LIVEPOL

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

RESULTS OF OPERATIONS FOR THE FOURTH QUARTER OF 2019

Macroeconomic Highlights

Positive:

- Inflation in 2019 was 2.83% within Banco de Mexico's target range.
- **Wages** in the last quarter of the year advanced by 5.9% in nominal terms over the same quarter of 2018.
- Average **exchange rate** in the quarter showed a 2.8% appreciation for the peso compared to the same quarter of last year. The average exchange rate for the year was unchanged from 2018.
- **Wage remittances** in peso terms grew 7.2% in the year, reaching record highs.
- **Benchmark interest rate**: During the quarter, Banco de Mexico dropped the benchmark rate by 50bp, with which it closed the year at 7.25%.

Negative:

- **GDP** shrank by 0.5% in the last quarter of the year and 0.1% during the year.
- **Formal job creation** in the year was 48.2% lower than in 2018, making 2019 the lowest year for new jobs since 2009.
- At the close of the year, the **consumer confidence index** stood 2.5% lower than the same month previous year, and also declined by 3.4% from the close of the preceding quarter.
- In 2019, **consumer credit** continued to slow, growing by only 2.4% in real terms year-over-year.
- **Gross fixed investment** shrank by 2.8% from November 2018 to November 2019.

Company results and outlook:

In order to maintain comparability with last year's figures, the following comments **do not** take into account the effects of the new IFRS 9 and 16. The effects of these new reporting standards are described in a paragraph toward the end of the report.

- **Same-store sales for Liverpool** grew 4.4% during the quarter, and 4.3% in all of 2019.
- **At Suburbia, same-store sales** declined by 6.6% in the fourth quarter and 2.7% in the year.
- **Total revenues** for the quarter were up 5.2%, and the annual increase was 6.4%.
- **The EBITDA margin** for the fourth quarter of the year was 21.0%, 177bp higher than in 4Q18. For 2019, the margin was 15.4%, 46bp above the 2018 margin.
- **Net profit** in the quarter rose 10.7%, and in the year it grew 9.6%
- **Non-performing loans for Liverpool** ended the quarter at 4.4% of the total portfolio, 16bp lower than in the same quarter of 2018.
- **The non-performing loan portfolio for Suburbia** closed the year at 6.4%.

Key figures

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

Million pesos	QUARTER					
	4Q2019	4Q2018	VAR %	2019 IFRS 9 & 16	VAR %	IFRS 9 & 16
Total revenue:	**50,902.8**	**48,394.6**	**5.2%**	**50,902.8**	**5.2%**	
Commercial (includes services and other)	46,382.5	44,026.1	5.4%	46,382.5	5.4%	
Interest	3,586.1	3,439.6	4.3%	3,586.1	4.3%	
Leasing	934.2	928.9	0.6%	934.2	0.6%	
Cost of sales	31,295.7	29,644.6	5.6%	31,295.7	5.6%	
Gross income	**19,607.0**	**18,750.0**	**4.6%**	**19,607.0**	**4.6%**	
Gross margin	38.5%	38.7%	(0.2 p.p)	38.5%	(0.2 p.p)	
Total operating expenses	**9,816.9**	**10,340.3**	**(5.1)%**	**9,861.3**	**(4.6)%**	**44.3**
Operating Expenses	8,932.7	9,460.0	(5.6)%	8,653.3	(8.5)%	(279.4)
Depreciation & Amortization	884.2	880.3	0.4%	1,207.9	37.2%	323.7
Operating income	**9,790.1**	**8,409.7**	**16.4%**	**9,745.8**	**15.9%**	**44.3**
Financing Expense	**482.7**	**394.9**	**22.2%**	**760.5**	**92.6%**	277.9
Net income	6,728.9	6,076.3	10.7%	6,499.8	7.0%	(229.1)
EBITDA	**10,674.3**	**9,290.0**	**14.9%**	**10,953.7**	**17.9%**	**(279.4)**
EBITDA margin	**21.0%**	**19.2%**	**1.77 p.p.**	**21.5%**	**2.32 p.p.**	
Same-store growth Liverpool	**4.4%**	**6.4%**	**(2.0 p.p)**			
Same-store growth Suburbia	**(6.6%)**	**6.6%**	**(13.2 p.p)**			
Same-store growth Total	**2.8%**	**6.5%**	**(3.7 p.p)**			

Million pesos	YTD						
	2019	2018	VAR %	2019 IFRS 9 & 16	2018	VAR %	IFRS 9 & 16
Total revenue:	**144,233.5**	**135,534.8**	**6.4%**	**144,233.5**	**135,534.8**	**6.4%**	
Commercial (includes services and other)	127,322.6	120,276.2	5.9%	127,322.6	120,276.2	5.9%	
Interest	13,357.4	11,786.1	13.3%	13,357.4	11,786.1	13.3%	
Leasing	3,553.5	3,472.4	2.3%	3,553.5	3,472.4	2.3%	
Cost of sales	86,833.2	81,620.9	6.4%	86,833.2	81,620.9	6.4%	
Gross income	**57,400.3**	**53,913.9**	**6.5%**	**57,400.3**	**53,913.9**	**6.5%**	
Gross margin	39.8%	39.8%	0.02 p.p.	39.8%	39.8%	0.02 p.p.	
Total operating expenses	**38,691.8**	**36,988.5**	**4.6%**	**38,229.1**	**36,988.5**	**3.4%**	**(462.7)**
Operating Expenses	35,195.6	33,677.2	4.5%	33,523.6	33,677.2	(0.5)%	(1,672.0)
Depreciation & Amortization	3,496.1	3,311.3	5.6%	4,705.4	3,311.3	42.1%	1,209.3
Operating income	**18,708.5**	**16,925.4**	**10.5%**	**19,171.2**	**16,925.4**	**13.3%**	**(462.7)**
Financing Expense	**1,791.4**	**1,801.3**	**(0.5%)**	**2,863.0**	**1,801.3**	**58.9%**	1,071.6
Net income	12,823.1	11,704.3	9.6%	12,383.1	11,704.3	5.8%	(440.0)
EBITDA	**22,204.6**	**20,236.6**	**9.7%**	**23,876.6**	**20,236.6**	**18.0%**	**(1,672.0)**
EBITDA margin	**15.4%**	**14.9%**	**0.5 p.p.**	**16.6%**	**14.9%**	**1.62 p.p.**	
Customer's portfolio	**38,135.3**	**36,158.4**	**5.5%**				
Same-store growth Liverpool	**4.3%**	**6.5%**	**(2.2 p.p)**				
Same-store growth Suburbia	**(2.7%)**	**10.6%**	**(13.3 p.p)**				
Same-store growth Total	**3.3%**	**7.1%**	**(3.8 p.p)**				

