LIVEPOL

EL PUERTO DE LIVERPOOL, S.A.B. DE C.V.

RESULTS OF OPERATIONS FOR THE FIRST QUARTER OF 2020

The company's outlook on the COVID-19 pandemic and its impact

In the current public health crisis, it is crucial that we all act and take the necessary precautionary measures. We at El Puerto de Liverpool, S.A.B. de C.V. are participating in measures to prevent and mitigate the spread of the COVID-19 virus, joining in the effort with the rest of society to preserve our most valuable asset: our health.

Over its more than 170-year history, Liverpool has been known for its capacity to adapt and rise to challenges like this one. This is why we have introduced sanitary measures to safeguard the health of our customers, associates and suppliers, and begun strictly controlling expenses and investment in the operations of each business units, to mitigate the financial impact of the drop in our revenues.

In response to the government's declaration of a public health emergency and force majeure relating to the COVID-19 pandemic, officially issued on March 30, El Puerto de Liverpool made the decision to close its doors starting Tuesday, March 31, and initially until April 30. This applies to all the Liverpool and Suburbia stores, Galerías shopping centers, various brand boutiques and Click & Collect modules across the country. On April 16, the contingency period was extended to May 31, so our locations will remain closed until that date.

It should be noted that demand had already begun falling sharply as of the second half of March, in tandem with a dramatic reduction in footfall in our stores and shopping centers, which distorts the results of the quarter despite our stores officially remaining open until the end of March. Regionally, this has been more intense in the north and central zones of the country and in the Mexico City metropolitan area.

Our business continuity plan was activated immediately, and most of our administrative staff are working remotely, so we have been able to continue day-to-day operations without major disruptions.

With our digital and logistical platform, we have been able to continue serving clients with delivery straight to their door. We follow the sanitary measures recommended by the authorities in all our deliveries. Our digital platform has gotten an additional boost from the increasing number of clients using these services. Our online sales during the month of April will be 5X when compared to the same month year ago. The number of new digital clients has grown by more than 7X when compared to last year, and the conversion rate increased sharply starting in April, while the repurchase frequency is also showing increases close to 30%. Meanwhile, the demand from new suppliers ready to join our Marketplace platform is expanding rapidly.

Because Click & Collect was our customers' favorite option for picking up their online orders, accounting for half of sales in digital channels, we are now making an effort to get these deliveries sent directly to their homes, since the modules themselves are closed.

This year we are planning to conduct our special and seasonal sales, like the Mother's Day sale, 100% via digital channels. We have enough inventory and we have the right infrastructure to fill these orders.

The reduction in sales makes inventory management a priority. We have canceled or delayed the receipt of orders from some suppliers, between 30% and 50%, mainly in soft lines. In hard lines, we have more flexibility to adjust orders and limit them to what is needed to replenish only sold merchandise. Orders for merchandise for the coming months have been scaled back in line with the reduction in demand, in order to protect our margins and inventory levels.

Digital channels and banks' agreements for receiving credit card payments for both Liverpool and Suburbia are working in favor of our customers so they maintain up to date their accounts. On the other hand, we are offering alternatives for installments deferral from one to four months supporting our customers.

We are continuously monitoring collection flows for our credit cards, as well as all the preventive indicators on expected portfolio loss and potential increases in the nonperforming loan rate. Note that we are expecting a rise in nonperforming loans both at Liverpool and Suburbia, and we have already taken actions to cut back on new credit accounts.

Our shopping centers are open on a limited basis; government provisions restrict mall operations to indispensable tenants--drugstores, banks or restaurants that offer home delivery service.

In order to be flexible with our tenants, we are negotiating rent and advertising forgiveness and deferral terms to maintain a healthy commercial relationship and preserve occupancy levels once we return to normal operations.

Our maximum priority is to maintain our business liquidity. El Puerto de Liverpool has a strong cash position as of March 31st, 2020 ($14.2 billion pesos, 48.6% higher than the amount registered a year ago).

