.97 billion. Most countries and categories delivered solid double-digit growth in local currency terms. However, the strengthening of the Mexican Peso and difficult Tafirol® comparison relative to 2022 resulted in a 3.4% year on year decrease. Strong execution of commercial initiatives, particularly the introduction of Suerox® in Brazil, Argentina, Central America and Peru, as well as new core brand line extensions including Tio Nacho®, Bengue® and Tuko®, resulted in double-digit growth for most countries and categories when expressed in local currency terms.

However, Argentina sales were also adversely affected by the challenging Tafirol® comparison relative to the same period in 2022 as was previously described. However, the Company was able to maintain category market share through the launch of Tafirol® Plus.

Argentina – COVID Daily New Cases



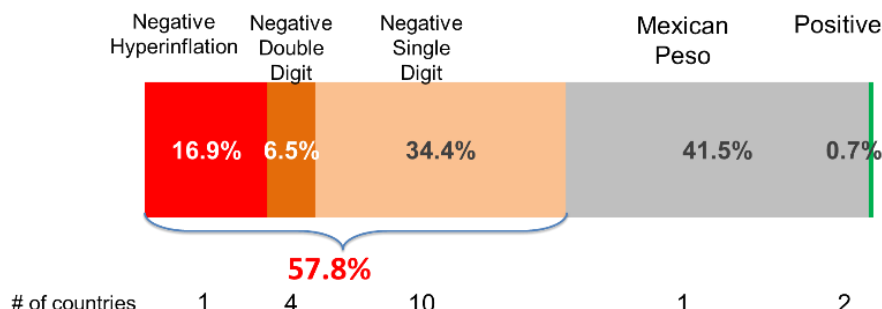
Local Currency
expressed in MXN*

	ARS** (51.8)%
	COP* (25.1)%
	PYG* (12.9)%
	PEN* (9.5)%
	CLP* (9.3)%
	USD* (9.0)%
	BRL* (8.7)%
	UYU* +0.4%

*Average Exchange rate Q1-2022 vs. Q1-2023.
 **Exchange rate for the ARS/MXN at the end of each Quarter.

Excluding Tafirol®, Latin American sales would have reflected a 4.3% year-on-year increased when expressed in Mexican Pesos. However, 58% of Genomma's top-line financials were materially impacted by FX headwinds when converted into Mexican Pesos.

Consolidated Sales classified by relative FX depreciation vs MXN, year-on-year



Finally, Latin America EBITDA margin closed at 25.9%; a +240bps year on year increase primarily attributed to strong cost and expense control and a favorable sales mix effect. This was partially offset by raw materials price increases and local currency depreciation.

Genomma 2023 Investor Day



Genomma Day 2023
[Click here to access to replay](#)



Rodrigo Herrera, Genomma Lab Chairman and Founder's Message to Stakeholders



Manufacturing Plant Video
[Click here to play](#)



Genomma Lab welcomed 114 investors (65 in-person) at the new Industrial Complex

Genomma 2023 Investor Day Talking Points



Productivity is
a top priority

Key Building
Blocks:

OPTIMIZATION AREAS
MANUFACTURING PLANT
VERTICAL INTEGRATION
PRODUCT COST
SGM&A
GTM EXPENSES

What to expect in 2023

1. **Double digit growth in all markets**
(including Mexico) in local currency
2. **Mid single digit growth in MXN**
(high dependance on strength/weakness of MXN)
3. **EBITDA Margin expansion will follow an exponential growth curve**

New Personal Care Manufacturing Facility

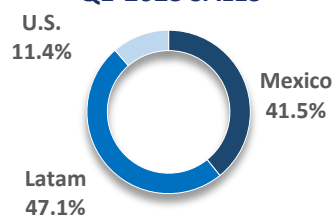


Three extrusion-blow molding lines (Personal Care Plant)



Three plastic injection lines (Personal Care Plant)

Q1-2023 SALES



*Percentage of Consolidated Sales by Region for Q1-2023.

