

## IFRS-5 accounting effects related to the “discontinued operations” (non-controlling investment held for sale in Marzam)

The following note provides detail related to the effect of IFRS-5 on Genomma Lab Internacional, S.A.B. de C.V. (“Genomma Lab” or the “Company”)’s audited financials related to its non-controlling stake in Grupo Industrial y Comercial Marzam, S.A. de C.V. (“Marzam”), classified as “discontinued operations”.

The contribution of Marzam to the Genomma Lab’s consolidated figures is **not material** and does not contribute to Genomma Lab’s operational model.

	Marzam (Discontinued Operations)	Genomma (Continuous Operations)	
Net Revenues	0%	100%	100%
EBITDA	0%	100%	100%
Net Income	0%	100%	100%
Total Assets	2.3%	97.7%	100%

Genomma engaged globally recognized accounting firms to assist the Company with a range of recommendations as part of the annual audit process for 2024.

Taking into consideration recent events related to Marzam’s business performance in 2024, a **non-cash adjustment** was recorded as a separate line in “discontinued operations”, this implies:

- No impact on Genomma’s Net Revenues
- No impact on Genomma’s EBITDA
- No impact on Genomma’s Cash Flow.
- Positive impact on Genomma’s EPS (continued operations).
- Positive impact on performance metrics for Return on Equity (ROE)
- Improved Return on Invested Capital (ROIC).

This Note is structured in the following sections:

- Background and recent events at the “non-controlling” investment
- Application of IFRS-5 to the Income Statement and Balance Sheet,
- IAS-33 positive implications in Earnings per share

## Background of the investment in Marzam

Gibart, S.A. de C.V., a wholly-owned subsidiary of Genomma Lab, holds a non-controlling equity stake in Grupo Comercial e Industrial Marzam, S.A.P.I de C.V. (“Marzam”), a “non-core” asset of the Company.

Genomma Lab does not have voting or management control of Marzam and therefore is unable to elect the majority of directors Marzam’s board, appoint senior management, or govern the policies and practices as applied to Marzam operations.

Genomma’s strategy is to divest certain “non-core” assets and focus on the company’s core objectives. Previous potential bids from third-parties to acquire majority stakes of Marzam, were not of interest to Moënh Cooperatief, U.A., the controlling shareholder of Marzam

On May 3<sup>rd</sup>, 2024, the Company informed<sup>1</sup> that Mr. Luis Doportó Alejandro signed a definitive agreement to proceed with a capital infusion into Marzam to strengthen the business. As part of this agreement, Gibart consented to the capital infusion and, provided that applicable conditions are met, will reduce its equity stake in Marzam.

Beginning Q2’2024, Marzam was classified as “*discontinued operations*” asset held for sale in the Company’s financial statements of the Company.

## Recent events at the “non-controlling” investment

In Q1 2025, Mr. Doportó communicated that he had not yet secured the necessary funding for the capital infusion into Marzam, as serious discussions with potential financial sources did not materialize. This infusion is required to strengthen Marzam’s financial position and allow Gibart to reduce its equity stake.

On the basis of Marzam’s decline in sales, a material adjustment to the carrying amount of the discontinued operations was required, as Marzam would be unable to continue operating as an “on-going concern”. As of today, Marzam is engaged in discussions with the majority of its creditors to secure the working capital needed to implement its financial turn-around plan.

**Regardless of any contingent accounting adjustment, Gibart reserves all its rights to enforce them until full payment is received in connection with this transaction.**

<sup>1</sup> See Press Release “Agreement signed for Share Redemption” May 4, 2024

[https://www.google.com/url?sa=t&source=web&rct=j&opi=89978449&url=https://inversionistas.genommalab.com/wp-content/uploads/2024/05/LABB-MARZAM-Evento-Relevante-2024-05-03-ENGLISH.pdf&ved=2ahUKEwjJi6zmyNGLAxWoHNAFHQ7xEtsQFnoECB4QAQ&usg=AOvVaw0OG\\_4yrWiGBPFCiSMqdILc](https://www.google.com/url?sa=t&source=web&rct=j&opi=89978449&url=https://inversionistas.genommalab.com/wp-content/uploads/2024/05/LABB-MARZAM-Evento-Relevante-2024-05-03-ENGLISH.pdf&ved=2ahUKEwjJi6zmyNGLAxWoHNAFHQ7xEtsQFnoECB4QAQ&usg=AOvVaw0OG_4yrWiGBPFCiSMqdILc)

## Income Statement after applying IFRS - 5 Discontinued Operations

IFRS<sup>2</sup> requires that a **single line** item with the amount for the total of discontinued operations be presented in the Profit or Loss Statement **separate** from the continuous operations.