To mitigate the decline in revenues and preserve our liquidity levels, we have introduced an emergency plan to reduce our operating expenses and Capex to the essential minimum.

As regards operating expense control, these measures include: 1) keeping our workforce unchanged, canceling any new hires or vacancies, promotions, salary increases, etc.; 2) cutting back on advertising; 3) rent deferrals and forgiveness; 4) energy savings; 5) savings on maintenance and supplies; and 6) Travel expenses cancelation.

On the question of Capex investment, we slashed our budget to prioritize cash flow. A substantial number of expansion projects are on hold and we are focusing on preserving the investments made to avoid deterioration of what is already in place, postponing opening dates to 2021 and beyond. The opening plan has been reduced to nine Suburbia stores, from our original target of 23. The two Liverpool stores we planned to open in 2020 have been pushed back to 2021. CAPEX budget as of the date of this report is approximately $6.7 billion pesos while we continue looking for additional reductions.

El Puerto de Liverpool has a solid cash position and cash on hand as of March 31st, 2020 ($14.16 billion pesos, 48.6% more than on the same date in 2019).

In addition to that, as a precautionary measure, during April the company is drawing a total of 3.5 billion pesos on short-term lines of credit with several banks.

Our bonds that trade under ticker symbols LIVEPOL 10 and 10U, totaling $3 billion pesos, come due on May 19, but these have been prefunded since November of last year. Our next long-term debt maturity totaling $3.4 billion pesos does not come due until 2022.

All of our US dollar-denominated debt ($1.05 billion USD) is completely hedged in pesos and at fixed rates.

As for exchange-rate hedges on our merchandise, the Spring-Summer buying season is mostly hedged, and the Autumn-Winter season is partially hedged. The cash position in foreign currency generated a foreign-exchange gain of $230 million pesos for the quarter.

Company results:

Beginning with this report, all of the following comments take into account the effects of the new IFRS 9 and 16 reporting standards considering 2019 and 2020.

- **Same-store sales for Liverpool** declined 4.0% during the quarter
- **At Suburbia, same-store sales** declined by 11.3%.
- **Total revenues** for the quarter were down 2.7%.
- **The EBITDA margin** for the first quarter of the year was 9.6%, 114bp lower than in the same quarter of 2019.
- **Net profit** in the quarter dropped 14.8%.
- **Non-performing loans for Liverpool** ended the quarter at 5.0% of the total portfolio, 29bp lower than in the same quarter of 2019.
- **The non-performing loan rate for Suburbia** closed the quarter at 6.5%.

Key figures

The following are the key figures presented in our income statement as of the close of the first quarter:

	1Q2020	1Q2019	VAR %
Total revenue:	**26,725.1**	**27,469.3**	**(2.7%)**
Commercial (includes services and other)	22,673.1	23,438.2	(3.3%)
Interest	3,145.7	3,155.4	(0.3%)
Leasing	906.3	875.7	3.5%
Cost of sales	15,917.0	16,409.5	(3.0%)
Gross income	**10,808.1**	**11,059.8**	**(2.3%)**
Gross margin	40.4%	40.3%	0.18 p.p.
Total operating expenses	**9,494.6**	**9,266.2**	**2.5 %**
Operating Expenses	8,239.7	8,106.7	1.6 %
Depreciation & Amortization	1,254.9	1,159.5	8.2%
Operating income	**1,313.5**	**1,793.6**	**(26.8%)**
Financial Expenses	**483.7**	**675.4**	**(28.4%)**
Net income	818.8	960.9	(14.8%)
EBITDA	**2,568.4**	**2,953.1**	**(13.0%)**
EBITDA margin	**9.6%**	**10.8%**	**(1.1 p.p)**
Customer's portfolio	**31,333.0**	**31,204.6**	**0.4%**
Same-store growth Liverpool	**(4.0%)**	**4.9%**	**(8.9 p.p)**
Same-store growth Suburbia	**(11.3%)**	**(0.5%)**	**(10.8 p.p)**
Same-store growth Total	**(5.0%)**	**4.1%**	**(9.1 p.p)**

RESULTS

I. Sales of goods and services

In the first quarter, total retail revenues fell by 3.3% compared to the same period of the prior year.