First Quarter 2023 Consolidated Results

First Quarter 2023 Net Sales reached Ps. 4.18 billion; a +4.1% year on year increase reflecting continued strong growth strategy execution. These results were partially offset by macroeconomic headwinds with local currency depreciation.

First Quarter 2023 EBITDA increased by Ps. 40.7 million year on year, to Ps. 867.3 million. First quarter EBITDA margin closed at 20.8%; a +20 bps year on year margin increase resulting from increased operating leverage through increased sales, a favorable product mix effect, as well as a continued focus on cost and expense control. Commodity inflation limited EBITDA margin expansion for first quarter 2023.

Sales by Category & Region

(Figures in millions of Mexican Pesos)

	Over-the-counter (OTC)			Personal Care			Total		
	Q1'23	Q1'22	% Var.	Q1'23	Q1'22	% Var.	Q1'23	Q1'22	% Var.
Mexico	916.0	790.5	+15.9%	819.0	776.5	+5.5%	1,735.0	1,567.0	+10.7%
LatAm	1,168.7	1,241.3	(5.8)%	797.2	794.0	+0.4%	1,965.9	2,035.3	(3.4)%
U.S.	318.5	250.0	+27.4%	158.8	162.5	(2.3)%	477.3	412.5	+15.7%
Total	2,403.2	2,281.8	+5.3%	1,775.0	1,733.0	+2.4%	4,178.2	4,014.8	+4.1%

Other Income Statement Results for the First Quarter of 2023

Gross Profit increased by +2.0%, to Ps. 2.56 billion, compared to Ps. 2.51 billion for the first quarter 2022. Gross margin decreased by 120bps year on year to close at 61.4%, primarily due to a raw materials inflation also with foreign exchange headwinds.

Selling, General, Marketing and Administrative Expenses decreased as a percentage of sales, to 41.8% for the first quarter of 2023 from 43.5% for the previous year, primarily due to a strong focus on cost and expense control.

Non-Operating Result for the First Quarter 2023

Comprehensive Financing Result represented a Ps. 300.1 million expense for the first quarter of 2023, compared to a Ps. 248.7 million first quarter 2022 expense. The Ps. 96.4 million increase is due to: i) a Ps. 103.4 million year on year net increase in Foreign Exchange Loss; and ii) a Ps. 81.8 million increase in financial interest expense. These effects were slightly offset by: i) a Ps. 108.7 million decrease in the Company's monetary position within its inflationary subsidiary; and ii) a Ps. 25.1 million year on year net increase in financial interest gains.

Q1-2023 SGM&A Expenses as a percentage of sales **decreased** by **170bps** year-on-year

Income Tax Expense for the first quarter 2023 reached Ps. 133.3 million as compared to Ps. 159.6 million for first quarter 2022.

Net Income reached Ps. 358.0 million; a Ps. 18.8 million year on year increase. Net income increase is primarily due to lower tax effective rate reported during Q1-23.

Financial Position

Working Capital was adjusted during the first quarter 2023 and the cash conversion cycle ended at 106 days; a 6-day increase when compared to the end of December 2022:

- **Accounts Receivable** amounted to Ps. 4.44 billion as of March 31, 2023. Days of consolidated accounts receivable amounted to 94; a 3-day increase when compared to the end of December 2022.
- **Inventories** closed at Ps. 2.34 billion as of March 31, 2023. Days of Inventories amounted to 124; a 12-day decrease when compared to the end of December 2022.
- **Trade Payables** amounted to Ps. 1.60 billion as of March 31, 2023. Days Payable Outstanding (DPO) increased to 113 days, from 127 days on December 31, 2022.

Fixed Assets. The Company invested Ps. 53.6 million during the three months ended March 31, 2023, primarily related to the Company's Industrial Complex ramp-up of new manufacturing lines.

Recoverable Taxes. This position is comprised of claims against the Mexican tax authorities primarily related to VAT (IVA) and income taxes. The position increased by Ps. 187.6 million over the last twelve months.