RESULTS

I. Sales of goods and services

In the fourth quarter of 2019, total retail revenues grew 5.4%, and in the year 2019 the growth was 5.9%, both compared to the same period of the prior year.

Million pesos	QUARTER			YTD		
Commercial Revenues	4Q2019	4Q2018	VAR %	2019	2018	VAR %
Liverpool	39,164.8	37,592.7	4.2%	108,942.8	103,415.2	5.3%
Suburbia	7,217.7	6,433.5	12.2%	18,379.8	16,861.0	9.0%
Total	**46,382.5**	**44,026.1**	**5.4%**	**127,322.6**	**120,276.2**	**5.9%**

There were no calendar effects to report during the fourth quarter.

Liverpool

In fourth quarter, same-store sales grew 4.4%, and in annual terms they rose 4.3%. Note that this is the lowest annual growth rate since 2009, reflecting the difficult economic climate that prevailed starting in the third quarter.

The average ticket at Liverpool grew 2.2% while traffic expanded 1.9%. Broken down by product category, Sporting Goods, Furniture, Housewares and Cosmetics all outperformed the average, while Children and Multimedia were less robust.

By geographic region, results in the Central zone and the Mexico City Metropolitan Area grew at rates below the average.

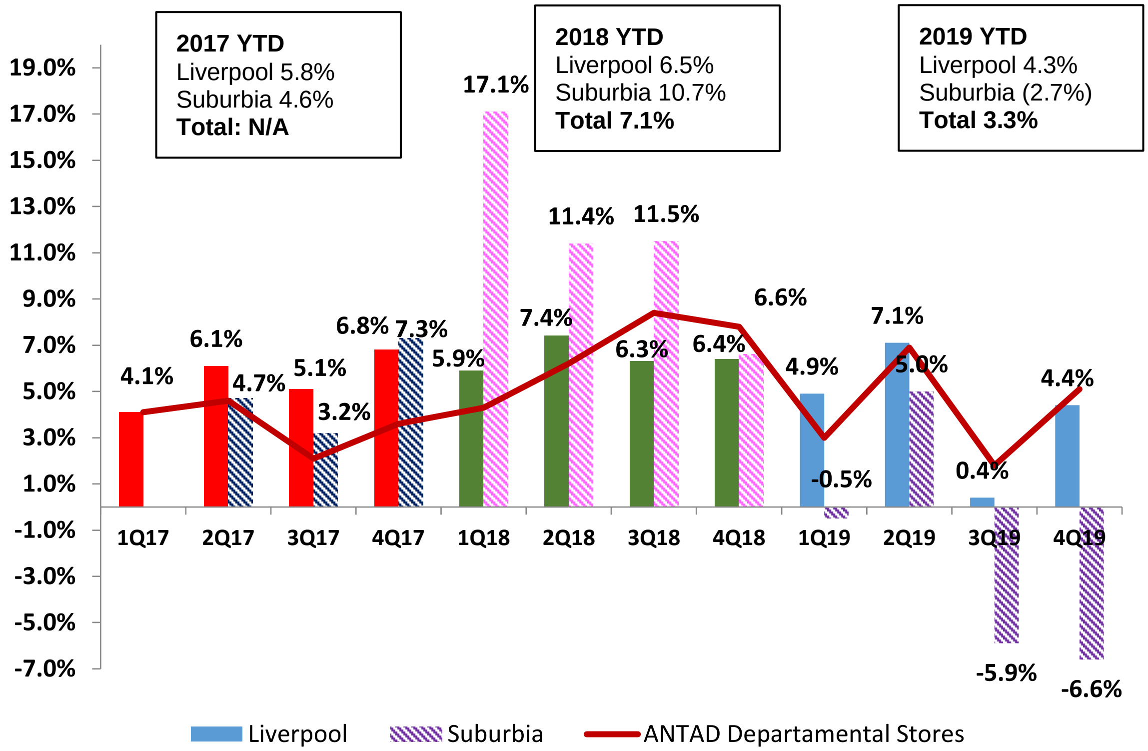
Suburbia

Same-store sales declined by 6.6% in the quarter, and for the full year the reduction was 2.7%. Some of the factors that contributed to this negative result were: a) a lack of clothing inventory caused by an interruption in the flow of merchandise since implementation of a new technological platform in the third quarter; b) negative impact from delays and changes in the way the government's social program benefits are paid out, now via debit card, which has led users to spend this income in the informal retail sector; and c) weakness in sales in the Mexico City metropolitan area, where we have a high number of stores.