Millions pesos	**QUARTER**		
Commercial Revenues	**1Q2020**	**1Q2019**	**VAR %**
Liverpool	19,226.0	20,090.2	(4.3%)
Suburbia	3,447.0	3,348.0	3.0%
Total	**22,673.1**	**23,438.2**	**(3.3%)**

There was one additional day in the quarter because of leap year.

Liverpool

In first quarter, same-store sales declined 4.0%, reflecting the drop in traffic evident in the second half of March.

The average ticket at Liverpool grew 3.7% while traffic declined 7.4%. Broken down by product category, Sporting Goods, Multimedia, Housewares and Menswear all outperformed the average.

By geographic region, results in the Gulf, Northwestern and Bajío (central-western) areas outperformed the average.

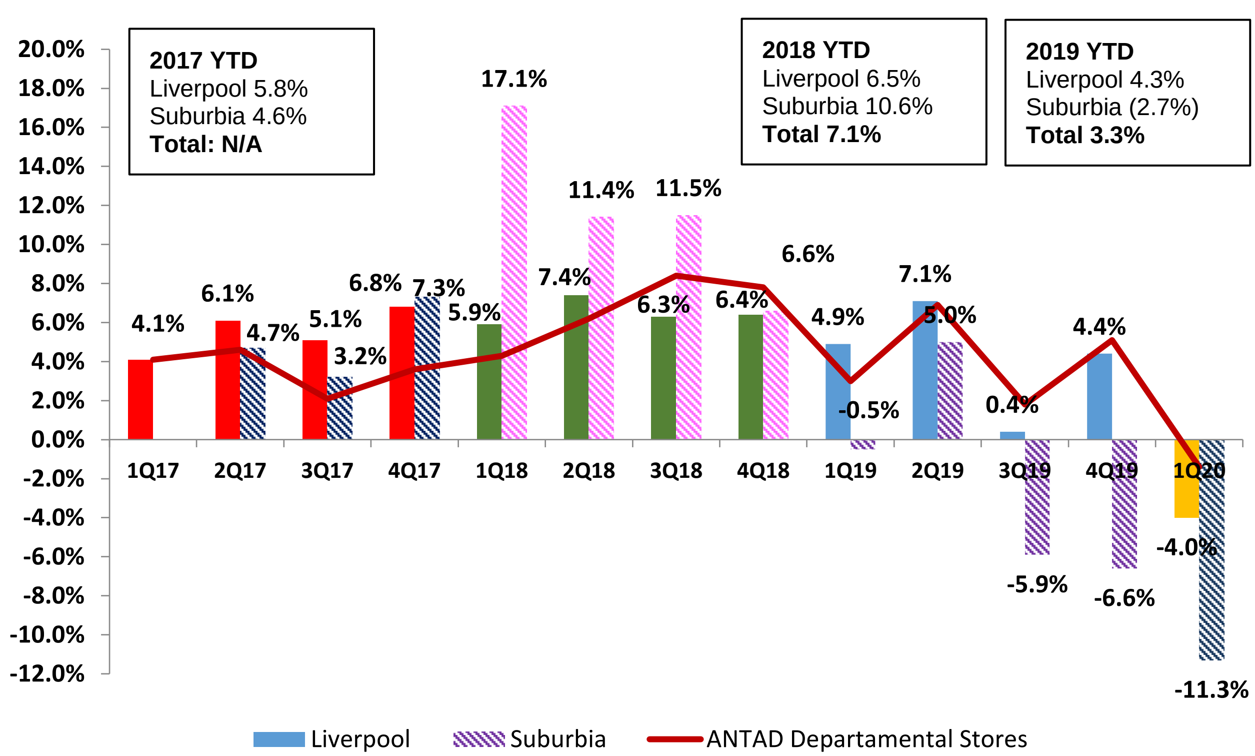
Suburbia

Same-store sales declined by 11.3% in the quarter, affected considerably, like Liverpool, by the contraction in traffic in the last half of March.

