

HIGHLIGHTS

Q3-2023 Sales increased by
Ps. 44.0 million;
+1.0% year-on-year

Q3-2023 EBITDA
 closed at
Ps. 933.7 million;
 a **+2.3%** increase
 year-on-year

Cash & Equivalents
 closed at
Ps. 1.76 billion
 as of September 30, 2023

Q3-2023 Net Debt to EBITDA
 ratio closed at **1.30x**

Capex Investments for
 the nine months ended
 September 30, 2023 reached
Ps. 113.3 million.

Genomma Lab Internacional Reports Third Quarter 2023 Results

Mexico City, October 25, 2023 – **Genomma Lab Internacional, S.A.B. de C.V. (BMV: LAB B)** (“Genomma Lab” or “the Company”), today announced its results for the third quarter ended September 30, 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 for the third quarter 2023 as compared with the same period in 2022. Below, **the Company presents “like-for-like” top-line growth (excluding Argentina) to illustrate Genomma’s performance in constant currency:**

	Q3 2023	% Sales	Q3 2022	% Sales	Like-for-like	Var. %
Net Sales	4,393.2	100.0%	4,349.2	100.0%	+17%⁽²⁾	+1.0%
Gross Profit	2,741.9	62.4%	2,685.7	61.8%		+2.1%
Operating Income	885.8	20.1%	859.4	19.8%		+3.1%
EBITDA⁽¹⁾	933.7	21.3%	912.4	21.0%		+2.3%
Net Income	370.7	8.4%	399.3	9.2%		(7.2)%

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:

“In Q3 2023, Genomma Lab exhibited a strong performance. Our year-on-year (YoY) top-line growth reached +17% when adjusted for like-for-like currency and excluding Argentina. Translated into Pesos, this represents +1.0% growth. This change was influenced by the Mexican Peso's appreciation and substantial devaluation in Argentina. Excluding economic challenges in Argentina—which, despite their complexity, our team has adeptly managed— top-line growth in Mexican Pesos reached +9.1%. Additionally, our EBITDA margin rose to 21.3%, marking a +30 basis point YoY increase. Notably, our Cash Conversion Cycle (CCC) also improved, shortening by -4 days compared to the previous year. Our major markets flourished, with 76% of the business outpacing local inflation rates. Specifically, Mexico grew by +16%* (the result of strong innovation execution, POS execution and optimized TV communication), US by +14%*, Brazil by +12%*, Argentina by +55%*, and Colombia by +18%*. Our unwavering focus on core brands continues to bear fruit, with 61% of the business increasing market share in respective categories. Standout performers included an +11%* for Genomma’s Analgesics, Suerox at +37%*, Tio Nacho at +34%*, and Novamil at +71%*. Cicatricure’s

decline is decreasing, at -1%*. However, Asepxia faced headwinds during the quarter, reflected in a -14%* dip. **Our push for optimal productivity is on track**, targeting Ps. 1.8 billion Pesos by 2027. YTD we have executed projects that add to a total of Ps. 268 million Pesos (annual projection). Our Toluca plant realized Ps. +7.2 million in COGS savings during Q3 alone, amassing a total of Ps. +21.6 million for the year so far. We also wrapped up the design and rollout of a **novel logistics program** aimed at refining transportation costs, which is set to yield an additional +45 MM in annual savings.”

He continued, “In summary, Q3 2023 painted a picture of robust financial health, consistent growth in pivotal markets, and tangible strides in our productivity endeavors. Our strategy ahead is clear: amplify our core brand strengths and navigate the skincare sector's challenges to propel further growth.”

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

** Consolidated sales growth in Mexican pesos

KEY DATA

% Sales by Segment:



OTC 55.7%



PC 44.3%



New flavor
launched in
Brazil

Business Review

Due to the continued volatility of the various currencies in those markets where Genomma operates, the Company provides below an update on its top priorities disclosing: 1) “like-for-like” top-line growth (excluding Argentina) to illustrate the Company’s performance in constant currency terms and 2) consolidated top-line growth as expressed in Mexican Pesos.