During the quarter, we launched a new line of active wear called SPRINT, the first launch of a new proprietary brand in more than 20 years. Sales of athletic wear is growing at a rate above 15%.

We are continuing to expand our supply of General Merchandise, which has been well received by our customers. The increase in sales in categories like Cell Phones, Video, Small household appliances and Housewares was 68% for the quarter.

Same-Store Sales Growth



Figures published by ANTAD as of December 31, 2019 showed quarterly growth of 3.9% in nominal same-store sales terms for the Mexican retail industry, while for 2019 the reported growth is 3.4%. Department stores affiliated with that association reported same-store sales growth of 5.1% in the fourth quarter and 4.5% in the year.

II. Liverpool Omnichannel

We saw a 24.2% rise in sales in digital sales in the fourth quarter, excluding the negative effects from the conversion of Fábricas de Francia stores the growth would have been 34%. In 2019, digital sales accounted for 9.3% of total Liverpool sales.

Our collaborative model, in which all our stores serve as distribution centers for filling digital sales orders, continues to make strong progress. We completed the rollout of a stocking app for our sales staff, and in the fourth quarter 93% of orders were filed from the stores themselves.

Changes to the way we recognize sales starting in January 2019, where digital sales are assigned to each store, have substantially reduced rejections in merchandise stocking and improved the Click & Collect function, where orders are filled from the stores.

Online traffic rose 46% in the year. Liverpool Pocket saw an increase of more than 80% in downloads during the year, and has become our most effective means of contact with customer in terms of visits, as well as conversion rate and omnichannel activity.

Click & Collect deliveries continue to account for nearly half of digital orders.

We introduced an algorithm by which we can predict the logistical route generated with each sale, specifying estimated delivery times and establishing an internal KIP called "customer compliance" shared by the entire organization. Orders grew by more than 60% and delivery times were reduced almost 30%. We began contacting clients via WhatsApp for merchandise delivery, improving CAT productivity by more than 110%. During the quarter we met promised delivery times for 95% of orders.

One of our most important Digital projects in 2019 was the implementation of a responsive, progressive latest-generation technology called PWA that enabled us to improve download times by 25%, improve business autonomy in changes of user experience on the page, and standardize all the Williams Sonoma sites.

We developed the capacity to communicate personally with our customers via e-mail and push notification, ensuring we have the next best offer for every customer.

Performance of the new gift registry was positive after a full year of operation, a 54% year-over-year growth and a more than 100% increase in digital channels.

III. Financial Businesses

Interest Income and Customer Portfolio

In the fourth quarter, revenues in our credit division increased 4.3% over the same period of 2018, and in the full year the growth was 13.3%. The customer portfolio expanded by 5.5% year-over-year. The number of cardholders reached 5.5 million.

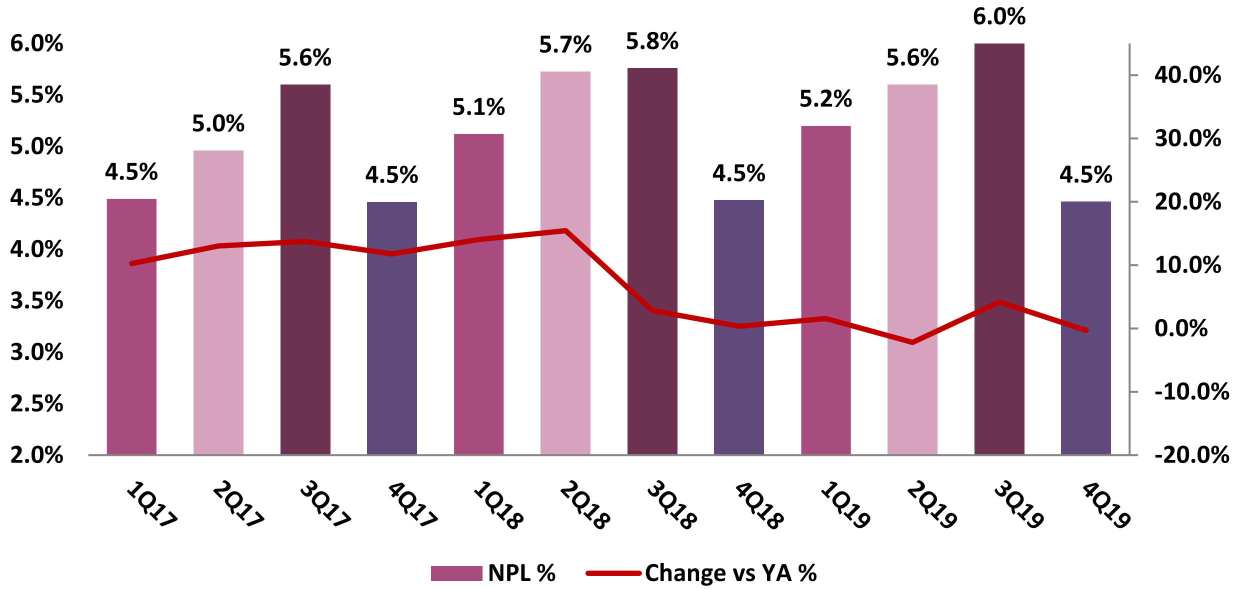
Thanks to a variety of credit risk management and collection measures taken in the past, we have succeeded in keeping non-performing loan rates similar to those of the previous year, and thus improving the return on our portfolios.