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

#### CONSOLIDATED STATEMENT OF INCOME

For the twelve months ended December 31, 2024 and 2023 (Audited Results)

Thousands of Mexican pesos	12M		12M		Δ%
	2024	% Sales	2023	% Sales	
Net Sales	18,606,903	100.0%	16,467,126	100.0%	13.0%
Cost of goods sold	(6,675,859)	(35.9)%	(6,383,900)	(38.8)%	4.6%
<b>Gross Profit</b>	<b>11,931,044</b>	<b>64.1%</b>	<b>10,083,226</b>	<b>61.2%</b>	<b>18.3%</b>
Selling, general and administrative expenses	(7,707,227)	(41.4)%	(6,703,552)	(40.7)%	15.0%
Other income (expense)	46,483	0.2%	6,676	0.0%	596.3%
<b>EBITDA</b>	<b>4,270,300</b>	<b>23.0%</b>	<b>3,386,350</b>	<b>20.6%</b>	<b>26.1%</b>
Depreciation and amortization	(347,809)	(1.9)%	(185,232)	(1.1)%	87.8%
<b>Income from operations</b>	<b>3,922,491</b>	<b>21.1%</b>	<b>3,201,118</b>	<b>19.4%</b>	<b>22.5%</b>
Interest expense	(887,799)	(4.8)%	(829,903)	(5.0)%	7.0%
Interest income	106,111	0.6%	156,926	1.0%	(32.4)%
Foreign exchange result	113,575	0.6%	(543,507)	(3.3)%	(120.9)%
Inflationary result from monetary position	(363,286)	(2.0)%	(264,045)	(1.6)%	37.6%
<b>Comprehensive financing income (cost)</b>	<b>(1,031,399)</b>	<b>(5.5)%</b>	<b>(1,480,529)</b>	<b>(9.0)%</b>	<b>(30.3)%</b>
Associated company	0	0.0%	0	0.0%	n.a.
<b>Income before income taxes</b>	<b>2,891,092</b>	<b>15.5%</b>	<b>1,720,589</b>	<b>10.4%</b>	<b>68.0%</b>
Income tax expense	(799,981)	(4.3)%	(635,674)	(3.9)%	25.8%
<b>Net income from continuous operations</b>	<b>2,091,111</b>	<b>11.2%</b>	<b>1,084,915</b>	<b>6.6%</b>	<b>92.7%</b>
Results from discontinuous operations (Marzam)	(597,989)	(3.2)%	(58,599)	(0.4)%	920.5%
<b>Continuous and Discontinuous Net Income</b>	<b>1,493,122</b>	<b>8.0%</b>	<b>1,026,316</b>	<b>6.2%</b>	<b>45.5%</b>

<sup>2</sup> IAS-1 Paragraph 82 (ea). In 2023 and Q1'2024, Marzam was considered as an affiliate and its results were presented in the Associated company line. In Q2 2024, a definite agreement was reached to sell the asset and was reclassified as an "asset held for sale" (i.e. discontinued operations) As a result the asset amount in the balance sheet was reclassified as "discontinued operations" in the Balance Sheet.

NOTE. A separate line "results from discontinued operations" should be used **in the event** of a gain or loss in fair value less cost to sell the disposal assets.

## IAS – 33 Earnings per Share

IAS -33 prescribes principles for the determination and presentation of **earnings per share**, to allow performance comparisons between different reporting periods of the same entity.

### Earnings<sup>3</sup>

For the purpose of calculating earnings per share, the amounts attributable to ordinary equity This holders in respect of profit or loss from continuous operations shall be the amount of **earnings**. This represents the true performance of the Genomma Lab business.

### Earnings per Share (EPS) <sup>4</sup>

EPS shall be calculated by dividing earnings from continuous operations by the weighted average number of ordinary shares outstanding. In the case of LABB, 1,000,000,000 shares in 2024 and 1,020,000,000 shares in 2023.

	2024	2023	Δ%
<b>Earnings per Share<sup>5</sup> (MXN)</b>	<b>2.09</b>	<b>1.06</b>	<b>+96.6 %</b>

Since 2016, Genomma Lab's **new management team** reinforced the Company's financial policies to enhance the relevance and reliability of information contained within the financial statements.