Core Brands: Product Innovation and Portfolio Optimization

Strong Sales Performance within Core Categories

Isotonic Beverages: third quarter 2023 **sales of Suerox continue to be outstanding, reflected in a +37%*/+33%** year-on-year increase**. Results were driven by market expansion during the quarter to the Peru, Chile, Argentina, Central America, Ecuador, US and Brazil markets. In particular, Suerox[®] achieved a remarkable +6.7 percentage point market share increase in Chile, year on year.

Hair Care: **Tío Nacho sales increased by a significant +34%*/+18%** year on year, also with increased market share within all markets**, driven by a successful “anti-canas” launch and the introduction of a new 950ml format. Mexico, Brazil and Colombia third quarter 2023 sales were particularly strong, reflected in a +31%, +55% and +63% increase, respectively, on a like-for-like basis.

Blades & Razors: **Groomen achieved a robust +36%*/+32%** year on year increase**. Strong category performance was driven by increased market share in Mexico and Chile of 1.2 and 1.8 percentage points, respectively. Increased share in Mexico was driven by the introduction of disposable razors and cartridges within one of the Company’s largest retail outlets.



New line extension
for
Tio Nacho[®]
in the US



New "Look & Feel"
for
Gastro category

Cough & Cold: The Cough & Cold category increased by +11%*/ +1%** YoY.

Demand for the Company's products consistently outpaced the market, reflected in a +1.0 percentage point Share of Market (SOM) increase, year-to-date (YTD). This momentum was spearheaded during the quarter by gains in Argentina, +3.3 points YTD, and Mexico, +1.5 points YTD. This trajectory optimally positions Genomma for its most robust 2023/24 winter season to date.

Gastro: The Gastro category grew by +17%*/+8%** YoY. Genomma's relative sales performance within this category could be attributed to the rapid growth of probiotics use. The Company's strategy to accelerate its overall results in the category includes a robust plan to launch probiotics, which will be executed in Q4 2023 and Q1 2024.

Infant Nutrition: The Infant Nutrition category continued its strong performance, achieving +71%** YoY growth. Genomma's premier infant nutrition brand reflected strong growth across all core formulation variants, each expanding within its respective market share segment. Specifically, Novamil AE increased by +3 percentage points, Novamil Rice by +5.9 points, Novamil Premium by +0.7 points, and Novamil Reflux by +2.0 points. It's important to note that Genomma continues to re-invest Novamil's profit margin in the business.

Analgesics: The Analgesics category grew by a significant +11%*/-6% YoY.

Results were led by notable performance across key brands and markets. Sales of X-Ray[®] in the Andean region increased by +58%* YoY, also with expanded market share YTD in key countries including Colombia, which increased by seven percentage points, positioning X-Ray[®] as the third-leading brand in this market. In Mexico, Allivix[®] quarterly sales decreased by -19%** year on year. In Argentina, Tafirol's +22% increase in local currency was tempered by the slowdown in Paracetamol 500 demand as compared to its 2022 Omicron baseline. Genomma successfully maintained its 37.3% market share despite these challenges.

Skin Care: Cicatricure[®] sales are showing initial signs of recovery, reflected in a slower decline of -1%* YoY. A new Cicatricure[®] Porcelana line extension was released within all markets during the quarter, with a focus on increased share in the facial care category through innovation, communication and visibility, attracting new consumers to the brand.

Productivity in Manufacturing & within the Supply Chain

The Company achieved substantial strides in its productivity initiatives. Genomma has secured Ps. 268 million in projected annual savings through the initiatives implemented through Q3 2023, aligned with the goal management had established in February 2023 to deliver PS.1.8 billion in productivity savings by 2027. The Company's manufacturing plant's performance has contributed Ps. 21.6 million in COGS savings year to date, as follows: Ps. 6.2 million in Q1, Ps. 8.2 million in Q2, and Ps. 7.2 million in Q3.

