

## HIGHLIGHTS

**Q1-2022 Sales** increased by  
**Ps. 467.2 million;**  
**+13.2%** year-on-year

**Q1-2022 EBITDA**  
 closed at  
**Ps. 826.6 million;**  
 a **+14.1%** increase  
 year-on-year

**Cash & Equivalents**  
 closed at  
**Ps. 1.55 billion**  
 as of March 31, 2022

**Q1-2022 Net Debt to EBITDA**  
 ratio closed at **1.17x**

**Capex Investments** for the  
 three months ended  
 March 31, 2022 reached  
**Ps. 59.7 million.**

## Genomma Lab Internacional Reports First Quarter 2022 Results

Mexico City, April 27, 2022 – **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, 2022. All figures included herein are stated in nominal Mexican pesos and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The following tables provide an abridged Income Statement, in millions of Mexican pesos. The margin for each figure represents its ratio to net sales and the percentage change in the first quarter 2022 as compared with the same period in 2021:

	Q1 2022	% Sales	Q1 2021	% Sales	Var. %
<b>Net Sales</b>	<b>4,014.8</b>	<b>100.0%</b>	<b>3,547.7</b>	<b>100.0%</b>	<b>13.2%</b>
Gross Profit	2,513.2	62.6%	2,180.5	61.5%	15.3%
Operating Income	775.2	19.3%	686.8	19.4%	12.9%
<b>EBITDA<sup>(1)</sup></b>	<b>826.6</b>	<b>20.6%</b>	<b>724.7</b>	<b>20.4%</b>	<b>14.1%</b>
Net Income	339.2	8.4%	319.4	9.0%	6.2%

1) EBITDA defined as operating income before depreciation and amortization

## Comments from the CEO

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

*“This quarter’s record quarterly sales and profit reflecting Genomma’s consistent progress against the themes and pillars we’ve established as our guidepost for sustainable growth. We continue identifying and achieving new frontiers capitalizing on business opportunities which leverage our unique manufacturing and commercial capabilities. During the quarter we also executed on client-focused strategies, particularly related to consumer brand value, communication and strategic alliances, enabling us to capture opportunities related to today’s evolving consumer trends and their needs.”*

**He added:** *“Our focus on execution across our well-diversified business will drive our success, building upon this strong start to 2022. While we expect macroeconomic and political headwinds, we are confident we will continue managing them, also with the support of our partners, suppliers and clients. Importantly, work in this regard is driven by the unwavering commitment of Genomma’s collaborators present throughout our organization.”*

## KEY DATA

### % Sales by Segment:

 OTC 56.8%

 PC 43.2%



\*Points of Sale



### New Tafirolito®

Children's chewable tablets  
within Latam market



Digital platform for

**Novamil®**  
[\(Visit Website\)](#)

## Business Review

Genomma Lab delivered solid first quarter 2022 results, also with another consecutive quarter of growth and profitability.

First quarter of 2022 Net Sales closed at Ps. 4.01 billion; a 13.2% year on year increase reflecting continued strong execution of Genomma's growth strategy. These results were partially offset by macroeconomic headwinds, particularly depreciation of some local currencies in those countries where Genomma operates.

EBITDA margin reached 20.6%; a 14.1% year on year increase, and a 20 bps margin expansion primarily attributed to a favorable product mix effect, cost and expense efficiencies and savings, and price increases which successfully mitigated macroeconomic headwinds.

Below first quarter 2022 updates related to the six pillars of Genomma's strategy:

### Product Innovation and Portfolio Optimization

Continued innovation and portfolio optimization strategies including new product launches and line extensions throughout those regions where Genomma operates. Noteworthy examples included: 1) Mexico launch of Tio Nacho® "Purificación", a shampoo and conditioner line extension including plant stem cells which purify and detoxify while balancing excess oils.

2) Argentina launch of Tafirolito® chewable acetaminophen tablets for children; in Brazil the launch of the Lakesia® Pro line extension for athlete's foot treatment, and 3) US introduction of Tukul® Sinus through a portfolio of three new SKUs (tablets, syrup and nasal spray) for the nasal congestion segment.

