



Grupo LALA Announces Closure of Costa Rica Operation

Aligned with Optimization Strategy

Results in a USD \$3 million annual savings

Mexico City, December 1, 2020 - Grupo LALA, S.A.B. de C.V., a Mexican company focused on the healthy food industry ("LALA") (BMV: LALAB), today announced that the Company will close its Costa Rica operation on December 11, 2020 following a comprehensive evaluation of its geographic footprint and a careful analysis of performance and future strategic fit, aligned with the Company's strategy to focus on its core markets, increase profitability and improve the return on invested capital.

The announced closure will have a USD \$3 million favorable impact on 2021 full year EBITDA for the Company's Central America operations.

Arquímedes Celis, LALA's CEO commented: *"After a detailed analysis and review of LALA's Costa Rica operation, we determined that related resources and focus are better allocated towards stronger paths to profitability and shareholder value within the Company, while we also remain focused on ensuring that all of LALA's businesses achieve performance targets closely aligned with our goals and expectations. Moreover, the capital freed up with this closure will be re-allocated to our businesses in Nicaragua and Guatemala where there is more potential to achieve sustainable and profitable growth."*

LALA's Costa Rica operation represents 0.4% of the Company's consolidated sales, with assets comprised primarily of one production plant, one distribution center and 12 distribution routes. Assets associated with the operation will be sold or reassigned within the region.

The closure will result in a \$126 million-peso impact on Grupo LALA's EBITDA and \$480 million-peso impact on Net Income for the fourth quarter 2020. Net Income one-off items are comprised as follows:

- \$404 million pesos in balance sheet and goodwill write-offs (non-cash)
- \$76 million peso accrual for closure expenses and contingencies

Grupo LALA is committed to generating shareholder value by executing on its strategy to increase ROIC through profitable growth.

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About LALA:

Grupo LALA, a Mexican company focused on the healthy and nutritious food industry, has more than 65 years of experience in the production, innovation and marketing of milk, dairy products and beverages under the highest quality standards. LALA operates 31 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.

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

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