Genomma's team has undertaken a sophisticated project over the three quarters ended September 30, 2023 to optimize logistics costs related to customer shipments. This project encompassed route optimization, the establishment of stringent purchase order guidelines to streamline transportation costs, and enhanced truck load mixing. The Company expects this project to result in **an estimated Ps. 45 million in annual savings.**

Genomma announced on August 5, 2023 that the Mexican Ministry of Health's Federal Committee for Protection from Sanitary Risks ("COFEPRIS") had granted approval of the sanitary license for the **oral liquids, topical liquids and tablet coatings operations** at Genomma Lab's manufacturing facility in the State of Mexico.

The Company's OTC plant **Operating License phase has therefore concluded, and all manufacturing lines are now authorized to manufacture** a wide range of pharmaceutical products.

Sustainability and Corporate Culture

Genomma was once again included within the "S&P/BMV Total Mexico ESG Index". The index, previously known as "IPC Sustentable", is comprised of 30 public companies recognized for their outstanding ESG practices based on the S&P's Corporate Sustainability Assessment (CSA). This represented the 9th consecutive year that the Company has been included in the local sustainable index.

Additionally, on July 27, Genomma presented its "Our Progress Sustainability Strategy" report, updating the financial community and general public on the Company's sustainability-related achievements and progress to date. To find the latest update and to learn on how Genomma's various stakeholders are contributing to achieve said goals, [please click on here](#).

Third Quarter of 2023 Reported Results, in MXN

Consolidated Results

Third quarter 2023 Net Sales reached Ps. 4.39 billion; a +1.0% year on year increase, representing another consecutive quarter of sales growth despite ongoing macroeconomic adversity and the strongest Mexican Peso appreciation relative to the U.S. dollar in recent years.

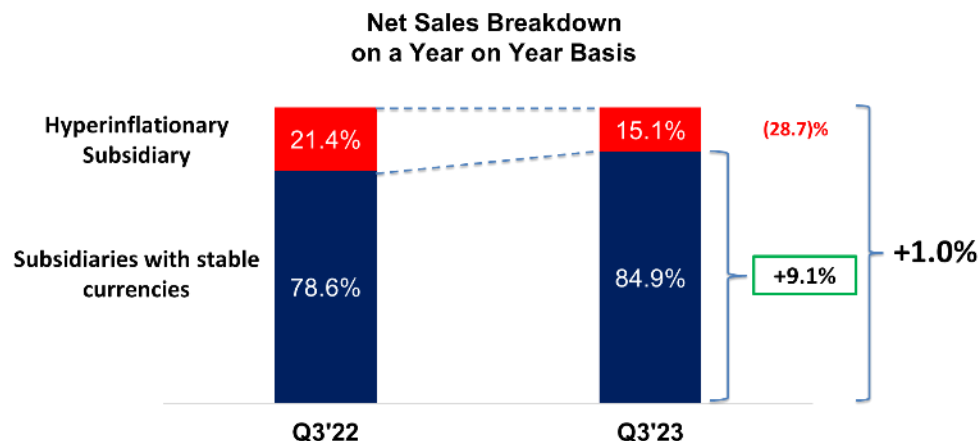
Third quarter 2023 EBITDA margin reached 21.3%; a +2.3% year on year increase, or +30 bps margin expansion, primarily attributed to substantial strides in Genomma's productivity initiatives, manufacturing-related cost savings led by manufacturing plant efficiencies, as well as a strong cost and expense control. FX headwinds from a stronger



Included within the
**"S&P/BMV Total Mexico
 ESG Index"**
 9th consecutive year
 included in the local
 sustainable index

Mexican Peso and Argentina hyperinflationary accounting effects adversely impacted the year-over-year comparison of the Company's profitability.

Genomma provides the following breakdown of its third quarter 2023 top-line performance, to provide context on the contribution of Genomma's Hyperinflationary Subsidiary relative to the Company's consolidated top-line results.



Excluding Genomma's Hyperinflationary Subsidiary, consolidated total sales would have increased by +9.1% year-on-year when expressed in Mexican Pesos.

Finally, the application of IFRS-21 and IFRS-29 rules results in a negative net effect on the third quarter 2023 when adding inflation during the quarter to the cumulative Q1-Q3 Argentina figures when translated applying FX rate depreciation at quarter's end.