### Strengthened Marketing and Perfect Go-To-Market Execution

Genomma further improved in-store media performance with strong commercial strategy execution, reflected in increased traditional channel distribution and e-Commerce channel sales, and increased visibility within the pharmaceutical channel. Key brands such as Suerox®, Cicatricure® and Groomen® again performed well across all regions where Genomma has a presence.

Genomma successfully launched a new e-commerce pilot for Novamil® within the Mexico market focused on end consumer direct marketing through the [novamil3.com](http://novamil3.com) website, which has since gone live. Genomma continues to see strong sales from this channel and expects to broadly launch an aggressive digital marketing campaign in the quarters ahead.

### Manufacture & Supply Chain

Genomma's personal care manufacturing plant's shampoo and ointment lines began production, reaching approximately 500 thousand bottles of shampoo and 400 thousand units of ointments produced per month, in addition to the seven million bottles produced within the plant's isotonic beverage manufacturing line, which achieved an 88% efficiency rate during first quarter of 2022.



**New TV Campaign for Cicatricure**  
[\(watch video\)](#)



**2025 Sustainability Strategy Update**  
[\(See document\)](#)

**MEXICO**  
**Sales in MXN: 1.57 billion**  
**EBITDA Margin: 20.2%**

Genomma’s pharma semi-solids manufacturing line achieved 85% efficiency during the first quarter 2022, running at a more than 5,000 tube per hour rate of production.

Investments related to Genomma’s manufacturing plant reached Ps 59.7 million for the first quarter 2022.

### Superior Brand Value & Communication

Genomma launched several aggressive external media campaigns to improve new line extension and product launch performance among all regions where the Company has a presence. Specific examples include the launch of a Tío Nacho® Purificación ad campaign, introducing this brand within the Mexican market; the introduction of more than 10 new television commercials (TVCs) in Argentina to drive growth in Genomma’s Tafirol®, Teatrical® and Cicatricure® power brands; and 10 new TVCs introduced in Chile related to the Cicatricure® Gold Lift campaign, introducing and positioning the new Cicatricure® Gold Serum product within this market.

### Sustainability and Corporate Culture

Genomma presented its “Our Progress 2025 Sustainability Strategy” report, updating the financial community and general public on the Company’s sustainability-related achievements and progress to date and how Genomma’s various stakeholders are contributing to achieving said goals.

## Results by Region for the First Quarter of 2022

### Mexico

First quarter 2022 Mexico net sales increased by 3.0% year on year, to close at Ps. 1.57 billion. Sales performance was undermined by challenges in global commodity sourcing which prevented Genomma from capturing unexpectedly high Cough & Cold and infant formula category demand. These effects were partially offset by successful new line extensions and strong in-store media communication within the region.

Examples of said strategies are new marketing campaigns for Tío Nacho® and Groomen®, and Cicatricure® Gold Lift introduction to the serum segment as previously described, among others.

EBITDA margin for the quarter closed at 20.2%; the EBITDA margin was adversely effected by one-time investments made during the quarter to increase in-store visibility to support new product launches. These were partially offset by decreased non-recurring expenses associated with Genomma’s new Industrial Cluster.

## U.S.

**Sales in MXN: 412.5 million**

**EBITDA Margin: 7.3%**

## U.S.

U.S. Net Sales increased by 22.5%, to Ps. 412.5 million driven by solid Beverage business sales, also with benefit of cold and flu season-related demand within this market. Suerox® continues to deliver strong growth, with a more than double increase in sales, year on year. TukoI®, Cicatricure®, Tio Nacho® and Dragon® also presented double digit growth. First quarter 2022 US sales also benefitted from strong e-commerce channel performance, doubling our market share in Amazon.

First quarter 2022 U.S. EBITDA margin closed at 7.3%; a 360 bps year on year increase due to efficient cost and expense control as well as increased higher-margin product sales during the quarter and a favorable operating leverage and sales mix effect. This was partially offset by raw materials price increases as well as additional expenses to expedite delivery of key input variables in order to meet increased demand for Genomma products across all categories and retailers.

## Latin America

Latin America first quarter 2022 net sales reached Ps. 2.04 billion; a 20.4% year on year increase primarily due to solid top-line growth in Argentina, Colombia, Brazil and Peru resulting from successful product launches and line extensions with strong digital channel performance. This was partially offset by local currency depreciation in some countries where Genomma operates.