Among product categories, the incorporation of hard lines continues to show strong results, growing by more than 25% in the first quarter of the year.

By geographic region, in the first quarter sales at Fábricas de Francia stores converted to Suburbia units grew at a double-digit rate.

Same-store sales growth



Figures published by ANTAD as of March 31, 2020 showed quarterly growth of 4.1% in nominal same-store sales terms for the Mexican retail industry. Department stores affiliated with that association reported same-store sales growth of 1.4% in the first quarter

II. Liverpool Omnichannel

We saw a 26.5% rise in sales in digital sales in the first quarter while accounted for 9.3% of total Liverpool sales.

Our collaborative model, in which all our stores serve as distribution centers for filling digital sales order, continues to make strong progress. In this first quarter of 2020, 93% of our orders were filed from the stores themselves, enabling us to reduce delivery times by 30%. In Mexico's five largest cities we have improved delivery times by up to two days.

Visits to our website grew by 24.5%.

Click & Collect remains our customers' favorite option.

III. Financial Businesses

Interest Income and Customer Portfolio

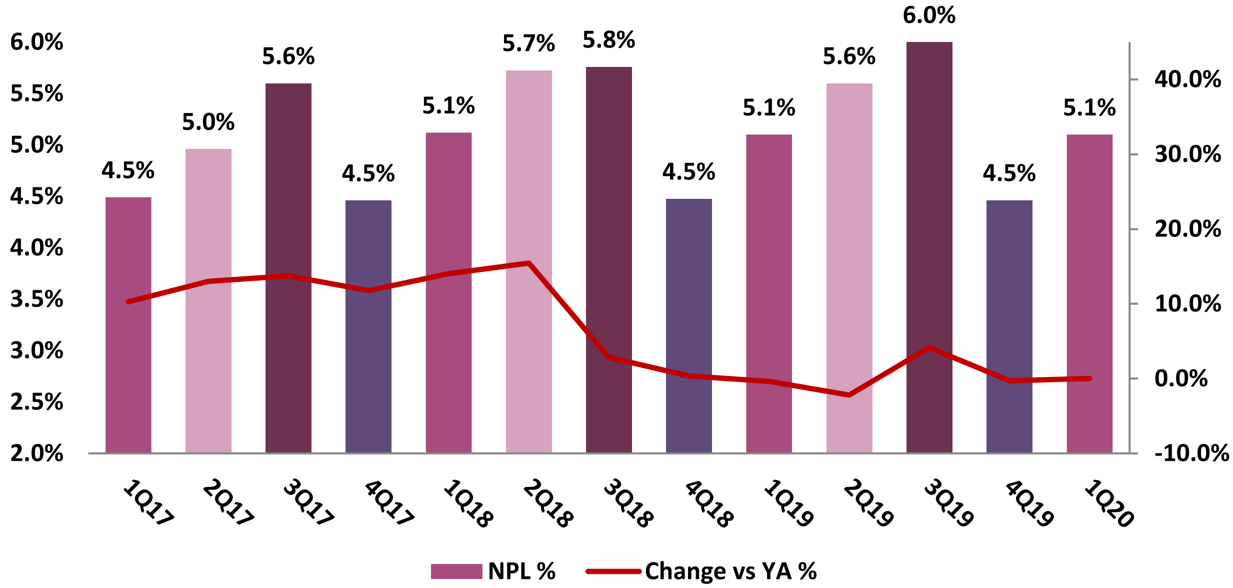
In January-March of this year, revenues in our credit division declined 0.3% from the same period of 2019. The customer portfolio expanded by 0.4% year-over-year. The number of cardholders reached 5.6 million.

At the close of March, 43.9% of Liverpool sales were transacted using our own payment methods. Liverpool credit card accounts that are more than 90 days past accounted for 5.0% of the total, 29bp less than at the close of 2019.

