



Grupo LALA announces Board of Directors' opinion regarding Voluntary Public Acquisition Offering by shareholder group

Mexico City, August 23, 2021 - Grupo LALA, S.A.B. de C.V. (BMV: LALAB) today announced that its Board of Directors convened in regard to the intention of the shareholder group represented by Control Trust number 410541-7 to initiate a Voluntary Public Acquisition Offering (the "Offer") for up to all the outstanding publicly owned shares of Grupo LALA, as announced on August 23, 2021.

In this regard, Grupo LALA's Board of Directors has authorized, in accordance with the Company's bylaws, the initiation of the aforementioned public offering. In addition, the Board of Directors has received from UBS Casa de Bolsa, S.A. de C.V. ("UBS"), in its capacity as an independent expert hired by the Board's Audit and Corporate Practices Committee, an opinion that the aforementioned shareholders group's offering price is duly justified from a financial perspective and, consequently, is fair to the holders of Grupo LALA's outstanding publicly owned shares. A copy of the opinion issued by UBS on August 23, 2021, accompanies this press release, with the understanding that its recipients must review the opinion in its entirety, including the assumptions on which it is based and any exceptions it may include.

The members of Grupo LALA's Board of Directors - except those who had abstained to avoid any perceptions of conflict of interest, but who joined their vote to that of the majority - after considering the opinion issued by UBS as an independent expert and the opinion of the Audit and Practices Committee, which had convened previously, opined that the price proposed in the Offer is duly justified and fair, from a financial perspective, to the shareholders of the Company.

Further, the members of the Board of Directors who are also shareholders of the Company, and its Chief Executive Officer, Arquímedes Celis Ordaz, expressed to the Board their decision and that of their related parties, to tender their shares not held in the aforementioned trust, as long as the Offer is carried out under its existing terms, and assuming that general economic and market conditions remain stable.

The members of the Company's Board of Directors stated that they do not consider there to be any conflicts of interest with respect to the Offer.

For more information:

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About LALA:

Grupo LALA, a Mexican company focused on the healthy and nutritious food industry, has more than 70 years of experience in the production, innovation and marketing of milk, dairy products and beverages under the highest quality standards. LALA operates 29 production plants and 173 distribution centers in Mexico, Brazil, the United States and Central America, and is supported by more than 40,000 employees. LALA operates a fleet that exceeds 7,500 units for the distribution of its more than 600 products which reach more than 628,000 points of sale. LALA®, Nutri® and Vigor® stand out in their brand portfolio.

This release does not constitute an offer or solicitation of any type of action. The securities in question may not be, where appropriate, subject to public offering until, where appropriate, the *Comisión Nacional Bancaria y de Valores* (CNBV) authorizes the offer under the terms of the *Ley del Mercado de Valores* (LMV).

Limitation of Responsibilities: This press release may contain forecasts or projections which reflect our current views and expectations regarding our performance, business, and future events. Forecasts include, without limitation, any statement that may predict, indicate, or imply future results, performance or achievements and may contain words such as "believe", "anticipate", "expect", "in our view", "will likely occur", or some other word or phrase with a similar meaning. These statements are subject to certain risks, unforeseen events, and assumptions. We caution that a significant number of factors could cause actual results to differ materially from the plans, objectives, expectations, estimates, and intentions expressed in this report. In no event will we, nor any of our subsidiaries, affiliates, directors, executives, agents, or employees be liable to third parties (including investors) for any investment, decision or action taken in relation to the information released in this press release or for any consequential special or similar damage.

For more information visit: www.lala.com.mx

"Grupo LALA is listed on the Mexican Stock Exchange under the ticker "LALAB"



August 23, 2021

Board of Directors of Grupo LALA, S.A.B. de C.V.
Carlos Herrera Araluce 185
Gomez Palacio, Durango,
México, 35079

Dear Members of the Board of Directors:

We understand that Grupo LALA, S.A.B. de C.V. ("LALA" or the "Company"), is considering a transaction whereby BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, as trustee of Trust No. 410541-7 (the "Controlling Shareholder" or the "Acquiror"), will acquire, by way of a Voluntary Tender Offer (*Oferta Pública de Adquisición Voluntaria*), up to all outstanding Series B Shares of the Company currently held by public investors (the "Shareholders").

The Acquiror has agreed to launch a tender offer through the Bolsa Mexicana de Valores, S.A.B. de C.V. (the "Tender Offer") to acquire up to 618,983,028 listed *Series B Shares* representing 25.000% of the capital stock of the Company. It is our understanding that the Shareholders of the Company will receive, as result of the Tender Offer, a net cash price of Ps. 17.36 per share of the Company held by such Shareholders (the "Consideration"). The transaction described in this paragraph is defined, for purposes of this opinion, as the "Transaction".

You have retained us to advise you and provide our opinion as to the fairness, from a financial point of view, to the Shareholders (other than the Controlling Shareholder) of the Consideration to be received by such Shareholders in the Transaction.