At the close of 2019, 45.7% of Liverpool sales were transacted using our own payment methods. Liverpool credit card accounts that are more than 90 days past due fell to 4.4% of the total, 16bp less than at the close of 2018.

For Suburbia cards, the non-performing loan rate was 6.4%, lower than projected. Suburbia sales in our own cards made up 21.2% of the total. At the close of the year we had almost 690,000 credit card accounts.

Credit payments more than 90 days past due made up 4.5% of the total portfolio, 4.4% of which was Liverpool and 9bp related to the Suburbia portfolio.

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



We continue to improve the use and functionality of the credit section of our Liverpool Pocket app and on liverpool.com.mx. With around 3 million clients already registered, we offer services like lookup of available balance, transactions, account statements and online payment, among others.

During the quarter we were able to reduce our reserves by 4.6% due to lower non-performing loan ratios; for the year there was an increase of 9.9%.

TOTAL RESERVE

Millon pesos	4Q2019	4Q2018	VAR %	2019	2018	VAR %
Initial balance of reserve:	4,713.5	3,614.7	30.4%	3,263.1	3,085.7	5.8%
(+) New Reserves	529.5	555.2	(4.6)%	3,687.6	3,355.4	9.9 %
(-) Write Off	(1,044.4)	(906.8)	15.2%	(3,471.2)	(3,177.9)	9.2%
Ending balance of reserve:	**4,198.6**	**3,263.1**	**28.7%**	**3,479.5**	**3,263.1**	**6.6%**

*The new reserves of 2018 do not include the initial effect of IFRS 9. (Ps. 719 million)

LIVERPOOL

Millon pesos	4Q2019	4Q2018	VAR %	2019	2018	VAR %
Initial balance of reserve:	4,478.9	3,614.7	23.9%	3,259.0	3,085.7	5.6%
(+) New Reserves	473.5	551.1	(14.1)%	3,364.8	3,351.3	0.4 %
(-) Write Off	(983.1)	(906.8)	8.4%	(3,373.6)	(3,177.9)	6.2%
Ending balance of reserve:	**3,969.4**	**3,259.0**	**21.8 %**	**3,250.2**	**3,259.0**	**(0.3)%**

*The new reserves of 2018 do not include the initial effect of IFRS 9. (Ps. 719 million)

SUBURBIA

Millon pesos	4Q2019	4Q2018	VAR %	2019	2018	VAR %
Initial balance of reserve:	234.6	-	100.0%	4.1	-	100.0%
(+) New Reserves	56.0	4.1	1264.4%	322.8	4.1	7768.7%
(-) Write Off	(61.3)	-	100.0%	(97.7)	-	100.0%
Ending balance of reserve:	**229.2**	**4.1**	**5488.2%**	**229.2**	**4.1**	**5488.2%**

IV. Leasing

Fourth-quarter leasing revenues grew 0.6% year-over-year, and 2.3% in the year, reflecting the reopening of the Coapa store in October 2018. In comparable terms, leasing revenues grew 4.1% in the quarter and 3.2% for the full year. Occupancy in our shopping centers stands at 95.4% in comparable terms, excluding one-off effects

On October 31 we opened our 28th shopping center, called Galerías Santa Anita, in Jalisco, with net leasable area of 46,550 square meters, bringing the total to 570,980 square meters, 6.4% more than the year before. Our sell-in plans are proceeding according to schedule, and so far we have leased 75% of the square meters.

Also, in order to stay up to date and continuously innovate, remodeling and expansion works is ongoing at Perisur, Galerías Monterrey and Galerías Insurgentes.

V. Cost of Goods Sold and Gross Margin

Retail Margin

The retail margin shrank by 14bp in the fourth quarter of the year. In accumulated terms the retail margin was down 20bp in all of 2019. This took place in a climate of intense promotional activity by all market players, alongside rising logistical expense.

	QUARTER			YTD		
Million pesos	4Q2019	4Q2018	Dif %	2019	2018	Dif%
Commercial sales	46,382.5	44,026.1	5.4%	127,322.6	120,276.2	5.9%
Cost of goods sold	31,295.7	29,644.6	5.6%	86,833.2	81,620.9	6.4%
Commercial margin	**32.5%**	**32.7%**	**(0.14 p.p)**	**31.8%**	**32.1%**	**(0.3 p.p)**

Consolidated Gross Margin

This margin fell by 23bp in the quarter but was stable for the year. This can be attributed in part to the weight of each business in overall revenues.

	QUARTER			YTD		
As % of total income	**4Q2019**	**4Q2018**	**VAR pbs**	**2019**	**2018**	**VAR pbs**
Retail	91.1%	91.0%	0.1 p.p.	88.3%	88.7%	(0.5 p.p)
Interest	7.0%	7.1%	(0.1 p.p)	9.3%	8.7%	0.6 p.p.
Leasing	1.8%	1.9%	(0.1 p.p)	2.5%	2.6%	(0.1 p.p)

VI. Operating Expenses before Depreciation

In the fourth quarter, operating expenses before depreciation rose 5.6%.

Two significant effects bear mentioning: the reserve for closure and remodeling of the Fábricas de Francia stores created in 2018, and cancellation of a provision for executive bonuses on results during the fourth quarter of 2019. Eliminating these effects, expenses in the quarter would have fallen by 0.7%, as shown below:

	4Q2019	4Q2018	VAR %	2019	2018	VAR %
Reported Operating Expenses without Depreciation	8,932.7	9,460.0	(5.6)%	35,195.6	33,677.2	4.5 %
FF Reserve for Transformation		(250.0)			(450.0)	
Executive Bonus	215.5			215.5		
Comparable Operating Expenses without Depreciation	**9,148.2**	**9,210.0**	**(0.7)%**	**35,411.1**	**33,227.2**	**6.6 %**

In the year 2019, operating expenses before depreciation, excluding the abovementioned effects, rose 6.6%. This reflects a hike in the minimum wage, Liverpool and Suburbia opening expenses, and higher electrical rates. Meanwhile, the improvement in non-performing loans and expense reduction efforts throughout the year helped offset some of the negative effects.