Please refer to Genomma's press release "[Impact to the Company's financials from the adoption of new Accounting Standards \(April 29, 2018\)](#)"

MEXICO

Sales in MXN: 2.11 billion
EBITDA Margin: 23.3%

Mexico

Third quarter 2023 Mexico sales increased by +16.0% year on year, to close at 2.11 billion pesos. Double-digit growth is mainly attributed to the **Company's strategy based on core brand performance**, notably resulting in: a **+43%** year on year increase in **XL3[®]**; **+21%** year on year increase in **Suerox[®]**; **+39%** year on year increase in **Tio Nacho[®]**; **+32%** year on year increase in **Tukol[®]** and a **+72%** year on year increase in **Novamil[®]**.

EBITDA margin for the quarter closed at 23.3%; a 260 bps year on year expansion. Margin expansion was attributed to operating leverage from increased sales during the quarter, as well as record efficiencies achieved by the Company's new manufacturing plant.

U.S.

Sales in MXN: 407.2 million
EBITDA Margin: 10.6%

 **USD* (15.7%)**

Q3-2022 vs. Q3-2023.

U.S.

U.S. quarterly sales in local currency reflected a double-digit increase of 14%, year on year. U.S. sales in Mexican Pesos were Ps. 407.2 million; a 3.1% decrease year on year. Top-line growth was offset by the continued strength of the Mexican Peso, which appreciated 15.7% year on year relative to the U.S. Dollar. This adverse FX effect was offset by an optimized media strategy focused on core brands, particularly product innovation and enhanced advertising for Tio Nacho®, Suerox® Tukol® and X-Ray®.

Third quarter 2023 U.S. EBITDA margin closed at 10.6%; a 350bps expansion. Significant margin expansion is primarily attributable to strong cost and expense control, a reorganized end-to-end Supply Chain Team, and an optimized media strategy.

LATIN AMERICA

Sales in MXN: 1.88 billion
EBITDA Margin: 21.3%

**Local Currency
expressed in MXN**

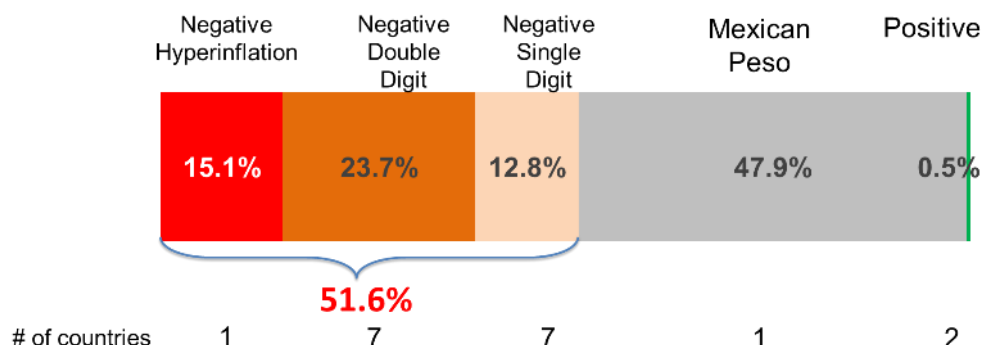
	ARS** (63.6)%
	PYG* (19.9)%
	USD* (15.7)%
	PEN* (10.8)%
	BRL* (9.4)%
	UYU* (9.4)%
	COP* (8.5)%
	CLP* (8.4)%

Latin America

Third quarter 2023 Latin America sales reached a +7.9%* year on year increase on a like-for-like basis excluding Argentina, driven by solid double-digit growth in most of the categories and countries where the Company operates when expressed in local currency terms. Latin America sales in Mexican Pesos reached Ps. 1.88 billion; an 11.1% decline year on year, adversely impacted by Argentina's significant devaluation as well as negative hyperinflationary accounting effects and the strengthening of the Mexican Peso. The introduction of Suerox® in Brazil, Argentina, Central America and Peru, as well as an outstanding performance of core brands, offset Genomma's negative results for this region.

FX depreciation represented Genomma's most challenging headwind: 51.6% of Genomma's top-line financials were materially impacted when converted into Mexican Pesos.