UBS Casa de Bolsa, S.A. de C.V. ("UBS") has acted as financial advisor to the Board of Directors of the Company in connection with the Transaction and will receive a fee for its services, which is payable in connection with this opinion. In addition, the Company has agreed to reimburse certain of our expenses arising, and indemnify us against certain liabilities that may arise, out of our engagement. UBS Group AG (the indirect parent of UBS) and its subsidiaries, branches and affiliates provide a wide range of investment banking, commercial banking and other financial services (including wealth, asset and investment management, corporate finance, municipal lending solutions, and securities issuing, trading and research). In connection therewith, UBS and/or its affiliates may have provided services unrelated to the Transaction to the Company and its affiliates and/or the Acquiror and its affiliates and received compensation for such services. In addition, in the ordinary course of business, UBS, its affiliates and its and their respective employees may currently own or trade loans, debt and/or equity securities of the Company and/or the Acquiror for its own account or for the accounts of customers, and may at any time hold a long or short position in such securities.

Our opinion does not address the relative merits of the Transaction as compared to other business strategies or transactions that might be available with respect to the Company or the Company's underlying business decision to effect the Transaction. Our opinion does not constitute a recommendation to any Shareholder as to how such Shareholder should vote or act with respect to the Transaction. At your direction, we have not been asked to, nor do we, offer any opinion as to the terms, other than the Consideration to the extent expressly specified herein, of the public Transaction agreements (the "Transaction Documents") or any related documents or the form of the Transaction. We express no opinion as to what the value of the Company's common stock will be following the Transaction or the price at which Company common stock will trade at any time. In



rendering this opinion, we have assumed, with your consent, that (i) the final executed form of the Transaction Documents will not differ in any material respect from the drafts that we have reviewed, (ii) the parties to the Transaction Documents will comply with all material terms of the Transaction Documents, and (iii) the Transaction will be consummated in accordance with the terms of the Transaction Documents without any adverse waiver or amendment of any material term or condition thereof. We also have assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction have been obtained without any material adverse effect on the Company, Acquiror or the Transaction. We have not been authorized to solicit and have not solicited indications of interest in a transaction with the Company from any party.

In arriving at our opinion, we have, among other things: (i) reviewed certain publicly available business and financial information relating to the Company; (ii) performed a discounted cash flow analysis of the Company in which we analyzed the future cash flows of the Company using financial forecasts and estimates as directed by the Audit and Corporate Governance Committee (*Comité de Auditoría y Prácticas Societarias*) of the Board of Directors, publicly available research analyst; such financial forecasts, estimates and methodology were approved by the Audit and Corporate Governance Committee (*Comité de Auditoría y Prácticas Societarias*) of the Board of Directors; additionally, discussions were held with the Company to discuss the Company's financial condition and plans; (iii) reviewed publicly available financial and stock market data with respect to certain other companies we believe to be generally relevant; (iv) compared the financial terms of the Transaction with the publicly available financial terms of certain other transactions we believe to be generally relevant; (v) reviewed current and historical market prices of Company common stock; (vi) reviewed the Transaction Documents; and (vii) conducted such other financial studies, analyses and investigations, and considered such other information, as we deemed necessary or appropriate.

In connection with our review, with your consent, we have assumed and relied upon, without independent verification, the accuracy and completeness in all material respects of the information provided to or reviewed by us for the purpose of this opinion. In addition, with your consent, we have not made any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of the Company or Acquiror, nor have we been furnished with any such evaluation or appraisal. With respect to the financial forecasts and estimates, referred to above, we have assumed, at your direction, that they reasonably represent management's estimates of the future financial performance of the Company. In addition, we have assumed with your approval that the financial forecasts and estimates referred to above will be achieved at the times and in the amounts projected. Our opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information available to us as of, the date hereof. The issuance of this opinion was approved by an authorized committee of UBS.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the Consideration to be received by Shareholders (other than Controlling Shareholders) in the Transaction is fair, from a financial point of view, to such Shareholders.

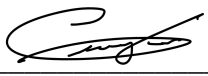
This opinion is provided solely for the benefit of the Board of Directors of the Company (in its capacity as such) in connection with, and for the purpose of, its evaluation of the Consideration in the Transaction and may not be disclosed to or relied upon by any third party (including any Shareholder of the Company) or used for any other purpose. Notwithstanding the previous sentence, this opinion may be filed with the Mexican National and Banking Commission (*Comisión Nacional Bancaria y de Valores*) and may be attached as an annex to any Tender Offer memorandums (*folletos informativos*) and/or relevant event, prepared and publicly disclosed in connection with the Tender Offer, provided that such memorandums (*folletos informativos*) may not, in any manner, modify or qualify the

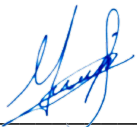


terms of this opinion. For the avoidance of doubt, any such submission or disclosure will not be deemed to constitute a recommendation to any of the Shareholders as to how such Shareholders should vote or act with respect to the Transaction (including whether such Shareholders should accept the Tender Offer and tender their Series B Shares in such Tender Offer) and neither UBS nor any of its affiliates will be in any manner liable to the Shareholders, LALA or any other person in respect to the Transaction.

Very truly yours,

UBS CASA DE BOLSA, S.A. DE C.V.

By: 
Gregorio Gerardo González Ramírez
Title: Attorney-in-fact

By: 
María Guadalupe Morales Villalpando
Title: Attorney-in-fact