Latin America EBITDA margin closed at 23.5%; a 40 bps year on year decrease primarily attributed by raw materials price increases and local currency depreciation. This was partially offset by a favorable sales mix with higher operating leverage resulting from incremental sales during the first quarter.

## LATIN AMERICA

**Sales in MXN: 2.04 billion**

**EBITDA Margin: 23.5%**

### Local Currency Expressed in MXN

	<b>ARS* (19.5%)</b>
	<b>CLP (9.8%)</b>
	<b>COP (8.3%)</b>
	<b>PYG (2.4%)</b>

\* Exchange rate at the end of the period.

## Genomma's New Industrial Cluster



Shampoo Manufacturing Line



Ointments Manufacturing Line



Sifter and Vacuum System (**Solids Manufacturing Line**)



Liquid Manufacturing Reactor

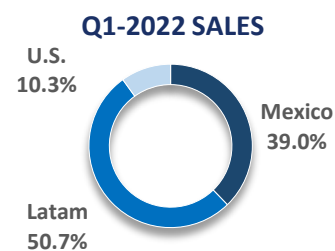


Fluid Bed Dryer



Universal Pack Sachet Filler (**Semi-solids Manufacturing Line**)

[www.genommalab.com/inversionistas/](http://www.genommalab.com/inversionistas/)



\*Percentage of Consolidated Sales by Region for Q1-2022.

## First Quarter 2022 Consolidated Results

**First Quarter 2022 Net Sales** reached Ps. 4.01 billion; a 13.2% year on year increase reflecting continued strong growth strategy execution. These results were partially offset by macroeconomic headwinds with local currency depreciation.

**First Quarter 2022 EBITDA** increased by Ps. 101.9 million year on year, to Ps. 826.6 million. First quarter EBITDA margin closed at 20.6%; 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 controls. First quarter 2022 EBITDA margin was partially offset by non-recurring expenses associated with increased investments in digital platforms and in-store visibility initiatives.

## Sales by Category & Region

(Figures in millions of Mexican Pesos)

	Over-the-counter (OTC)			Personal Care			Total		
	Q1'22	Q1'21	% Var.	Q1'22	Q1'21	% Var.	Q1'22	Q1'21	% Var.
<b>Mexico</b>	790.5	803.3	(1.6)%	776.5	717.4	8.2%	1,567.0	1,520.7	3.0%
<b>LatAm</b>	1,241.3	803.5	54.5%	794.0	886.7	(10.5)%	2,035.3	1,690.2	20.4%
<b>U.S.</b>	250.0	164.0	52.4%	162.5	172.8	(6.0)%	412.5	336.8	22.5%
<b>Total</b>	<b>2,281.8</b>	<b>1,770.8</b>	<b>28.9%</b>	<b>1,733.0</b>	<b>1,776.9</b>	<b>(2.5)%</b>	<b>4,014.8</b>	<b>3,547.7</b>	<b>13.2%</b>

## Other Income Statement Results for the First Quarter of 2022

**Gross Profit** increased by 15.3%, to Ps. 2.51 billion, compared to Ps. 2.18 billion for the first quarter 2021. Gross margin increased by 110 bps year on year to close at 62.6%, primarily due to successful pricing and a favorable sales mix with higher operating leverage resulting from incremental sales.

**Selling, General, Marketing and Administrative Expenses** increased as a percentage of sales, to 43.5% for the first quarter of 2022 from 41.0% for the previous year primarily attributed to increased payroll resulting from Mexican Labor Reform on subcontracting as was addressed within Genomma's fourth quarter 2021 results. Investments in communication and digital initiatives to increase sales contributed to increased SG&A expenses, to a lesser extent.

**Q1-2022 Gross Profit** increased by **+15.3%** year-on-year to **Ps. 2.51 billion**

## Non-Operating Result for the First Quarter 2022

**Comprehensive Financing Result** represented a Ps. 248.7 million expense for the first quarter of 2022, compared to a Ps. 129.1 million first quarter 2021 expense. The Ps. 119.5 million increase is due to: i) a Ps. 64.8 million increase in the Company's monetary position within its inflationary subsidiary; ii) a Ps. 49.3 million year on year net decrease in Foreign Exchange Gain (Loss); and iii) a Ps. 11.7 million increase in financial interest expense. These effects were slightly offset by: i) a Ps. 6.3 million year on year net increase in financial interest gains.