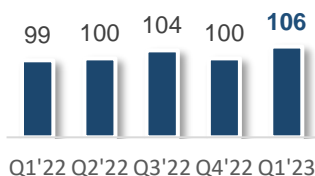
Net Financial Debt at the end of March 31, 2023 reflected a year on year increase:

- **Cash and Equivalents** amounted to Ps. 1.24 billion as of March 31, 2023; a 19.6% year on year decrease primarily due to ongoing debt repayment.
- **Gross Financial Debt** amounted to Ps. 6.15 billion as of March 31, 2023, compared to Ps. 5.41 billion as of March 31, 2022; a Ps. 711.9 million year on year increase. The Company's long-term debt represented 22.9% of gross financial debt at the end of the first quarter 2023.
- **Net Financial Debt** amounted to Ps. 4.88 billion as of March 31, 2023; a Ps. 1.02 billion year on year increase.

Days of Accounts Receivable (DSO)

	1Q22	4Q22	1Q23
Mexico	135	131	123
LatAm	78	67	77
U.S.	66	41	51
Consolidated	101	91	94

Cash Conversion Cycle (Days)

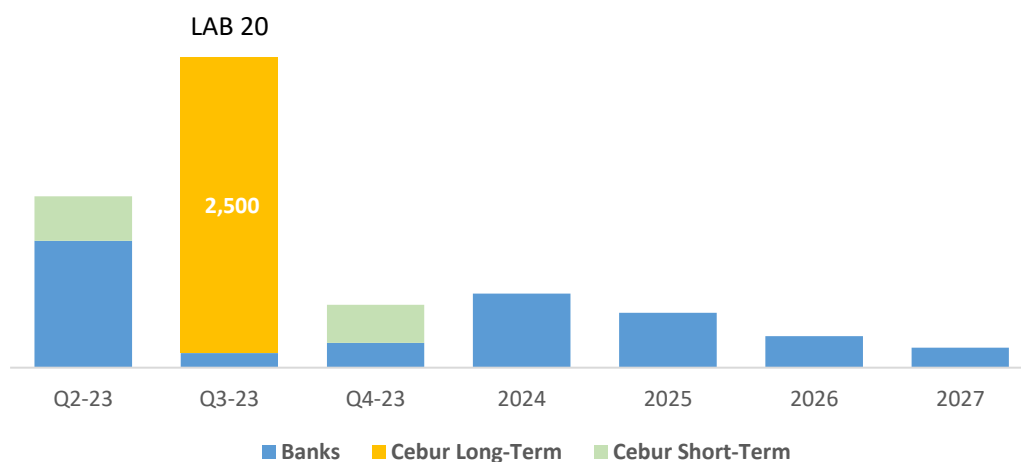


Q1-2023
Net Debt to EBITDA ratio
 closed at **1.39x**

LAB 23 & LAB 23-2 Issuance. On March 29, 2023, the Company completed the successful issuance of unsecured Mexican corporate bonds (*Cebures*) for a total amount of Ps. 1,500,000,000 (one billion five hundred thousand Mexican pesos). The transaction was 2.4x times oversubscribed and allocated among a diversified investor base.