For Suburbia cards, the non-performing loan rate was 6.5%, lower than projected. Suburbia sales in our own cards made up 23.4% of the total. At the close of the quarter we had almost 770,000 credit card accounts.

Credit payments more than 90 days past due made up 5.1% of the total portfolio, 10 basis points of which were related to the Suburbia portfolio.

Accounts more than 90 days past due (%) and growth rate vs. the prior year



During the quarter we were able to reduce our reserves by 10.9% due to lower non-performing loan ratios.

TOTAL RESERVE

Million pesos	1Q2020	1Q2019	VAR %
Initial balance of reserve:	4,422.3	3,982.3	11.1%
(+) New reserves:	717.6	805.5	(10.9)%
(-) Write off:	(871.2)	(773.9)	12.6 %
Ending balance of reserve	**4,268.7**	**4,013.8**	**6.4%**

LIVERPOOL

Million pesos	1Q2020	1Q2019	VAR %
Initial balance of reserve:	4,242.9	3,978.2	6.7%
(+) New reserves:	662.8	759.4	(12.7)%
(-) Write off:	(813.0)	(773.9)	5.0%
Ending balance of reserve	**4,092.7**	**3,963.6**	**3.3%**

SUBURBIA

Million pesos	1Q2020	1Q2019	VAR %
Initial balance of reserve:	179.4	4.1	100.0%
(+) New reserves:	54.8	46.1	18.9%
(-) Write off:	(58.2)	(0.0)	100.0%
Ending balance of reserve	**176.0**	**50.2**	**250.6%**

IV. Leasing

First-quarter leasing revenues grew 3.5% in the first quarter, helped greatly by the opening of Galerías Santa Anita in October 2019 this result reflects a lower inflation factor in contract renewals, as well as low sales performance, which affects the variable portion of rent payments. Occupancy in our shopping centers stands at 94.5% in comparable terms.

V. Cost of Goods Sold and Gross Margin

Retail Margin

The retail margin shrank by 19bp in the first quarter of the year. This took place in a climate of intense promotional activity by all market players, alongside rising logistical expense.

Million pesos	1Q2020	1Q2019	Dif %
Commercial sales	22,673.1	23,438.2	(3.3%)
Cost of goods sold	15,917.0	16,409.5	(3.0%)
Commercial margin	**29.8%**	**30.0%**	**(0.19 p.p)**

Consolidated Gross Margin

This margin fell by 18bp in the first quarter. The breakdown of the margin by business segment explains part of this change:

As % of total income	1Q2020	1Q2019	VAR pbs
Retail	84.8%	85.3%	(0.5 p.p)
Interest	11.8%	11.5%	0.3 p.p.
Leasing	3.4%	3.2%	0.2 p.p.

VI. Operating Expenses before Depreciation

In the first quarter, operating expenses before depreciation rose 1.6%. This was due largely to the expenses control program implemented as of last year and to a reduction in new reserves for the credit portfolio.

VII. EBITDA

EBITDA for the first quarter of the year totaled Ps. 2.57 billion, 13.0% lower than in the same quarter of 2019.

The quarterly EBITDA margin was 9.6%, a 114bp decline from the year-earlier period.

VIII. Operating Income

In the January-March quarter, operating income was Ps. 1.31 billion, a decrease of 26.8% compared to the same quarter of 2019.

IX. Financial Expense and Income

For this quarter, our net financial expense was Ps. 484 million, 28.4% less than in the same period of last year, primarily because of foreign-exchange gains on foreign currency we hold in our cash position.

Million pesos Net Financial Income/(Expense)	1Q2020	1Q2019	Effect
Interest	(713.2)	(667.6)	6.8%
Exchange Effect	229.5	(7.8)	(3045.5%)
Total Financial Income/(Expense)	**(483.7)**	**(675.4)**	**(28.4%)**

X. Equity in the results of associated companies and joint ventures

During the quarter covered by this report, this line totaled Ps. 183.8 million, a 49.6% increase.

XI. Taxes

The effective income tax rate for the quarter was 23.3%.

