

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

### FIRST QUARTER 2021 RESULTS PRESS RELEASE

El Puerto de Liverpool initiated the first quarter with all of its stores in Mexico City, the State of Mexico, Puebla and various other states closed as a result of the tough 'red light' COVID-19 restrictions as of December 19<sup>th</sup>. In the State of Mexico, stores were permitted to reopen as of the last week of January, and starting on Tuesday, February 9<sup>th</sup> in Mexico City. The reopening was subject to capacity restrictions, such as number of people per family, closures on certain days of the week and strict health control measures. We were able to offset part of the impact of store closures by offering Click & Collect by car for the delivery of merchandise.

Given the importance of Central Mexico to our business, and considering the store closings mentioned above, all of our businesses were negatively impacted. On the other hand, the comparison base as of the second half of March 2020 already reflects the sanitary restrictions associated with the pandemic.

#### Results:

- For **Liverpool, same store sales** increased by 1.2% in the quarter.
- For **Suburbia, same store sales** decreased by 16.7% in the period.
- **Total revenues** during the quarter decreased by 4.3%.
- The **EBITDA** for the quarter was Ps. \$2.280 billion.
- **Net profit** for the quarter was Ps. \$690 million.

In these conditions, the digital channel once again played an important role in terms of sales, credit card collection and customer service.

Our digital channel reported an increase in sales of 3.1 times for the quarter, while growth in website visits doubled and the conversion rate increased by 30%. Marketplace sales grew by more than 330%. Liverpool's digital share of sales during the first quarter was 26.0% compared to 9.3% in the first quarter of 2020.

The logistics area continued to experience significant challenges in the quarter as the volume of last mile deliveries increased by 191%. The delivery commitment to our Customers was met in 96% of cases.

Home delivery remains our Customers' preferred method, with direct deliveries from our store to Customers' homes growing by 34x. Our omnichannel model allows us to deliver directly to our Customers in 24 hours or less.

We improved the delivery times for our Click & Collect offering, meaning we are now able to have merchandise available for our clients in just four hours if their chosen store has the requested items in stock.

During the quarter, we kicked-off two strategic technology projects that involve the implementation of new systems: 1) Commercial planning, assortment and allocation by location and, 2) Purchase management of our Clients' orders.

The total NPL portfolio closed at 5.2%, which was better than originally expected. The provision for bad debt during the quarter was only \$40.7 million, representing a reduction of 94.3% compared to the previous year.

The closing of stores was again a challenge in terms of inventory, as we had to move the Autumn-Winter season merchandise from the physical channel with significant restrictions. Inventory at the end of the quarter decreased by 16.4% compared to the first quarter of 2020.

In line with the normal business cycle, free cash flow for the first quarter was Ps. -\$5.800 billion. Additionally, two dividend payments were made for a total of Ps. \$2.012 billion. The cash balance as of March 31<sup>st</sup> was Ps. \$17.9 billion.

Liverpool will hold its first "Investor Day" on April 28<sup>th</sup> at 9 am EST. You can join through the following link:

[https://us02web.zoom.us/webinar/register/WN\\_MfkBc5kGSb-8G6Pskd89XA](https://us02web.zoom.us/webinar/register/WN_MfkBc5kGSb-8G6Pskd89XA)

## Key Figures

The following are the main income statement indicators at the close of the first quarter:

	1Q2021	1Q2020	VAR %
<b>Million pesos</b>			
<b>Total revenue:</b>	<b>25,586.3</b>	<b>26,725.1</b>	<b>(4.3%)</b>
Commercial (includes services and	22,420.8	22,673.1	(1.1%)
Interest	2,551.7	3,145.7	(18.9%)
Leasing	613.7	906.3	(32.3%)
Cost of sales	16,101.3	15,917.0	1.2%
<b>Gross income</b>	<b>9,485.0</b>	<b>10,808.1</b>	<b>(12.2%)</b>
Gross margin	37.1%	40.4%	(3.37 p.p)
<b>Total operating expenses</b>	<b>8,477.9</b>	<b>9,494.6</b>	<b>(10.7)%</b>
Operating Expenses	7,164.4	7,522.1	(4.8)%
Provisions for overdue accounts	40.7)	717.6)	(94.3)%
Depreciation & Amortization	1,272.7	1,254.9	1.4%
<b>Operating income</b>	<b>1,007.1</b>	<b>1,313.5</b>	<b>(23.3%)</b>
	<b>818.9</b>	<b>483.7</b>	<b>69.3%</b>
Net income	690.2	818.8	(15.7%)
<b>EBITDA</b>	<b>2,279.9</b>	<b>2,568.4</b>	<b>(11.2%)</b>
<b>EBITDA margin</b>	<b>8.9%</b>	<b>9.6%</b>	<b>(0.7 p.p)</b>
<b>EBITDA 12 Months</b>	<b>8,718</b>	<b>23,492</b>	<b>0.0%</b>
<b>EBITDA margin 12 Months</b>	<b>7.6%</b>	<b>16.4%</b>	<b>0.0 p.p.</b>
<b>Same-store growth Liverpool</b>	<b>1.2%</b>	<b>-4.0%</b>	<b>5.2 p.p.</b>
<b>Same-store growth Suburbia</b>	<b>(16.7%)</b>	<b>(11.3%)</b>	<b>(5.4 p.p)</b>
<b>Same-store growth Total</b>	<b>(1.5%)</b>	<b>-5.0%</b>	<b>3.5 p.p.</b>
<b>Customer's portfolio</b>	<b>27,684</b>	<b>31,333</b>	<b>0.0%</b>
<b>Past due portfolio</b>	<b>5.2%</b>	<b>5.1%</b>	<b>0.1 p.p.</b>
<b>Portfolio coverage index</b>	<b>15.6%</b>	<b>12.0%</b>	<b>3.6 p.p.</b>
<b>Same shopping centers occupation</b>	<b>92.2%</b>	<b>95.9%</b>	<b>(3.7 p.p)</b>

## RESULTS

### I. Sales of goods and services

In the first quarter the total retail revenue decreased by 1.1%

<b>Million pesos</b>			
<b>Commercial Revenue</b>	<b>1Q2021</b>	<b>1Q2020</b>	<b>VAR %</b>
Liverpool	19,484.3	19,226.0	1.3%
Suburbia	2,936.5	3,447.0	(14.8%)
<b>Total</b>	<b>22,420.8</b>	<b>22,673.1</b>	<b>(1.1%)</b>

During the quarter, there was one sales day less than in 2020 as last year was a leap year.

## Liverpool

In the first quarter, same store sales increased by 1.2%.

In terms of sales performance, since April 2020, there has been a trend towards “Big Ticket” categories, with Furniture, Appliances, Electronics and Exercise Equipment standing out. In addition, the North, West and Gulf regions stand out for their strong performance; while the Metropolitan Area of Mexico City and Central Mexico performed below average, mainly due to the closing of stores that took place until February.

## Suburbia

Same store sales decreased by 16.7% in the quarter.

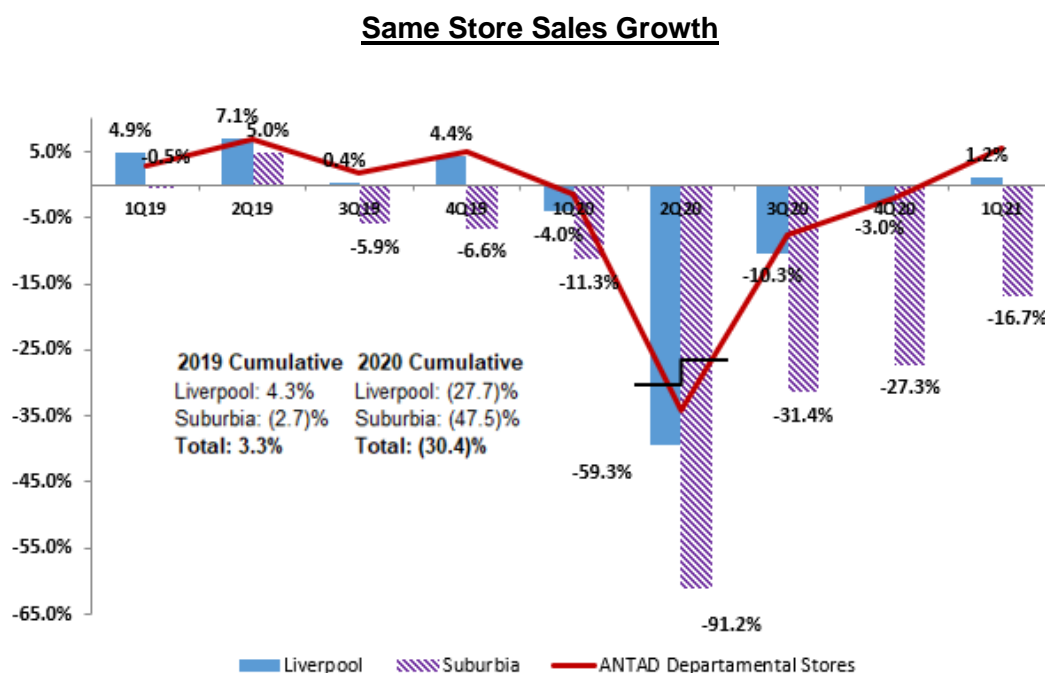
Suburbia’s performance reflects the reliance on clothing sales as well as sales in the Mexico City Metropolitan Area. Although it is experiencing significant growth, Suburbia’s online platform is still in its early stages.