**Income Tax Expense** for the first quarter 2022 reached Ps. 159.6 million as compared to a Ps. 262.2 million for first quarter 2021.

**Net Income** reached Ps. 339.2 million; a Ps. 19.8 million year on year increase. Net income improvement is primarily due to a lower income tax expense. To a lesser extent, increased net income was offset by an incremental cost of comprehensive financing.

Net Income for the first quarter 2022 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 first quarter 2022 would have been Ps. 366.9 million, as compared to an ex-Marzam net income of Ps. 295.5 million for the first quarter of 2021. This represents a Ps. 71.4 million, or 24%, year-on-year increase in first quarter 2022 net income for Genomma, ex-Marzam. It's important to note that the above is a non-cash loss.

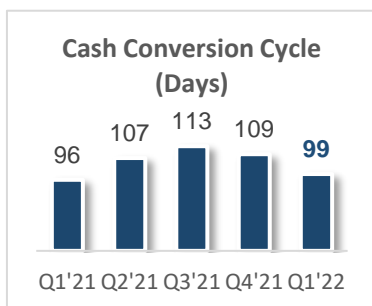
## Financial Position

**Working Capital** was adjusted during the first quarter 2022 and the cash conversion cycle ended at 99 days; a 10-day decrease when compared to the end of December 2021:

- **Accounts Receivable** amounted to Ps. 4.48 billion as of March 31, 2022. Days of consolidated accounts receivable amounted to 101; a 1-day increase when compared to the end of December 2021.
- **Inventories** closed at Ps. 2.42 billion as of March 31, 2022. Days of Inventories amounted to 144; a 14-day increase when compared to the end of December 2021.
- **Trade Payables** amounted to Ps. 1.86 billion as of March 31, 2022. Days Payable Outstanding (DPO) increased to 146 days, from 121 days on December 31, 2021

Days of Accounts Receivable (DSO)			
	1Q21	4Q21	1Q22
Mexico	132	149	135
LatAm	111	66	78
U.S.	75	59	66
<b>Consolidated</b>	<b>107</b>	<b>100</b>	<b>101</b>





**Q1-2022**  
**Net Debt to EBITDA** ratio  
closed at **1.17x**

A total balance of  
**46,771,607 shares**  
in the **Buyback Program**  
as of March 31, 2022

**Fixed Assets.** The Company invested Ps. 59.7 million during the three months ended March 31, 2022, primarily related to the Company's new Mexico-based Industrial Cluster ramp-up and new line commissioning.

**Recoverable Taxes.** This position is comprised of claims against the Mexican tax authorities primarily related to VAT (IVA) and income taxes. The position decreased by Ps. 250.0 million over the last twelve months.

**Net Financial Debt** at the end of March 31, 2022 reflected a year on year decrease:

- **Cash and Equivalents** amounted to Ps. 1.55 billion as of March 31, 2022; a 14.8% year on year decrease primarily due to ongoing debt repayment.
- **Gross Financial Debt** amounted to Ps. 5.41 billion as of March 31, 2022, compared to Ps. 6.33 billion as of March 31, 2021; a Ps. 917.2 million year on year decrease. The Company's long-term debt represented 68.5% of gross financial debt at the end of the first quarter 2022.
- **Net Financial Debt** amounted to Ps. 3.86 billion as of March 31, 2022; a Ps. 646.5 million year on year decline.

**Share Buyback Program.** The Company repurchased a total of 2,208,940 shares during the three months ended March 31, 2022, representing an investment of approximately Ps. 43.0 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, 2022 would have reached Ps. 1.0 billion. Cash allocation during the quarter includes investments made related to the Company's new Industrial Cluster as well as working capital investments to drive growth.