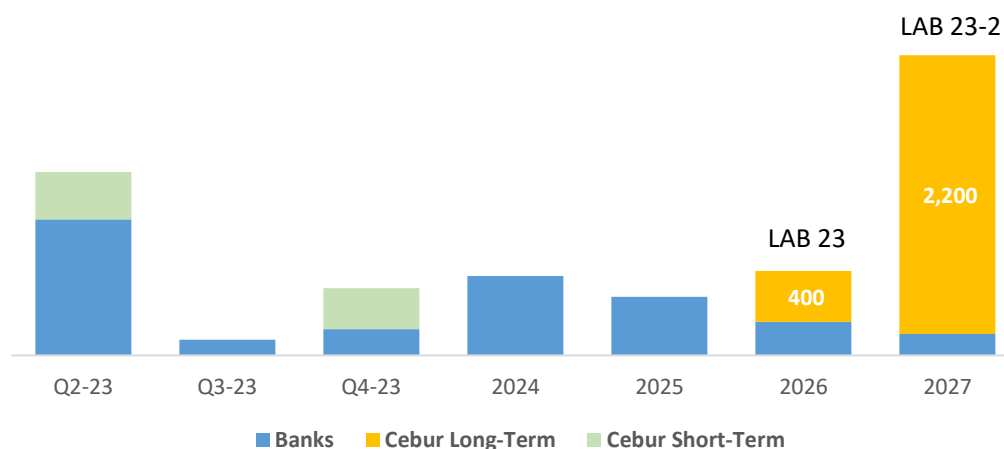
Subsequent to the first quarter, the Company issued an additional Ps. 1.1 billion to its LAB 23-2 *Cebur* on April 18, 2023, which was again oversubscribed 1.83x times. These proceeds will be used during the second quarter 2023 to refinance debt including the full prepayment of the LAB 20 *Cebur*, strengthening the Company's financial debt maturity profile, further optimizing the average liabilities duration and reducing the average yield (TIIE + spread) paid.

Before the Issuance



Gross Debt Structure as of March 31, 2023

After the Issuance



Gross Debt Structure after LAB 20 prepayment

Note: Accordingly, debt will be reclassified to long-term in Q2-2023 from short-term.

Share Buyback Program. The Company repurchased a total of 2,515,830 shares during the three months ended March 31, 2023, representing an investment of approximately Ps. 31.5 million.

Free Cash Flow from Operations. Excluding investments made in the Company's new manufacturing facility, free cash flow for the three months ended March 31, 2023 would have reached Ps. 294.0 million. The majority of cash flow generated year to date has been directed towards the Company's ongoing debt repayment.

Key Financial Metrics

	Q1-2023
EBITDA / Interest Paid	5.78x
Net Debt / EBITDA	1.39x

CONFERENCE CALL Q1-2023

Thursday, April 27, 2023
at 11:00 a.m. ET /
09:00 a.m. CST

Marco Sparvieri
CEO

Antonio Zamora
CFO

Register to Webcast:

[Genomma's Q1'23 Earnings Call](#)

First Quarter 2023 Other Relevant Events

- [Genomma Lab Internacional Successfully Issues 2.6 Billion Pesos Lab23 & Lab23-2 Unsecured Bond In The Mexican Stock Exchange](#)
- [Genomma Lab 2023 AGSM Proxy Documents](#)
Genomma Lab Internacional S.A.B. de C.V. Annual General Shareholders Meeting will take place on April 28, 2023

Additional Information

- [Impact to the Company's financials from the adoption of new Accounting Standards](#)
- [Application of IAS-36 and IFR-13 \(PIR\) effect on the "investment of shares" of the non-controlling investment in Marzam](#)

Sell-side Analyst Coverage

As of April 26, 2023 "LABB" is covered by 11 sell-side analysts at the following brokerages: Actinver Casa de Bolsa, Banco Itaú BBA, Barclays Bank, BBVA Bancomer, BTG Pactual US Capital, GBM Grupo Bursátil Mexicano, Grupo Financiero Banorte, J.P. Morgan Securities, Monex Grupo Financiero, UBS Casa de Bolsa y Vector 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**).



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Powered by the S&P Global CSA

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 months ended March 31, 2023 and 2022

Thousands of Mexican pesos

	FIRST QUARTER			
	2023	% Sales	2022	% Sales
Net Sales	4,178,228	100.0%	4,014,809	100.0%
Cost of goods sold	1,614,496	38.6%	1,501,655	37.4%
Gross Profit	2,563,732	61.4%	2,513,154	62.6%
Selling, general and administrative expenses	1,744,884	41.8%	1,747,806	43.5%
Other (income) expense	(48,500)	(1.2)%	(61,263)	(1.5)%
EBITDA	867,348	20.8%	826,611	20.6%
Depreciation and amortization	63,544	1.5%	51,406	1.3%
Income from operations	803,804	19.2%	775,205	19.3%
Interest expense	(182,002)	(4.4)%	(100,159)	(2.5)%
Interest income	34,885	0.8%	9,739	0.2%
Foreign exchange result	(129,400)	(3.1)%	(25,974)	(0.6)%
Inflationary result from monetary position	(23,613)	(0.6)%	(132,281)	(3.3)%
Comprehensive financing income (cost)	(300,130)	(7.2)%	(248,675)	(6.2)%
Associated company	(12,419)	(0.3)%	(27,727)	(0.7)%
Income before income taxes	491,255	11.8%	498,803	12.4%
Income tax expense	133,250	3.2%	159,617	4.0%
Consolidated net income	358,005	8.6%	339,186	8.4%