XII. Net income

Majority net income at the close of the first quarter totaled Ps. 819 million, 14.8% lower than in the same quarter of 2019.

XIII. Balance Sheet

Cash and Short-Term Investments

The balance of this account as of March 31, 2019 was Ps. 14.16 billion. Of this amount, 27.3% was invested in foreign currency (primarily USD).

Inventory and Accounts payable

Inventory totaled Ps. 26.60 billion at the close of the first quarter, 23.9% higher than the year-earlier amount. Much of this increase is related to the sales reduction during March second half and Suburbia expansion.

The balance of supplier accounts payable was Ps. 17.70 billion, a 4.2% increase compared to the close of the first quarter of 2019.

Cost-Bearing Debt and Cash Flow

The following shows the breakdown of our cost-bearing debt:

Million pesos	1Q2020	1Q2019	VAR %
Cost bearing debt	(39,558.9)	(30,246.8)	30.8%
Financial derivative instruments acquired for hedging purposes*	6,164.8	1,852.7	232.7%
TOTAL	**(33,394.1)**	**(28,394.1)**	**17.6%**

*Cross currency swap

Note that 100% of our dollar-denominated debt (USD 1.05 billion) is hedged with a cross-currency swap that covers both principal and interest. At the same time, 100% of our debt was at a fixed rate.

Our next debt maturity comes due in May 2020, totaling Ps. 3.0 billion, and has been prefunded with the proceeds of the LIVEPOL 19 issue.

At the close of the period, our gross and net leverage ratios (gross and net debt to 12-month EBITDA) were 1.42 and 0.82 times, respectively. These ratios have been calculated taking into account a mark-to-market valuation of the hedge instruments shown in the table above.

XIV. Capital Expenditures

As of March 31, 2020, the company had invested a total of Ps. 883 million in capital expenditures.

XV. Dividends

The General Shareholders' Meeting held March 12 of 2020 declared a dividend of Ps. 2.01 billion, equivalent to 16.3% of net income in 2019.

XVI. Expansion plan

		Openings/Closures 2020
Suburbia Stores:		
1	Tlalnepantla, Edo. de México (Outlet)	Opened March 5th
2	Guadalajara, Jalisco (Outlet)	Opened March 11th
3	Tláhuac, Ciudad de México (Outlet)	Opened March 25th
4	Tijuana, Baja California	TBD
5	Culiacán, Sinaloa	TBD
6	Tizayuca, Hidalgo	Third Quarter
7	Zitácuaro, Michoacán	Third Quarter
8	Cuautitlán Izcalli, Edo. de México	Third Quarter
9	Saltillo, Coahuila	Fourth Quarter
Remodeling and openings (in process):		
	Liverpool Perisur y Centro Comercial Perisur	

XVII. Analyst Coverage

Pursuant to the Securities Market Act, the Company hereby discloses the list of Institutions and Financial groups that maintain coverage of its financial and operating performance:

Analysts		
Actinver	BTG Pactual	Itaú BBA
Bank of America Merrill Lynch	Credit Suisse	Monex
Banorte	GBM	Morgan Stanley
Barclays	HSBC	Scotiabank
BBVA	Intercam	Vector

XVIII. About the Company

El Puerto de Liverpool, S.A.B. de C.V.: (as of March 31, 2019)

Liverpool stores:	123	1, 731,622 m2
Suburbia stores:	160	662,998 m2
Shopping Centers:	28	570,980 m2
Boutiques:	130	77,180 m2

:

XIX. Credit cards

Number of cards	1Q20	1Q19	% CHG.
Liverpool	4,873,243	4,797,150	1.6%
Suburbia	772,002	351,846	119.4%

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Annex – Basic Financial Statements