VII. EBITDA

EBITDA for the fourth quarter totaled Ps. 10.67 billion, 14.9% higher than in the same quarter of 2018. For the full twelve months of the year, EBITDA was Ps. 22.20 billion, a 9.7% increase.

The quarterly EBITDA margin was 21.0%, a 177bp gain over the year-earlier period. For all of 2019 the margin was 15.4%, 46bp higher than in 2018. Taking into account the effects mentioned in the section on Operating Expenses before Depreciation, the EBITDA margin in 2019 would have been 83bp higher in the quarter and unchanged in the year.

VIII. Operating Income

For the fourth quarter of 2019, operating income was Ps. 9.79 billion, an increase of 16.4% compared to the same quarter of last year; accumulating all four quarters the year it was Ps. 18.71 billion, a 10.5% year-over-year advance.

IX. Financial Expense and Income

For this quarter, our net financial expense was Ps. 483 million, 22.2% more than in the same period of last year, primarily because of foreign-exchange losses on foreign currency we hold in our cash position. In the year as a whole, our net financial expense totaled Ps. 1.79 billion, a reduction of 0.5%.

Millions pesos	QUARTER			YTD		
Net Financial Income/(Expense)	4Q2019	4Q2018	Effect	2019	2018	Effect
Interest	(478.8)	(458.9)	4.3%	(1,800.8)	(1,866.8)	-3.5%
Exchange Effect	(3.8)	64.0	(106.0%)	9.3	65.5	(85.7%)
Total Financial Income/(Expense)	**(482.7)**	**(394.9)**	**22.2%**	**(1,791.4)**	**(1,801.3)**	**-0.5%**

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

During the quarter covered by this report, this line totaled Ps. 126.2 million, a 35.9% decrease, reflecting tough macroeconomic conditions in various of the countries where Unicomer operates. Annually, the increase was 11.2%, to a total of Ps. 696.4 million.

XI. Taxes

The effective income tax rate for the quarter was 28.9%, and for the year it was 28.3%. The increase over the preceding year is the result of lower inflation.

XII. Net income

Majority net income in the fourth quarter totaled Ps. 6.73 billion, 10.7% higher than in the same quarter of 2018; in the year 2019 the increase was 9.6 % and net profit totaled Ps. 12.82 billion.

XIII. Balance Sheet

Cash and Short-Term Investments

The balance of this account as of December 31, 2019 was Ps. 18.63 billion. Of this amount, 17.8% was invested in foreign currency (primarily USD). Note that on November 14 we placed a LIVEPOL19 securities certificate totaling Ps. 5 billion, which are reflected in this cash balance.

Inventory and Accounts payable

Inventory totaled Ps. 23.34 billion at the close of the fourth quarter, 12.9% higher than the year-earlier amount. Sixty percent of this increase is related to Suburbia. In the case of this business unit, rapid expansion and the introduction of new product categories account for two-thirds of this amount.

The balance of supplier accounts payable was Ps. 22.67 billion, a 4.3% reduction compared to the close of 2018.

Cost-Bearing Debt and Cash Flow

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

Million pesos	2019	2018	VAR %
Cost bearing debt	(34,707.4)	(30,533.8)	13.7%
Financial derivative instruments acquired for hedging purposes*	1,313.3	2,139.7	(38.6%)
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.

The increase in cost-bearing debt is attributed to the above-mentioned LIVEPOL19 securities certificate.

Our next debt maturity comes due in May 2020, totaling Ps. 3.0 billion.

The gross and net leverage ratios (gross and net debt to 12-month EBITDA) at the close of the fourth quarter were 1.50 and 0.66 times, respectively. These ratios have been calculated taking into account a mark-to-market valuation of the hedge instruments shown in the table above.

Cashflow (Millon pesos)	2019	2018	2019 with IFRS 9 & 16
Operating income	**18,708.5**	**16,925.4**	**19,171.2**
Depreciation and amortization	3,496.1	3,311.3	4,705.4
EBITDA	**22,204.6**	**20,236.6**	**23,876.6**
Interests	(2,549.3)	(2,744.6)	(2,549.3)
Taxes	(4,199.9)	(3,704.2)	(4,199.9)
Working capital	(5,867.4)	(2,794.8)	(5,643.7)
Clients	(2,176.1)	(1,766.5)	(1,952.4)
Inventaries	(2,667.2)	(2,186.8)	(2,667.2)
Suppliers	(1,024.1)	1,158.5	(1,024.1)
Other	716.1	1,459.7	708.4
Cashflow from operations	**10,304.2**	**12,452.7**	**12,192.3**
Capex	(8,730.5)	(8,592.5)	(8,730.5)
Cash flow before dividends	**1,573.7**	**3,860.2**	**3,461.8**
Dividends	(1,474.4)	(1,288.4)	(1,474.4)
Cashflow	**99.3**	**2,571.9**	**1,987.4**
Received Loans	5,000.0	-	5,000.0
Paid Loans	-	(5,671.5)	-
Lease liabilities	-	-	(1,888.1)
Increase / (Decrease)	**5,099.3**	**(3,099.6)**	**5,099.3**

XIV. Capital Expenditures

As of December 31, 2019, the company had invested a total of Ps. 8.73 billion in capital expenditures, which was allocated primarily to e-commerce, logistical projects, computer systems, store growth and remodeling, and maintenance. The Arco Norte logistical project required an investment of Ps. 1.26 billion in 2019 and continues to advance as planned.