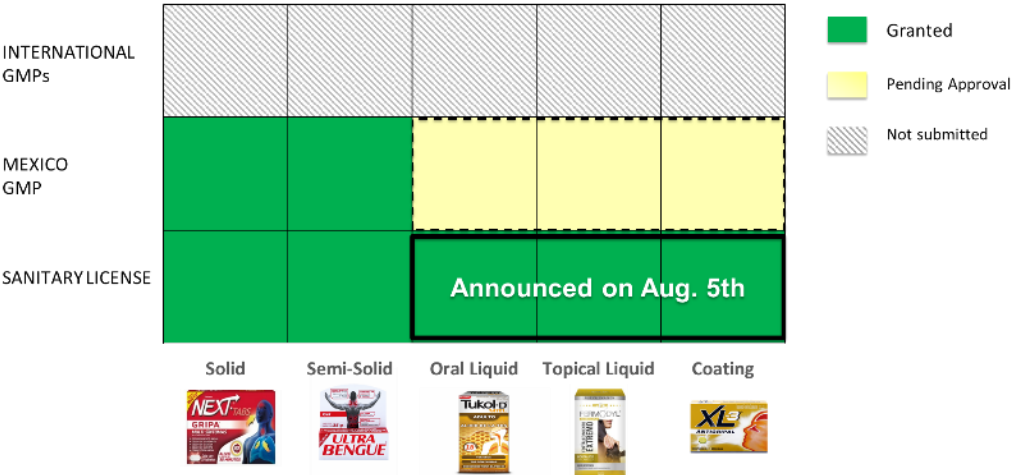
**Consolidated Sales classified by
relative FX depreciation vs MXN, year-on-year**



Latin America EBITDA margin closed at 21.3%; a 270 bps year on year margin contraction, primarily due to macroeconomic headwinds and negative product mix.

*Average Exchange rate Q3-2022 vs. Q3-2023.
**Exchange rate for the ARS/MXN at the end of each Quarter.

Genomma Lab Manufacturing Facility Granted COFEPRIS Operating License For All Its Pharma Manufacturing Lines



Coating Line



High Shear Granulation Line



Bottle Filler Line



Equipment recently approved by the sanitary license for the oral liquids, topical liquids and tablet coatings processes

Topical & Oral Liquids Lines



Herbal Solids Line



Liquids Line

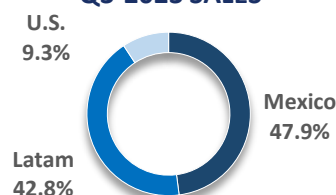


Bottle Filler Line



Equipment recently approved by the sanitary license for the oral liquids, topical liquids and tablet coatings processes

Q3-2023 SALES



*Percentage of Consolidated Sales by Region for Q3-2023.

Sales by Category & Region

(Figures in millions of Mexican Pesos)

	Over-the-counter (OTC)			Personal Care			Total		
	Q3'22	Q3'23	% Var.	Q3'22	Q3'23	% Var.	Q3'22	Q3'23	% Var.
Mexico	1,039.1	1,207.2	16.2%	776.9	899.3	15.8%	1,816.0	2,106.5	16.0%
LatAm	1,197.1	1,020.0	(14.8)%	916.0	859.5	(6.2)%	2,113.1	1,879.5	(11.1)%
U.S.	281.9	220.3	(21.9)%	138.2	186.9	35.2%	420.1	407.2	(3.1)%
Total	2,518.1	2,447.5	(2.8)%	1,831.1	1,945.7	6.3%	4,349.2	4,393.2	1.0%

Other Income Statement Results for the Third Quarter 2023

Gross Profit increased by +2.1% year on year, to Ps. 2.74 billion, compared to Ps. 2.69 billion. Gross margin increased by 60 bps year on year to close at 62.4%, primarily due to a positive product mix effect, operating leverage from increased sales during the quarter, as well as record efficiencies achieved by the Company's new manufacturing plant.

Selling, General, Marketing and Administrative Expenses decreased as a percentage of sales, to 41.0% for the third quarter of 2023 from 41.6% for the previous year, primarily due to strong cost and expense control, a reorganized end-to-end Supply Chain Team, and media expense efficiencies during the quarter.