## Average Ticket

There were substantial drops in customer traffic for both formats that were partially offset by significant increases in the average ticket. The latter greatly reflects the product mix.

**1Q2021**

	Ticket	Traffic
<b>Liverpool</b>	35.7%	(25.3%)
<b>Suburbia</b>	15.9%	(28.2%)



Department stores associated with ANTAD reported an increase of 5.7% in same store sales in the first quarter. The clothing and footwear category, within the same ANTAD, reported a drop of 5.1% in the quarter for same store sales.

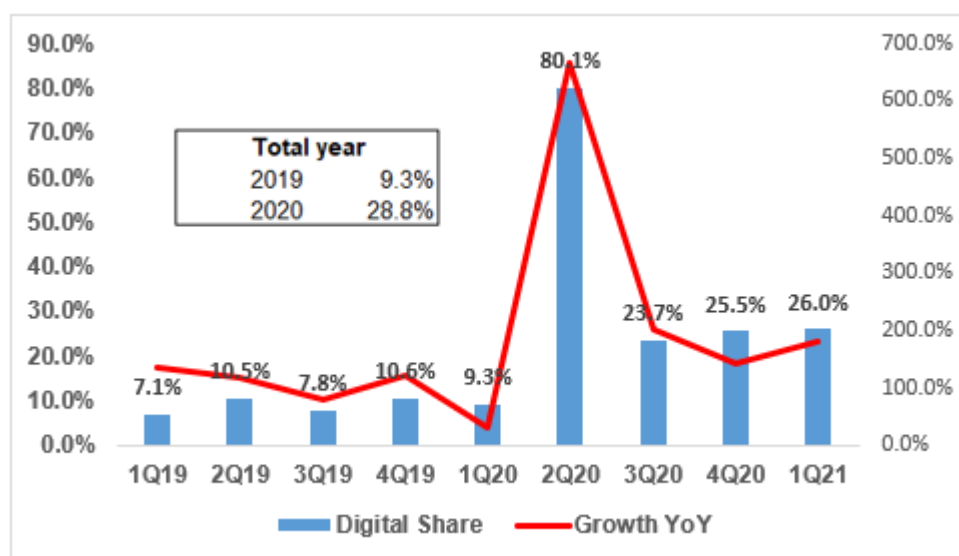
## II. Omnichannel Strategy

The main results from our digital channel for the quarter were: 1) Digital sales increased 3.1 times; 2) Visits doubled; and 3) Pocket's share increased 1.3 times.

Marketplace sales in the quarter increased by over 330%.

The digital share for Liverpool during the first quarter was 26.0% compared to 9.3% during the first quarter of 2020.

### Digital Share of Commercial Business



The logistics area continued to experience significant challenges in the quarter as the volume of last mile deliveries increased by 191%. The delivery promise to our Customers was met in 96% of cases.

As a result of store closures, Click & Collect reflected a 23% share in digital sales.