XV. Dividends

The General Shareholders' Meeting held March 7 of 2018 declared a dividend of Ps. 1.48 billion, equivalent to 12.6% of net income in 2018. This was paid in two installments, the first on May 24 for a total of Ps. 886 million, and remaining Ps. 590 million on October 11 of last year.

XVI. Effect of IFRS 9 and 16 on the Income Statement and Balance Sheet - Quarterly

In the fourth quarter, the adoption of the new IFRS 9 and 16 standards had a negative effect on the Income Statement, totaling Ps. 229 million, or 3.4% of net profit. In annual terms, the negative effect on net profits was Ps. 440 million, also 3.4% of net profit.

IFRS 9 & 16 Effects					
Operating Expenses	**4Q**	**3Q**	**2Q**	**1Q**	**YTD**
Bad accounts provision	**(223.7)**	**0**	**0**	**0**	**(223.7)**
Leasing equipment	**418.8**	**403.3**	**386.1**	**377.4**	**1,585.6**
Leasing building	**84.3**	**81.0**	**75.0**	**69.9**	**310.2**
Depreciation and amortization	**(323.7)**	**(304.8)**	**(294.5)**	**(286.3)**	**(1,209.3)**
Financial expenses					
Interests	**(277.9)**	**(267.9)**	**(261.8)**	**(264.0)**	**(1,071.6)**
Associated companies	**(3.1)**	**(2.8)**	**(2.9)**	**(3.4)**	**(12.2)**
Pre-tax effct	**(325.3)**	**(91.3)**	**(98.0)**	**(106.5)**	**(621.0)**
Taxes	**96.1**	**26.1**	**28.4**	**30.4**	**181.0**
IRFS 9 & 16 effect	**(229.1)**	**(65.2)**	**(69.6)**	**(76.1)**	**(440.0)**

The balance sheet reflects a right-to-use asset of Ps. 11.83 billion pesos, and a lease liability of Ps. 12.22 billion.

Balance Sheet
As of December 31th, 2019
with IFRS 9 & 16

Millon Pesos	2019	2018	Dif
Cash / cash equivalent	18,634.8	13,535.5	5,099.3
Loan portfolio	38,135.3	36,158.4	1,976.8
Inventories	23,340.4	20,673.2	2,667.2
Investmen in associates	8,456.0	8,510.2	(54.2)
Fixed assets	50,255.6	47,115.1	3,140.5
Right of use assets	11,834.0	0.0	11,834.0
Investment properties	22,346.1	20,668.3	1,677.8
Other	27,559.7	27,962.0	(402.3)
Total Assets	**200,561.9**	**174,622.8**	**25,939.1**
Suppliers	22,670.2	23,694.3	(1,024.1)
Short term loans	3,000.0	0.0	3,000.0
Long termn loans	31,707.4	30,533.8	1,173.7
Lease liabilities	12,219.1	0.0	12,219.1
Other liabilities	21,890.6	19,694.4	2,196.1
Total Liabilities	**91,487.3**	**73,922.5**	**17,564.8**
Stockholders' equity	**109,074.5**	**100,700.3**	**8,374.3**

XVII. Expansions and recent events

During the fourth quarter, and despite the difficult economic climate we described earlier, Liverpool continued its expansion plan and successfully opened two new stores. The first, in the city of Monterrey within the Esfera Shopping Center, and the second in Guadalajara, in the Santa Anita Shopping Center. Combined with the two previous openings, these bring the total to 123 department stores.

We made further progress in our aggressive Suburbia store opening plan, having opened 11 new stores in the fourth quarter and bringing the total to 157 stores at year-end. This is 26 more stores than at the end of the previous year. These newly opened stores are performing well, with sales surpassing projections by double-digit rates.

At the close of the year, we had the following openings, closures, remodeling and expansions:

		Openings/Closures 2019
Liverpool Stores:		
1	Monclova, Coahuila	Opened April 4th
2	Guanajuato, Guanajuato	Opened April 9th
3	Santa Anita, Jalisco	Opened October 25th
4	Monterrey Sfera	Opened November 5th
Suburbia Stores:		
1	Cuautla, Morelos	Opened May 15 th
2	Monterrey Paseo Juárez, Nuevo León	Opened July 4th
3	Guanajuato, Guanajuato	Opened July 10th
4	Pachuca, Hidalgo	Opened July 25th
5	Tlalpan, Ciudad de México	Reopened September 12th
6	Monclova, Coahuila	Opened September 13th
7	Mérida, Yucatán	Opened September 26th
8	Azcapotzalco, Ciudad de México	Opened October 17th
9	Toluca Multiplaza, Edo. de México.	Opened November 1st
10	La Paz, Baja California Sur	Opened November 8th
11	Huehuetoca, Edo. de México	Opened November 11th
12	Patio Tulancingo, Hidalgo	Opened November 12th
13	Guadalajara Santa Anita, Jalisco	Opened November 12th
14	Paseo Querétaro, Querétaro	Opened November 14th
15	Gómez Palacio, Durango	Opened November 14th
16	Amalucan, Puebla	Opened December 12th
17	Tijuana 2000, Baja California	Opened December 12th
18	Uptown Juriquilla, Querétaro	Opened December 19th
	Aguascalientes Centro, Aguascalientes	Closed June 16th
	Lomas Verdes, Estado de México	Closed June 30th
	Tapachula Centro, Chiapas	Closed July 15th
Shopping Malls :		
	Galerías Santa Anita	Opened October 31th
Remodeling and openings (in process):		
	Liverpool Perisur y Centro Comercial Perisur	
	Liverpool y Centro Comercial Galerías Monterrey	
	Liverpool y Centro Comercial Plaza Satélite	
	Centro Comercial Galerías Insurgentes	