Non-Operating Result for the Third Quarter 2023

Comprehensive Financing Result represented a Ps. 297.6 million expense for the third quarter of 2023, compared to a Ps. 265.0 million third quarter 2022 expense. The Ps. 32.6 million increase is due to a Ps. 71.2 million increase in financial interest expense from a significantly higher TIIE rate, as well as a Ps. 42.4 million year on year net increase in Foreign Exchange Loss. These effects were offset by: i) a Ps. 58.0 million year on year net increase in financial interest gains; and ii) a Ps. 23.0 million efficiency in the Company's monetary position within its inflationary subsidiary.

Income Tax Expense for the third quarter 2023 reached Ps. 177.7 million as compared to Ps. 214.9 million for third quarter 2022; a 17.3% decrease year on year.

Net Income reached Ps. 370.7 million; a Ps. 28.6 million year on year decrease primarily due to an increased all-in cost of financing resulting from FX losses and higher financial interest expenses accounted during the quarter.

Net Income for the third quarter 2023 was also 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 third quarter 2023 would have been Ps. 410.4 million, as compared to an ex-Marzam net income of Ps. 379.5 million for the third quarter of 2022. This represents a Ps. 31.0 million, or +8.2%, year-on-year increase in third quarter 2023 net income for Genomma, ex-Marzam. It's important to note that the above is a non-cash loss.

Financial Position

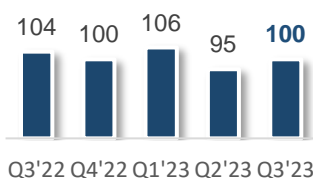
Working Capital was adjusted during the third quarter 2023 and the cash conversion cycle ended at 100 days; a 4-day decrease when compared to the end of September 2022:

Days of Accounts Receivable (DSO)

	3Q22	2Q23	3Q23
Mexico	121	134	112
LatAm	69	74	79
U.S.	63	60	48
Consolidated	90	96	91

- **Accounts Receivable** amounted to Ps. 4.30 billion as of September 30, 2023. Days of consolidated accounts receivable amounted to 91; a 1-day increase when compared to the end of September 2022.
- **Inventories** closed at Ps. 2.31 billion as of September 30, 2023. Days of Inventories amounted to 123; a 38-day decrease when compared to the end of September 2022.
- **Trade Payables** amounted to Ps. 1.99 billion as of September 30, 2023. Days Payable Outstanding (DPO) decreased to 114 days, from 148 days on September 30, 2022.

Cash Conversion Cycle (Days)



Fixed Assets. The Company invested Ps. 47.7 million in fixed assets during the three months ended September 30, 2023.

Recoverable Taxes. This position is comprised of claims against the Mexican tax authorities primarily related to VAT (IVA) and income taxes and has increased by Ps. 68.1 million over the last twelve months.

Net Financial Debt at the end of September 30, 2023 reflected a year on year increase:

- **Cash and Equivalents** amounted to Ps. 1.76 billion as of September 30, 2023; a 61.3% year on year increase.
- **Gross Financial Debt** amounted to Ps. 6.36 billion as of September 30, 2023, compared to Ps. 5.11 billion as of September 30, 2022. The Company's long-term debt represented 64.7% of gross financial debt at the end of the third quarter 2023.
- **Net Financial Debt** amounted to Ps. 4.60 billion as of September 30, 2023.

Q3-2023
Net Debt to EBITDA ratio
 closed at **1.30x**

Voluntary Debt Prepayment. Genomma announced on August 4, 2023 it had voluntarily prepaid the total amortization for the second tranche of its IFC secured loan. The voluntary prepayment of the Company's second tranche of its IFC Loan amounted to approximately Ps. 272.2 million, adding the accrued interest to the principal. The Company is committed to continue strengthening its financial debt maturity profile and to optimize its average liabilities duration.

Dividends. Genomma paid a cash dividend to shareholders on September 29, 2023 in the amount of \$0.196080 Mexican pesos per share on its common stock, representing a total of Ps. 200 million. Genomma intends to continue paying dividends on a quarterly basis.