## III. Financial Businesses

### Interest Income and Customer Portfolio

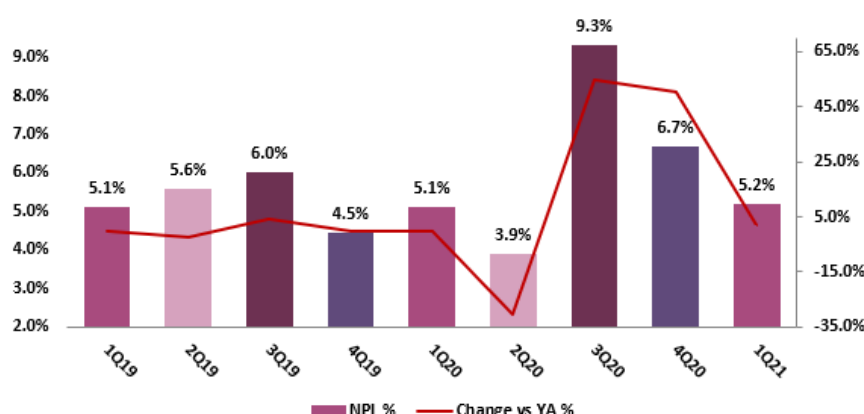
In the first quarter of 2021, revenues in our credit division decreased by 18.9% versus the same period of 2020. The customer portfolio decreased by 11.6% year-over-year. The decrease in portfolio productivity is due to: 1) Lower levels of cash withdrawals, 2) A higher percentage of clients who pay in full monthly and, 3) The support programs implemented. Our number of cardholders ended at 5.6 million.

During the first quarter, 45.9% of Liverpool sales were made with our means of payment, an increase of 2.0 p.p. compared to 2020. The NPL portfolio of Liverpool cards past 90 days due was 5.0%, in line with the level reported at the end of the same period of the previous year.

The NPL portfolio of Suburbia cards was 8.3%. Suburbia sales with our cards accounted for 26.8%. At the end of the quarter, we had just over 870,000 accounts.

The Group's NPL portfolio of over 90 days past due stood at 5.2% at the end of the quarter, of which 20 bps corresponds to the performance of the Suburbia portfolio.

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



With better results than expected in terms of past due accounts, the portfolio coverage ratio closed the quarter at 15.6%, 3.6 p.p. higher than the same period of the previous year. The reserve represents 3.3 times the overdue portfolio balance. During the quarter, new reserves were created for Ps. \$41 million, 94.3% less than the same period of the previous year.

#### TOTAL RESERVE

Million pesos	1Q2021	1Q2020	VAR %
Initial balance of reserve:	6,486.3	4,422.3	46.7 %
(+) New reserves:	40.7	717.6	(94.3)%
(-) Write off:	(1,412.8)	(871.2)	62.2 %
<b>Ending balance of reserve</b>	<b>5,114.2</b>	<b>4,268.7</b>	<b>19.8%</b>

	MAR 21	DIC 2020	VAR %
Coverage Index	15.6%	12.0%	3.6 p.p.

#### LIVERPOOL

Million pesos	1Q2021	1Q2020	VAR %
Initial balance of reserve:	5,789.2	4,242.9	36.4 %
(+) New reserves:	28.5	662.8	(95.7)%
(-) Write off:	(1,252.9)	(813.0)	54.1 %
<b>Ending balance of reserve</b>	<b>4,564.9</b>	<b>4,092.7</b>	<b>11.5%</b>

#### SUBURBIA

Million pesos	1Q2021	1Q2020	VAR %
Initial balance of reserve:	697.1	179.4	288.5 %
(+) New reserves:	12.2	54.8	(77.8)%
(-) Write off:	(160.0)	(58.2)	174.6 %
<b>Ending balance of reserve</b>	<b>549.3</b>	<b>176.0</b>	<b>212.1%</b>

#### IV. Leasing

Quarterly leasing revenue decreased by 32.3% in the first quarter. Occupancy levels in the shopping centers at the end of the quarter were at 92.2% compared to 95.9% at the end of the same period of the previous year.

Although we ended the discount policy for our tenants in October, we reactivated them as a result of the closures from December onwards. As of March, they were deactivated again.

Our shopping centers have operated in a limited and intermittent manner due to government restrictions during the quarter – only tenants with essential activities we able to operate without restriction such as pharmacies, banks or food outlets offering fast food take-out, or restaurants with home delivery.

The shopping centers continue to report lower customer traffic and reductions in the time spent in malls.