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

XIX. About the Company

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

Liverpool stores:	123	1, 731,622 m2
Suburbia stores:	157	660,570 m2
Shopping Centers:	28	570,980 m2
Boutiques:	133	78,961 m2

XXIV. Credit cards

Number of cards	4Q19	4Q18	% CHG.
Liverpool	4,881,461	4,810,009	1.5%
Suburbia	688,597	245,284	180.7%

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Annex – Basic Financial Statements

Balance Sheet

Balance Sheet As of December 31th, 2019 with IFRS 9 & 16 Millon Pesos	2019	2018	Dif
Cash / cash equivalent	18,634.8	13,535.5	5,099.3
Loan portfolio	38,135.3	36,158.4	1,976.8
Inventories	23,340.4	20,673.2	2,667.2
Investmen in associates	8,456.0	8,510.2	(54.2)
Fixed assets	50,255.6	47,115.1	3,140.5
Right of use assets	11,834.0	0.0	11,834.0
Investment properties	22,346.1	20,668.3	1,677.8
Other	27,559.7	27,962.0	(402.3)
Total Assets	**200,561.9**	**174,622.8**	**25,939.1**
Suppliers	22,670.2	23,694.3	(1,024.1)
Short term loans	3,000.0	0.0	3,000.0
Long termn loans	31,707.4	30,533.8	1,173.7
Lease liabilities	12,219.1	0.0	12,219.1
Other liabilities	21,890.6	19,694.4	2,196.1
Total Liabilities	**91,487.3**	**73,922.5**	**17,564.8**
Stockholders' equity	**109,074.5**	**100,700.3**	**8,374.3**

Liverpool

Grupo BMV

LIVEPOL

Income Statement

	QUARTER					
	2019	2018	% VAR.	IFRS 9 & 16	2019 IFRS 16	% VAR.
Commercial Income	**46,382.5**	**44,026.1**	**5.4**		**46,382.5**	**5.4**
Leasing Income	**934.2**	**928.9**	**0.6**		**934.2**	**0.6**
Interest Income	**3,586.1**	**3,439.6**	**4.3**		**3,586.1**	**4.3**
Total Income	**50,902.8**	**48,394.6**	**5.2**		**50,902.8**	**5.2**
COGS	(31,295.7)	(29,644.6)	5.6		(31,295.7)	5.6
Commercial Gross Profit	**15,086.8**	**14,381.5**	**4.9**		**15,086.8**	**4.9**
Commercial Margin	32.5%	32.7%	(0.1 p.p)		32.5%	(0.1 p.p)
Net Gross Profit	**19,607.0**	**18,750.0**	**4.6**		**19,607.0**	**4.6**
Gross Margin	38.5%	38.7%	(0.2 p.p)		38.5%	(0.2 p.p)
Operating expenses without depreciation, overdue accounts and one time provisions	**(8,403.2)**	**(8,904.8)**	**(5.6)**	**503.1**	**(7,900.1) -**	**11.3**
Provisions for overdue accounts	**(529.5)**	**(555.2)**	**(4.6)**	**(223.7)**	**(753.2)**	**35.7**
EBITDA Expenses	**(8,932.7)**	**(9,460.0)**	**(5.6)**	**279.4**	**(8,653.3) -**	**8.5**
Depreciation & Amortization	(884.2)	(880.3)	0.4	(323.7)	(1,207.9)	37.2
Net Operating Expenses	**(9,816.9)**	**(10,340.3)**	**(5.1)**	**(44.3)**	**(9,861.3) -**	**4.6**
Consolidated Operating Income	9,790.1	8,409.7	16.4	(44.3)	9,745.8	**15.9**
Consolidated EBITDA	**10,674.3**	**9,290.0**	**14.9**	**279.4**	**10,953.7**	17.9
Consolidated EBITDA Margin	21.0%	19.2%	1.8 p.p.	54.9%	21.5%	2.3 p.p.
Financing expense	**(478.8)**	**(458.9)**	**4.3**	**(277.9)**	**(756.7)**	**64.9**
Foreign exchange gain	**(3.8)**	**64.0**	**(106.0)**	**0.0**	**(3.8)**	**(106.0)**
Profit before income tax	**9,307.5**	**8,014.8**	**16.1**	**(322.2)**	**8,985.2**	**12.1**
Income Tax	(2,690.5)	(2,135.1)	26.0	96.1	(2,594.4)	21.5
Effective Rate	28.9%	26.6%		0.0%	28.9%	
Net Income before Investment in Associates	**6,616.9**	**5,879.7**	**12.5**	**(226.1)**	**6,390.9**	**8.7**
Investment in Associates	**126.2**	**196.9**	**(35.9)**	**(3.1)**	**123.2**	**(37.5)**
Net Income	**6,743.1**	**6,076.6**	**11.0**	**(229.1)**	**6,514.0**	**7.2**
Non-controlling Net Income	**(14.2)**	**(0.3)**	**4,017.4**	**0.0**	**(14.2)**	**4,017.4**
Controlling Net Income	**6,728.9**	**6,076.3**	**10.7**	**(229.1)**	**6,499.8**	**7.0**