Management has concluded that the financial statements of the **continuous operations** present fairly **Genomma Lab's** financial position, financial performance and cash flows.

	2024	2024	2023
<b>Return on Equity (ROE)</b>	<b>19.2%</b>	<b>13.7%</b>	<b>10.9%</b>
	<b>Genomma Lab (continuous ops)</b>	<b>Continuous &amp; Discontinuous</b>	<b>Continuous &amp; Discontinuous</b>

<sup>3</sup> Please review paragraph 9 and 12 of IAS-33

<sup>4</sup> IAS-33 (10)

<sup>5</sup> NOTE: As additional information, an entity that reports a discontinued operations shall disclose the total earnings per share including the discontinued operation in the notes<sup>5</sup>.

## IFRS - 5 Non-current Assets held for sale and Discontinued Operations

The IFRS-5 standard specifies the accounting for assets held for sale and the presentation and disclosure of **discontinued operations**.

### Balance Sheet

An entity shall present a non-current asset classified as held for sale or discontinued operations **separately** from other assets of its continuous operations in the balance sheet<sup>6</sup>.

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

As of December 31, 2024 and 2023

<i>Thousands of Mexican pesos</i>	As of December 31,		
	2024	2023	Δ%
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and equivalents and restricted fund	2,379,112	1,671,570	42.3%
Clients - Net	4,444,414	3,709,384	19.8%
Recoverable Taxes	1,492,538	1,558,006	(4.2)%
Other accounts receivable*	702,175	972,501	(27.8)%
Inventory - Net	2,176,087	1,910,700	13.9%
Prepaid expenses	872,205	814,464	7.1%
<b>Total current assets</b>	<b>12,066,531</b>	<b>10,636,625</b>	<b>13.4%</b>
<b>Non-current assets</b>			
Trademarks	5,926,549	4,953,537	19.6%
Investment in shares	0	729,153	(100.0)%
Discontinued Operations	0	0	n.a.
Building, properties and equipment – Net	3,526,885	3,391,009	4.0%
Deferred income tax, assets and others	1,466,152	962,591	52.3%
Assets by right of use	31,686	23,802	33.1%
<b>Total non-current assets</b>	<b>10,951,272</b>	<b>10,060,092</b>	<b>8.9%</b>
<b>TOTAL ASSETS</b>	<b>23,017,803</b>	<b>20,696,717</b>	<b>11.2%</b>

<sup>6</sup> IFRS-5 (38)

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

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2024 and 2023

<i>Thousands of Mexican pesos</i>	<b>As of December 31,</b>		<b>Δ%</b>
	<b>2024</b>	<b>2023</b>	
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Short-term debt and Current portion of long-term debt	1,364,832	1,985,967	(31.3)%
Suppliers	1,738,018	1,839,397	(5.5)%
Other current liabilities	3,277,059	2,592,526	26.4%
Income tax payable	158,509	221,292	(28.4)%
<b>Total current Liabilities</b>	<b>6,538,418</b>	<b>6,639,182</b>	<b>(1.5)%</b>
<b>Non-current liabilities</b>			
Long-term debt securities	3,187,798	3,180,814	0.2%
Long-term loans with financial institutions	1,877,012	1,025,399	83.1%
Deferred income tax and other long term liabilities	529,719	437,992	20.9%
Payable dividends to shareholders	0	30,581	(100.0)%
<b>Total non-current Liabilities</b>	<b>5,594,529</b>	<b>4,674,786</b>	<b>19.7%</b>
<b>TOTAL LIABILITIES</b>	<b>12,132,947</b>	<b>11,313,968</b>	<b>7.2%</b>
<b>Stockholders' equity</b>			
Contributed Capital	1,825,350	1,861,857	(2.0)%
Retained earnings	11,511,687	10,766,795	6.9%
Cumulative translation effects of foreign subsidiaries	(653,102)	(1,399,209)	(53.3)%
Repurchased shares - Net	(1,801,417)	(1,849,032)	(2.6)%
Fair value through profit OCI	2,338	2,338	0.0%
<b>Total Stockholders' Equity</b>	<b>10,884,856</b>	<b>9,382,749</b>	<b>16.0%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,017,803</b>	<b>20,696,717</b>	<b>11.2%</b>