Share Buyback Program. Genomma repurchased a total of 2,877,000 shares during the three months ended September 30, 2023, representing an approximately Ps. 41.3 million investment.

Free Cash Flow from Operations. Excluding investments made in the Company's new manufacturing facility, free cash flow for the nine months ended September 30, 2023 would have reached Ps. 1.38 billion. The majority of cash flow generated year to date has been directed towards the Company's ongoing debt repayment, the previously mentioned dividend payment and to increase its Share Buyback Program activities.

Key Financial Metrics

	Q3-2023
EBITDA / Interest Paid	4.6x
Net Debt / EBITDA	1.3x

CONFERENCE CALL Q3-2023

Thursday, October 26, 2023
at 1:00 p.m. ET /
11:00 a.m. Mexico City Time

Marco Sparvieri
CEO

Antonio Zamora
CFO

Register to Webcast:

[Genomma's Q3'23 Earnings Call](#)

Third Quarter 2023 Other Relevant Events

- [Genomma Lab manufacturing facility granted COFEPRIS operating license for all its Pharma / OTC manufacturing lines](#)
*The Company's OTC plant Sanitary License phase has therefore concluded and **all manufacturing lines** are able to manufacture a wide range of pharmaceutical products, effective immediately.*
- [Genomma Lab Internacional Announces Fifth Dividend Payment representing a Total Amount of 200 Million Pesos](#)
- [Genomma Lab Internacional informs the Voluntarily Prepayment of the Second Tranche of its IFC Secured Loan](#)

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 October 25, 2023 "LABB" is covered by 10 sell-side analysts at the following brokerages: Actinver Casa de Bolsa, Banco Itaú BBA, 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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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 nine months ended September 30, 2023 and 2022

Thousands of Mexican pesos

	THIRD QUARTER				ACCUMULATED			
	2023	% Sales	2022	% Sales	2023	% Sales	2022	% Sales
Net Sales	4,393,239	100.0%	4,349,236	100.0%	12,941,973	100.0%	12,687,682	100.0%
Cost of goods sold	1,651,292	37.6%	1,663,491	38.2%	4,971,494	38.4%	4,875,764	38.4%
Gross Profit	2,741,947	62.4%	2,685,745	61.8%	7,970,479	61.6%	7,811,918	61.6%
Selling, general and administrative expenses	1,800,539	41.0%	1,808,816	41.6%	5,341,069	41.3%	5,279,180	41.6%
Other (income) expense	7,724	0.2%	(35,494)	(0.8)%	(91,774)	(0.7)%	(98,277)	(0.8)%
EBITDA	933,684	21.3%	912,423	21.0%	2,721,184	21.0%	2,631,015	20.7%
Depreciation and amortization	47,918	1.1%	52,988	1.2%	160,548	1.2%	156,556	1.2%
Income from operations	885,766	20.2%	859,435	19.8%	2,560,636	19.8%	2,474,459	19.5%
Interest expense	(208,158)	(4.7)%	(136,957)	(3.1)%	(611,602)	(4.7)%	(363,429)	(2.9)%
Interest income	100,371	2.3%	42,322	1.0%	198,253	1.5%	82,601	0.7%
Foreign exchange result	(88,886)	(2.0)%	(46,480)	(1.1)%	(372,374)	(2.9)%	(100,937)	(0.8)%
Inflationary result from monetary position	(100,967)	(2.3)%	(123,934)	(2.8)%	(104,907)	(0.8)%	(367,298)	(2.9)%
Comprehensive financing income (cost)	(297,640)	(6.8)%	(265,049)	(6.1)%	(890,630)	(6.9)%	(749,063)	(5.9)%
Associated company	(39,779)	(0.9)%	19,790	0.5%	(55,553)	(0.4)%	(35,550)	(0.3)%
Income before income taxes	548,347	12.5%	614,176	14.1%	1,614,453	12.5%	1,689,846	13.3%
Income tax expense	177,675	4.0%	214,900	4.9%	468,379	3.6%	608,390	4.8%
Consolidated net income	370,672	8.4%	399,276	9.2%	1,146,074	8.9%	1,081,456	8.5%