## Key Financial Metrics

	<b>Q1-2022</b>
EBITDA / Interest Paid	<b>7.26x</b>
Net Debt / EBITDA	<b>1.17x</b>

## CONFERENCE CALL Q1-2022

Thursday, April 27, 2022  
at 11:00 a.m. ET /  
10:00 a.m. CST

**Jorge Luis Brake**  
CEO

**Antonio Zamora**  
CFO

Webcast:

[Genomma's Q1'22 Earnings Call](#)

To participate, please  
dial-in:

**United States:**  
+1 877-407-0784

**International:**  
+1 201-689-8560

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

## First Quarter 2022 Other Relevant Events

- [Genomma Lab Internacional Presents its "Our Progress 2025 Sustainability Strategy"](#)
- [Genomma Lab 2021 AGSM Proxy Documents](#)  
*Genomma Lab Internacional S.A.B. de C.V. Annual General Shareholders Meeting will take place on April 30, 2021*

## Additional Information

- [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 27, 2022 "LABB" is covered by 12 sell-side analysts at the following brokerages: Actinver Casa de Bolsa, Banco Itaú BBA, Barclays Bank, BBVA Bancomer, BTG Pactual US Capital, Credit Suisse Casa de Bolsa, 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*).



Member of  
**Dow Jones  
Sustainability Indices**  
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.

## Contact Information:

**Daniel Suárez, Investor Relations**  
Tel: +52 (55) 5081-0075  
[investor.relations@genommalab.com](mailto:investor.relations@genommalab.com)

**Barbara Cano, InspIR Group**  
Tel: +1 (646) 452-2334  
[barbara@inspigroup.com](mailto:barbara@inspigroup.com)

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

For the three months ended March 31, 2022 and 2021

Thousands of Mexican pesos

	<b>FIRST QUARTER</b>			
	<b>2022</b>	<b>%Sales</b>	<b>2021</b>	<b>%Sales</b>
Net Sales	4,014,809	100.0%	3,547,650	100.0%
Cost of goods sold	1,501,655	37.4%	1,367,183	38.5%
<b>Gross Profit</b>	<b>2,513,154</b>	<b>62.6%</b>	<b>2,180,467</b>	<b>61.5%</b>
Selling, general and administrative expenses	1,747,806	43.5%	1,454,712	41.0%
Other (income) expense	(61,263)	(1.5)%	1,078	0.0%
<b>EBITDA</b>	<b>826,611</b>	<b>20.6%</b>	<b>724,677</b>	<b>20.4%</b>
Depreciation and amortization	51,406	1.3%	37,902	1.1%
<b>Income from operations</b>	<b>775,205</b>	<b>19.3%</b>	<b>686,775</b>	<b>19.4%</b>
Interest expense	(100,159)	(2.5)%	(88,426)	(2.5)%
Interest income	9,739	0.2%	3,423	0.1%
Foreign exchange result	(25,974)	(0.6)%	23,333	0.7%
Inflationary result from monetary position	(132,281)	(3.3)%	(67,465)	(1.9)%
<b>Comprehensive financing income (cost)</b>	<b>(248,675)</b>	<b>(6.2)%</b>	<b>(129,135)</b>	<b>(3.6)%</b>
Associated company	(27,727)	(0.7)%	23,944	0.7%
<b>Income before income taxes</b>	<b>498,803</b>	<b>12.4%</b>	<b>581,584</b>	<b>16.4%</b>
Income tax expense	159,617	4.0%	262,166	7.4%
<b>Consolidated net income</b>	<b>339,186</b>	<b>8.4%</b>	<b>319,418</b>	<b>9.0%</b>