Liverpool

Grupo BMV

LIVEPOL

Income statement

	2019	2018	% VAR.	YTD IFRS 9 &16	2019 IFRS 16	2018	% VAR.
Commercial Income	**127,322.6**	**120,276.2**	**5.9**		**127,322.6**	**120,276.2**	**5.9**
Leasing Income	**3,553.5**	**3,472.4**	**2.3**		**3,553.5**	**3,472.4**	**2.3**
Interest Income	**13,357.4**	**11,786.1**	**13.3**		**13,357.4**	**11,786.1**	**13.3**
Total Income	**144,233.5**	**135,534.8**	**6.4**		**144,233.5**	**135,534.8**	**6.4**
COGS	(86,833.2)	(81,620.9)	6.4		(86,833.2)	(81,620.9)	6.4
Commercial Gross Profit	**40,489.4**	**38,655.4**	**4.7**		**40,489.4**	**38,655.4**	**4.7**
Commercial Margin	31.8%	32.1%	(0.3 p.p)		31.8%	32.1%	(0.3 p.p)
Net Gross Profit	**57,400.3**	**53,913.9**	**6.5**		**57,400.3**	**53,913.9**	**6.5**
Gross Margin	39.8%	39.8%	0.0 p.p.		39.8%	39.8%	0.0 p.p.
Operating expenses without depreciation, overdue accounts and one time provisions	**(31,508.1)**	**(30,321.9)**	**3.9**	**1,895.7**	**(29,612.4)**	**(30,321.9)**	**(2.3)**
Provisions for overdue accounts	**(3,687.6)**	**(3,355.4)**	**9.9**	**(223.7)**	**(3,911.3)**	**(3,355.4)**	**16.6**
EBITDA Expenses	**(35,195.6)**	**(33,677.2)**	**4.5**	**1,672.0**	**(33,523.6)**	**(33,677.2)**	**(0.5)**
Depreciation & Amortization	(3,496.1)	(3,311.3)	5.6	(1,209.3)	(4,705.4)	(3,311.3)	42.1
Net Operating Expenses	**(38,691.8)**	**(36,988.5)**	**4.6**	**462.7**	**(38,229.1)**	**(36,988.5)**	**3.4**
Consolidated Operating Income	18,708.5	16,925.4	10.5	462.7	19,171.2	16,925.4	13.3
Consolidated EBITDA	**22,204.6**	**20,236.6**	**9.7**	**1,672.0**	**23,876.6**	**20,236.6**	18.0
Consolidated EBITDA Margin	15.4%	14.9%	0.5 p.p.	115.9%	16.6%	14.9%	1.6 p.p.
Financing expense	**(1,800.8)**	**(1,866.8)**	**(3.5)**	**(1,071.6)**	**(2,872.3)**	**(1,866.8)**	**53.9**
Foreign exchange gain	**9.3**	**65.5**	**(85.7)**	**0.0**	**9.3**	**65.5**	**(85.7)**
Profit before income tax	**16,917.1**	**15,124.1**	**11.9**	**(608.9)**	**16,308.2**	**15,124.1**	**7.8**
Income Tax	(4,780.9)	(4,038.5)	18.4	181.0	(4,599.9)	(4,038.5)	13.9
Effective Rate	28.3%	26.7%		0.1%	28.2%	26.7%	
Net Income before Investment in Associates	**12,136.2**	**11,085.6**	**9.5**	**(427.8)**	**11,708.3**	**11,085.6**	**5.6**
Investment in Associates	**696.4**	**626.5**	**11.2**	**(12.2)**	**684.3**	**626.5**	**9.2**
Net Income	**12,832.6**	**11,712.1**	**9.6**	**(440.0)**	**12,392.6**	**11,712.1**	**5.8**
Non-controlling Net Income	**(9.5)**	**(7.7)**	**22.7**	**0.0**	**(9.5)**	**(7.7)**	**22.7**
Controlling Net Income	**12,823.1**	**11,704.3**	**9.6**	**(440.0)**	**12,383.1**	**11,704.3**	**5.8**

Cash Flow

Cashflow (Millon pesos)	2019	2018	2019 with IFRS 9 & 16
Operating income	**18,708.5**	**16,925.4**	**19,171.2**
Depreciation and amortization	3,496.1	3,311.3	4,705.4
EBITDA	**22,204.6**	**20,236.6**	**23,876.6**
Interests	(2,549.3)	(2,744.6)	(2,549.3)
Taxes	(4,199.9)	(3,704.2)	(4,199.9)
Working capital	(5,867.4)	(2,794.8)	(5,643.7)
Clients	(2,176.1)	(1,766.5)	(1,952.4)
Inventaries	(2,667.2)	(2,186.8)	(2,667.2)
Suppliers	(1,024.1)	1,158.5	(1,024.1)
Other	716.1	1,459.7	708.4
Cashflow from operations	**10,304.2**	**12,452.7**	**12,192.3**
Capex	(8,730.5)	(8,592.5)	(8,730.5)
Cash flow before dividends	**1,573.7**	**3,860.2**	**3,461.8**
Dividends	(1,474.4)	(1,288.4)	(1,474.4)
Cashflow	**99.3**	**2,571.9**	**1,987.4**
Received Loans	5,000.0	-	5,000.0
Paid Loans	-	(5,671.5)	-
Lease liabilities	-	-	(1,888.1)
Increase / (Decrease)	**5,099.3**	**(3,099.6)**	**5,099.3**