#### V. Cost of Goods Sold and Gross Margin

##### Retail Margin

The retail margin for the quarter decreased to 28.2% while compares to 29.8% in the same quarter of 2020. This reduction reflects: a) The product mix; b) Increased promotions to keep our inventories under control; and, c) An increase in logistics expenses due to more home deliveries.

Million pesos	1Q2021	1Q2020	Dif %
Commercial sales	22,420.8	22,673.1	(1.1%)
Cost of goods sold	16,101.3	15,917.0	1.2%
<b>Commercial margin</b>	<b>28.2%</b>	<b>29.8%</b>	<b>(1.6 p.p)</b>

##### Consolidated Gross Margin

The consolidated gross margin decreased by 337 bps during the first quarter. This decrease is primarily explained by the negative impact of the retail margin as well as the business mix.

As % of total income	1Q2021	1Q2020	VAR pbs
Retail	87.6%	84.8%	2.8 p.p.
Interest	10.0%	11.8%	(1.8 p.p)
Leasing	2.4%	3.4%	(1.0 p.p)

## VI. Operating Expenses before Depreciation

Operating expenses decreased by 10.7% in the quarter. The reductions in the loan loss reserves mentioned above partly explain this result. Excluding depreciation and uncollectible accounts, expenses were reduced by 4.8%. During this quarter we created a provision for bad debt (in addition to that of our credit cards) related to commercial premises for Ps. \$56 million. These figures reflect our cost control plan implemented on all fronts as a result of the pandemic.

## VII. EBITDA

EBITDA in the quarter January-March amounted to Ps. \$2.280 billion, 11.2% lower than the same quarter of the previous year.

## VIII. Operating Income

Operating income for the first quarter of the year totaled Ps. \$1.007 billion.

## IX. Financial Expense and Income

Liverpool reported a net financial expense of Ps. \$819 million for the first quarter, which is 69.3% higher than the same period of the previous year. This increase is related to the exchange rate gain of \$230 million obtained in the first quarter of 2020.

Million pesos			
Net Financial Income/(Expense)	1Q2021	1Q2020	Effect
Interest	(793.3)	(713.2)	11.2%
Exchange Effect	(25.6)	229.5	(111.2%)
<b>Total Financial Income/(Expense)</b>	<b>(818.9)</b>	<b>(483.7)</b>	<b>69.3%</b>

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

During the quarter, the result was a profit of Ps. \$505 million. This reflects the improved performance of Unicomer's loan portfolio, with lower than expected levels of bad debt.

## XI. Net Profit/Loss

This quarter we are reporting a net profit of Ps. \$690 million.

## XII. Balance Sheet

### Cash and Short-Term Investments

The balance of this account as of March 31<sup>st</sup>, 2021 was Ps. \$17.877 billion. Of this amount, 15.3% was invested in foreign currency (primarily in USD).

### Inventories and Accounts Payable

The balance of this account ended at Ps. \$22.231 billion, 16.4% below the previous year. This reflects the strategies put in place in the wake of the pandemic.



The balance of accounts payable to merchandise suppliers was Ps. \$16.167 billion, this represents a decrease of 8.7% compared to the end of the previous year.

### Interest-Bearing Debt and Cash Flow

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

Million pesos	1Q2021	1Q2020	VAR %
Cost bearing debt	(38,362.0)	(39,558.9)	(3.0%)
Financial derivative instruments acq	2,967.9	6,164.8	-51.9%
<b>TOTAL</b>	<b>(35,394.1)</b>	<b>(33,394.1)</b>	<b>6.0%</b>

\*Cross currency swap

100% of our dollar-denominated debt (US\$1.050 billion) is hedged with a cross currency swap that covers both the principal and interest.

100% of our debt is at a fixed rate which is weighted at 7.87%.

At the end of the period, the gross and net leverage to 12-month EBITDA ratios were 4.1 and 2.0 times, respectively. These ratios have been calculated taking into account the market price valuation effect of financial derivative instrument hedges, as shown in the table above, excluding the indebtedness associated with leases (IFRS 16).

### XIII. Capital Expenditure

As of March 31<sup>st</sup>, 2021, Liverpool invested Ps. \$1.128 billion in capital expenditure. Of this amount, 40% corresponds to expansion, 20% to remodeling and 40% to logistics and systems.