Cash Flow

	2020	2019
Operating income	**1,313.5**	**1,793.6**
Depreciation and amortization	1,254.9	1,159.5
EBITDA	**2,568.4**	**2,953.1**
Interests	(307.4)	(296.2)
Taxes	(1,861.0)	(922.8)
Working capital	(1,307.9)	(2,436.5)
Clients	6,922.6	5,073.9
Inventories	(3,261.6)	(804.5)
Suppliers	(4,968.8)	(6,706.0)
Other	(2,160.9)	(1,140.9)
Cashflow from operations	**(3,068.7)**	**(1,843.4)**
Capex	(883.1)	(1,712.5)
Cash flow before dividends	**(3,951.8)**	**(3,555.9)**
Dividends	-	-
Cashflow	**(3,951.8)**	**(3,555.9)**
Received Loans	-	-
Lease liabilities	(521.9)	(447.3)
Increase / (Decrease)	**(4,473.8)**	**(4,003.1)**

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Balance Sheet as of March 31st, 2020

Million Pesos	2020	2019	Dif
Cash / cash equivalent	14,161.0	9,532.4	4,628.7
Loan portfolio	31,333.0	31,204.6	128.4
Inventories	26,602.1	21,477.7	5,124.4
Investmen in associates	8,687.0	8,633.5	53.5
Fixed assets	49,902.7	47,330.1	2,572.6
Right of use assets	11,710.4	11,323.4	387.0
Investment properties	22,484.7	21,081.3	1,403.3
Other	35,500.8	28,552.1	6,948.7
Total Assets	**200,381.6**	**179,135.0**	**21,246.6**
Suppliers	17,701.4	16,988.4	713.1
Short term loans	3,000.0	0.0	3,000.0
Long termn loans	36,558.9	30,246.8	6,312.1
Lease liabilities	12,196.4	11,426.4	769.9
Other liabilities	21,851.0	20,753.0	1,098.1
Total Liabilities	**91,307.7**	**79,414.5**	**11,893.2**
Stockholders' equity	**109,073.9**	**99,720.4**	**9,353.4**

LIVEPOL

Income Statement

Million Pesos	1Q2020	1Q2019	% VAR.
Commercial Income	**22,673.1**	**23,438.2**	**(3.3)**
Leasing Income	**906.3**	**875.7**	**3.5**
Interest Income	**3,145.7**	**3,155.4**	**(0.3)**
Total Income	**26,725.1**	**27,469.3**	**(2.7)**
COGS	(15,917.0)	(16,409.5)	(3.0)
Commercial Gross Profit	**6,756.1**	**7,028.7**	**(3.9)**
Commercial Margin	29.8%	30.0%	(0.2 p.p)
Net Gross Profit	**10,808.1**	**11,059.8**	**(2.3)**
Gross Margin	40.4%	40.3%	0.2 p.p.
Operating expenses without depreciation, overdue accounts and one time provisions	**(7,522.1)**	**(7,301.3)**	**3.0**
Provisions for overdue accounts	**(717.6)**	**(805.5)**	**(10.9)**
EBITDA Expenses	**(8,239.7)**	**(8,106.7)**	**1.6**
Depreciation & Amortization	(1,254.9)	(1,159.5)	8.2
Net Operating Expenses	**(9,494.6)**	**(9,266.2)**	**2.5**
Consolidated Operating Income	1,313.5	1,793.6	(26.8)
Consolidated EBITDA	**2,568.4**	**2,953.1**	**(13.0)**
Consolidated EBITDA Margin	9.6%	10.8%	(1.1 p.p)
Financing expense	**(713.2)**	**(667.6)**	**6.8**
Foreign exchange gain	**229.5**	**(7.8)**	**3,045.5**
Profit before income tax	**829.8**	**1,118.2**	**(25.8)**
Income Tax	(193.7)	(279.2)	(30.6)
Effective Rate	23.3%	25.0%	0.0%
Net Income before Investment in Associates	**636.1**	**839.0**	**(24.2)**
Investment in Associates	**183.8**	**122.9**	**49.6**
Net Income	**819.9**	**961.9**	**(14.8)**
Non-controlling Net Income	**(1.1)**	**(1.0)**	**3.8**
Controlling Net Income	**818.8**	**960.9**	**(14.8)**