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

As of March 31, 2022 and 2021 and December 31, 2021

<i>Thousands of Mexican pesos</i>	<b>As of</b>		<b>As of</b>
	<b>March 31,</b>		<b>December 31,</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and equivalents and restricted fund	1,553,561	1,824,276	1,264,832
Clients - Net	4,479,350	4,175,509	4,233,015
Recoverable Taxes	1,449,304	1,699,342	1,452,537
Other accounts receivable*	1,522,134	1,629,147	1,714,360
Inventory - Net	2,420,018	2,336,398	2,201,872
Prepaid expenses	682,142	666,882	654,441
<b>Total current assets</b>	<b>12,106,509</b>	<b>12,331,554</b>	<b>11,521,057</b>
<b>Non-current assets</b>			
Trademarks	4,986,706	4,884,118	4,966,159
Investment in shares	724,705	822,934	765,001
Building, properties and equipment – Net	3,368,433	2,955,014	3,317,346
Deferred income tax, assets and others	922,134	707,149	924,626
Assets by right of use	55,357	51,401	48,772
<b>Total non-current assets</b>	<b>10,057,335</b>	<b>9,420,616</b>	<b>10,021,904</b>
<b>TOTAL ASSETS</b>	<b>22,163,844</b>	<b>21,752,170</b>	<b>21,542,961</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Current portion of long-term debt	1,702,726	2,048,127	2,072,309
Suppliers	1,796,439	1,972,666	1,439,640
Other current liabilities	2,949,920	2,614,629	2,587,806
Income tax payable	490,059	353,283	438,568
Liabilities from short-term leases	35,485	33,222	32,818
<b>Total current liabilities</b>	<b>6,974,629</b>	<b>7,021,927</b>	<b>6,571,141</b>
<b>Non-current liabilities</b>			
Long-term debt securities	2,491,850	2,485,977	2,490,384
Long-term loans with financial institutions	1,218,051	1,795,756	1,341,649
Deferred income tax and other long term liabilities	658,774	670,293	635,599
Payable dividends to shareholders	408,244	800,000	408,244
Liabilities from long-term leases	31,027	19,469	23,717
<b>Total liabilities</b>	<b>11,782,575</b>	<b>12,793,422</b>	<b>11,470,734</b>
<b>Stockholders' equity</b>			
Contributed Capital	1,912,967	1,912,967	1,912,967
Retained earnings	9,767,166	8,212,470	9,418,956
Cumulative translation effects of foreign subsidiaries	(44,144)	(6,367)	(47,944)
Repurchased shares - Net	(1,254,720)	(1,160,322)	(1,211,752)
<b>Total stockholders' equity</b>	<b>10,381,269</b>	<b>8,958,748</b>	<b>10,072,227</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22,163,844</b>	<b>21,752,170</b>	<b>21,542,961</b>

**NOTE:** The amount in the “investment in shares” line correspondent to our non-controlling stake in Marzam, was adjusted retrospectively following rules IAS-36 y IFRS-13. Such adjustment is also reflected in the line item “Retained Earnings”. For further details, please consult the Technical Note in our Investors Webpage: <https://inversionistas.genommalab.com/en/relevant-events/>

**GENOMMA LAB INTERNACIONAL, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
 For the three months ended March 31, 2022

Thousands of Mexican pesos	<b>Q1-2022</b>
<b><i>Cash and cash equivalents beginning of period</i></b>	<b>1,254,542</b>
<b><i>Consolidated Net Income</i></b>	<b>394,978</b>
<b><i>Charges to results with no cash flow:</i></b>	
Depreciation and amortization	56,150
Income tax	103,825
Accrued interest and others	258,443
	<b>813,396</b>
<b><i>Changes in Working Capital:</i></b>	
Clients - Net	(251,683)
Recoverable VAT	(4,090)
Inventories	(261,091)
Suppliers	346,053
Other current assets	212,353
Paid income tax	(111,066)
Other current liabilities	291,868
	<b>222,344</b>
<b><i>Net cash generated (used) in operating activities</i></b>	<b>1,035,740</b>
Investment in fixed assets	(86,506)
Subsidiary acquisition	270
Sales of equipment	(1,739)
Other asset acquisitions	9,762
<b><i>Net cash generated (used) in investing activities</i></b>	<b>(78,213)</b>
<b><i>Financing activities:</i></b>	
Payments of borrowings with financial institutions	(794,123)
Loans with financial and securities institutions	300,000
Interest paid	(95,380)
Stock repurchase	(82,510)
Effect for transactions with own share	39,542
Payment of liabilities for lease	(12,680)
<b><i>Net cash used in financing activities</i></b>	<b>(645,151)</b>
<b><i>Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash</i></b>	<b>312,376</b>
Foreign exchange and inflationary effects from international operations	(13,357)
<b><i>Accumulated cash flow at the end of the period</i></b>	<b>1,553,561</b>
Less - restricted fund	22,576
<b><i>Cash and cash equivalents at end of period balance for operation</i></b>	<b>1,530,985</b>