The Arco Norte project continues to advance in line with the new program of work that was implemented as a result of the pandemic. The start of Phase I (Big Ticket) is scheduled for the second quarter of 2022.

### XIV. Expansion and Recent Events

On January 22<sup>nd</sup>, the payment corresponding to the 106 coupon was made for Ps. \$1.006 billion. Additionally, on March 26<sup>th</sup>, the payment corresponding to the 107 coupon was paid for \$1.006 billion.

On March 18<sup>th</sup>, the Annual Ordinary Shareholders' Meeting approved a dividend equivalent to Ps. \$2.013 billion, and delegated the determination of the payment dates to the Board of Directors. Likewise, the Shareholders' Meeting appointed two new directors: Carlos Danel Cendoya (Chairman of the Board of Genera) and Graciano F. Guichard G. (CEO of El Puerto de Liverpool). The outgoing directors, Mr. Miguel Guichard and Mr. Pedro Velasco, were appointed as honorary directors.

The store opening plan for 2021 takes into account the two Liverpool stores that had their openings postponed during 2020 due to the pandemic. The plan also considers the ten Suburbia store openings.

**2021 Openings**
**Liverpool Stores**

- 1 La Perla, Guadalajara, Jalisco
- 2 Tijuana, Baja California

**Suburbia Stores:**

- 1 Gran Patio Ecatepec, State of Mexico
- 2 Tenaria, Mexico City
- 3 Puerta Aragón, Mexico City
- 4 Patio Villahermosa, Tabasco
- 5 Tijuana Península, Baja California
- 6 Centro Tepozán, Mexico City
- 7 Las Misiones, Ciudad Juárez, Chihuahua
- 8 Mundo E, State of Mexico
- 9 Centro Santa Fe, Mexico City
- 10 To be decided

**Remodeling and expansion (in progress):**

Liverpool Perisur and Centro Comercial Perisur  
 Liverpool and Centro Comercial Galerías Monterrey  
 Centro Comercial Galerías Insurgentes

**XV. Analyst Coverage**

In accordance with the Mexican Securities Market Law, the Company hereby discloses the list of Institutions and Financial Groups that cover our stock:

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

**XVII. Company Profile**

El Puerto de Liverpool, S.A.B. de C.V.: (as of March 31<sup>st</sup>, 2021)

Liverpool stores:	122	1,732,748 m2
Suburbia stores:	165	588,655 m2
Shopping centers:	28	573,714 m2
Boutiques:	120	73,823 m2

**XVIII. Credit Cards**

Number of Cards	1Q21	1Q20	VAR %
Liverpool Cards	4,776,476	4,873,243	(1.9%)
Suburbia Cards	873,453	772,002	13.1%

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**Appendices**
**Cash Flow**

	2021	2020
<b>Operating income</b>	<b>1,007.1</b>	<b>1,313.5</b>
Depreciation and amortiz	1,272.7	1,254.9
<b>EBITDA</b>	<b>2,279.9</b>	<b>2,568.4</b>
Interests	(492.4)	(307.4)
Taxes	(656.3)	(1,861.0)
Working capital	(3,827.4)	(1,307.9)
Clients	5,141.2	6,922.6
Inventories	(756.0)	(3,261.6)
Suppliers	(8,212.7)	(4,968.8)
<i>Other</i>	(1,965.4)	(2,160.9)
<b>Cashflow from operation:</b>	<b>(4,661.7)</b>	<b>(3,068.7)</b>
Capex	(1,127.5)	(883.1)
<b>Cash flow before dividen</b>	<b>(5,789.2)</b>	<b>(3,951.8)</b>
Dividends	(2,011.9)	-
<b>Cashflow</b>	<b>(7,801.1)</b>	<b>(3,951.8)</b>
Received Loans	-	-
Paid Loans	-	-
Lease liabilities	(517.6)	(521.9)
<b>Increase / (Decrease)</b>	<b>(8,318.6)</b>	<b>(4,473.8)</b>