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

As of March 31, 2023 and 2022 and December 31, 2022

<i>Thousands of Mexican pesos</i>	As of March 31,	As of December 31,
	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and equivalents and restricted fund	1,249,044	1,553,561
Clients - Net	4,437,883	4,479,350
Recoverable Taxes	1,636,887	1,449,304
Other accounts receivable*	1,045,604	1,522,134
Inventory - Net	2,338,151	2,420,018
Prepaid expenses	782,627	682,142
Total current assets	11,490,196	12,106,509
Non-current assets		
Trademarks	4,976,553	4,986,706
Investment in shares	763,011	724,100
Building, properties and equipment – Net	3,578,665	3,368,433
Deferred income tax, assets and others	963,703	922,739
Assets by right of use	72,237	55,357
Total non-current assets	10,354,169	10,057,335
TOTAL ASSETS	21,844,365	22,163,844
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term debt & Current portion of long-term debt	4,724,471	1,702,726
Suppliers	1,595,271	1,796,439
Other current liabilities	2,737,175	2,985,405
Income tax payable	441,745	490,059
Total current liabilities	9,498,662	6,974,629
Non-current liabilities		
Long-term debt securities	-	2,491,850
Long-term loans with financial institutions	1,400,027	1,218,051
Deferred income tax and other long term liabilities	535,724	689,801
Payable dividends to shareholders	30,581	408,244
Total liabilities	11,464,994	11,782,575
Stockholders' equity		
Contributed Capital	1,912,967	1,912,967
Retained earnings	10,318,834	9,767,166
Cumulative translation effects of foreign subsidiaries	(85,375)	(44,144)
Repurchased shares - Net	(1,769,393)	(1,257,058)
Fair value through profit OCI	2,338	2,338
Total stockholders' equity	10,379,371	10,381,269
TOTAL EQUITY AND LIABILITIES	21,844,365	22,163,844

*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, 2023

Thousands of Mexican pesos

Q1-2023

<i>Cash and cash equivalents beginning of period</i>	1,503,871
<i>Consolidated Net Income</i>	358,005
<i>Charges to results with no cash flow:</i>	
Depreciation and amortization	68,669
Income tax	133,250
Accrued interest and others	180,466
	740,390
<i>Changes in Working Capital:</i>	
Clients - Net	(328,755)
Recoverable VAT	(38,179)
Inventories	(122,622)
Suppliers	(132,095)
Other current assets	(127,976)
Paid income tax	(234,140)
Other current liabilities	561,405
	(422,362)
<i>Net cash generated (used) in operating activities</i>	318,028
<i>Investing activities:</i>	
Investment in fixed assets	(77,696)
Subsidiary acquisition	391
Sales of equipment	(5,443)
Other asset acquisitions	34,873
<i>Net cash generated (used) in investing activities</i>	(47,875)
<i>Financing activities:</i>	
Payments of borrowings with financial institutions	(623,598)
Loans with financial and securities institutions	400,000
Interest paid	(176,908)
Stock repurchase	(31,516)
Payment of liabilities for lease	(12,505)
<i>Net cash used in financing activities</i>	(444,527)
<i>Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash</i>	(174,374)
Foreign exchange and inflationary effects from international operations	(80,453)
<i>Accumulated cash flow at the end of the period</i>	1,249,044
Less - restricted fund	18,987
<i>Cash and cash equivalents at end of period balance for operation</i>	1,230,057