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

As of September 30, 2023 and 2022 and December 31, 2022

<i>Thousands of Mexican pesos</i>	As of September 30, 2023	As of September 30, 2022	As of December 31, 2022
ASSETS			
Current assets			
Cash and equivalents and restricted fund	1,763,956	1,093,330	1,503,871
Clients - Net	4,304,510	4,188,713	4,270,528
Recoverable Taxes	1,651,415	1,583,288	1,625,167
Other accounts receivable*	1,022,555	985,262	868,468
Inventory - Net	2,307,719	2,858,866	2,397,039
Prepaid expenses	892,342	876,078	647,171
Total current assets	11,942,497	11,585,537	11,312,244
Non-current assets			
Trademarks	5,112,579	5,030,610	4,976,690
Investment in shares	719,877	717,128	787,752
Building, properties and equipment – Net	3,393,316	3,448,646	3,546,846
Deferred income tax, assets and others	864,075	995,455	937,223
Assets by right of use	45,686	50,554	45,775
Total non-current assets	10,135,533	10,242,393	10,294,286
TOTAL ASSETS	22,078,030	21,827,930	21,606,530
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Short-term debt and Current portion of long-term debt	2,247,559	4,138,224	4,826,146
Suppliers	1,990,300	2,096,825	1,790,380
Other current liabilities	2,246,467	2,698,318	2,458,567
Income tax payable	328,586	381,373	281,350
Total current liabilities	6,812,912	9,314,740	9,356,443
Non-current liabilities			
Long-term debt securities	3,179,271	-	-
Long-term loans with financial institutions	933,185	970,855	1,551,515
Deferred income tax and other long term liabilities	502,072	605,785	515,491
Payable dividends to shareholders	30,581	15,667	30,581
Total liabilities	11,458,021	10,907,047	11,454,030
Stockholders' equity			
Contributed Capital	1,912,967	1,912,967	1,912,967
Retained earnings	10,582,326	10,405,401	10,045,828
Cumulative translation effects of foreign subsidiaries	(68,124)	(121,911)	(70,757)
Repurchased shares - Net	(1,809,498)	(1,277,912)	(1,737,876)
Fair value through profit OCI	2,338	2,338	2,338
Total stockholders' equity	10,620,009	10,920,883	10,152,500
TOTAL EQUITY AND LIABILITIES	22,078,030	21,827,930	21,606,530

*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 September 30, 2023

<i>Thousands of Mexican pesos</i>	Q3-2023
<i>Cash and cash equivalents beginning of period</i>	1,369,610
<i>Consolidated Net Income</i>	370,672
<i>Charges to results with no cash flow:</i>	
Depreciation and amortization	60,356
Income tax	177,675
Accrued interest and others	158,010
	766,713
<i>Changes in Working Capital:</i>	
Clients - Net	142,074
Recoverable VAT	(108,661)
Inventories	(201,489)
Suppliers	158,405
Other current assets	(52,128)
Paid income tax	(266,786)
Other current liabilities	223,662
	(104,923)
<i>Net cash generated (used) in operating activities</i>	661,790
<i>Investing activities:</i>	
Investment in fixed assets	(50,463)
Sales of equipment	(32)
Interest collected	100,406
Other asset acquisitions	(8,488)
<i>Net cash generated (used) in investing activities</i>	41,423
<i>Financing activities:</i>	
Payments of borrowings with financial institutions	(812,810)
Loans with financial and securities institutions	930,000
Interest paid	(205,312)
Effect of transactions with treasury shares	(18,701)
Stock repurchase	(331,596)
Sale of repurchased shares	376,891
Payment of liabilities for lease	(6,824)
Dividends paid to shareholders	(193,671)
<i>Net cash used in financing activities</i>	(262,023)
<i>Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash</i>	441,190
Foreign exchange and inflationary effects from international operations	(46,844)
<i>Accumulated cash flow at the end of the period</i>	1,763,956
Less - restricted fund	23,255
<i>Cash and cash equivalents at end of period balance for operation</i>	1,740,701