**Balance Sheet as of March 31<sup>st</sup>, 2021**

Million Pesos	2021	2020	Dif	% vs AA
Cash / cash equivalent	17,877.3	14,161.0	3,716.3	26.2%
Loan portfolio	27,683.7	31,333.0	(3,649.3)	(11.6%)
Inventories	22,231.0	26,602.1	(4,371.0)	(16.4%)
Investmen in associates	8,861.5	8,687.0	174.5	2.0%
Fixed assets	50,957.0	49,902.7	1,054.2	2.1%
Right of use assets	11,509.4	11,710.4	(201.0)	(1.7%)
Investment properties	22,252.5	22,484.7	(232.1)	(1.0%)
Other	33,749.7	35,500.8	(1,751.1)	(4.9%)
<b>Total Assets</b>	<b>195,122.0</b>	<b>200,381.6</b>	<b>(5,259.6)</b>	<b>(2.6%)</b>
Suppliers	16,167.1	17,701.4	(1,534.3)	(8.7%)
Short term loans	1,900.0	3,000.0	(1,100.0)	(36.7%)
Long termn loans	36,462.0	36,558.9	(96.9)	(0.3%)
Lease liabilities	12,363.9	12,196.4	167.5	1.4%
Other liabilities	21,002.7	21,851.0	(848.3)	(3.9%)
<b>Total Liabilities</b>	<b>87,895.7</b>	<b>91,307.7</b>	<b>(3,412.0)</b>	<b>(3.7%)</b>
<b>Stockholders' equity</b>	<b>107,226.3</b>	<b>109,073.9</b>	<b>(1,847.6)</b>	<b>(1.7%)</b>

**Income Statement**  
**Million Pesos**

	4Q2020	4Q2019	% VAR.
<b>Commercial Income</b>	<b>22,420.8</b>	<b>22,673.1</b>	<b>(0.0)</b>
<b>Leasing Income</b>	<b>613.7</b>	<b>906.3</b>	<b>(32.3)</b>
<b>Interest Income</b>	<b>2,551.7</b>	<b>3,145.7</b>	<b>(18.9)</b>
<b>Total Income</b>	<b>25,586.3</b>	<b>26,725.1</b>	<b>(4.3)</b>
COGS	(16,101.3)	(15,917.0)	1.2
<b>Commercial Gross Profit</b>	<b>6,319.5</b>	<b>6,756.1</b>	<b>(6.5)</b>
Commercial Margin	28.2%	29.8%	(1.6 p.p)
<b>Net Gross Profit</b>	<b>9,485.0</b>	<b>10,808.1</b>	<b>(12.2)</b>
Gross Margin	37.1%	40.4%	(3.4 p.p)
<b>Operating expenses without depreciation, overdue accounts and one time provisions</b>	<b>(7,164.4)</b>	<b>(7,522.1)</b>	<b>(4.8)</b>
Provisions for overdue accounts	(40.7)	(717.6)	(94.3)
<b>EBITDA Expenses</b>	<b>(7,205.1)</b>	<b>(8,239.7)</b>	<b>(12.6)</b>
Depreciation & Amortization	(1,272.7)	(1,254.9)	1.4
<b>Net Operating Expenses</b>	<b>(8,477.9)</b>	<b>(9,494.6)</b>	<b>(10.7)</b>
Consolidated Operating Income	1,007.1	1,313.5	(23.3)
<b>Consolidated EBITDA</b>	<b>2,279.9</b>	<b>2,568.4</b>	<b>(11.2)</b>
Consolidated EBITDA Margin	8.9%	9.6%	(0.7 p.p)
<b>Financing expense</b>	<b>(793.3)</b>	<b>(713.2)</b>	<b>11.2</b>
Foreign exchange gain	(25.6)	229.5	(111.2)
<b>Profit before income tax</b>	<b>188.2</b>	<b>829.8</b>	<b>(77.3)</b>
Income Tax	(0.6)	(193.7)	(99.7)
Effective Rate	0.3%	23.3%	0.0%
<b>Net Income before Investment in Associates</b>	<b>187.6</b>	<b>636.1</b>	<b>(70.5)</b>
<b>Investment in Associates</b>	<b>504.9</b>	<b>183.8</b>	<b>174.7</b>
<b>Net Income</b>	<b>692.4</b>	<b>819.9</b>	<b>(15.5)</b>
<b>Non-controlling Net Income</b>	<b>(2.3)</b>	<b>(1.1)</b>	<b>110.2</b>
<b>Controlling Net Income</b>	<b>690.2</b>	<b>818.8</b>	<b>(15.7)</b>