

MATERIAL EVENT

PLACE AND DATE

Mexico City, March 31, 2020

CORPORATE NAME

El Puerto de Liverpool, S.A.B. de C.V.

TICKER SYMBOL

LIVEPOL

SUBJECT

Actions to help control the propagation of the COVID-19 virus

In the current health context, it is fundamental that we all act and take the appropriate precautions. At El Puerto de Liverpool, S.A.B. de C.V., we are doing our part through prevention and mitigation measures to deal with the COVID-19 situation, joining efforts with the public to preserve what is most important at times like these: people's health.

Throughout its more than 170-year history, El Puerto de Liverpool has been known for its capacity to adapt and to weather challenges such as these. That's why today we implemented sanitary measures in order to safeguard the health of our customers, employees and suppliers, along with operating measures to contain spending and investment at each of our business units and thus mitigate the financial impact associated with the decline in our revenues.

SANITARY MEASURES

In response to the declaration of a public health emergency caused by the COVID-19 pandemic, announced by the Mexican government on March 30, we have made the decision to close all of our Liverpool stores, Suburbia stores, Galerías shopping centers and boutiques of various brands nationwide from March 31 until April 30.

El Puerto de Liverpool is committed to guaranteeing the jobs of all of its employees and, to the extent of its possibilities, to continue paying their full wages and benefits, among other economic support measures.

We have activated our business continuity plan and most of our administrative employees are working from home, with no negative impact on their day-to-day activities.

We have the digital and logistical infrastructure necessary to continue serving our clients, making various platforms available to them: Liverpool, Suburbia, Williams Sonoma, Boutiques and Marketplace (our Liverpool Pocket App, www.liverpool.com.mx, www.suburbia.com.mx, and www.williams-sonoma.com.mx). We have taken the sanitary measures necessary to fill and deliver these orders properly. Our Click & Collect service will not be available during the time our stores are closed; we are only offering home delivery.

The areas for receiving and dispatching merchandise from our warehouses, as well as our distribution centers, will be operating with a reduced staff, and all employees are given the chance to stay home if they are ill or feel vulnerable to contagion, with no repercussions.

In general terms, the components of our supply chain continue to operate normally, so our processes for supplying and delivering merchandise are operating normally.

FINANCIAL MEASURES

First and foremost, the company's current financial position is solid, as evident in: 1) its available cash balance; 2) its modest debt profile; 3) the diversification of its funding sources, as part of the Recurrent Issuer program of the Mexican Stock Exchange and with the backing of various (uncommitted) credit lines with major banking institutions.

The total amount of our US dollar-denominated debt (USD 1.05 billion) is fully hedged in pesos and fixed rates. Additionally, all the debt of El Puerto de Liverpool is at fixed rates.

The bonds with ticker symbols LIVEPOL 10 and LIVEPOL 10U totaling MxPs 3.0 billion, which expire this May, were prefunded last November. Our next debt maturity is not until 2022.

As for foreign-exchange hedges relating to our merchandise, the buying season for Spring-Summer is largely covered, while the Autumn-Winter season is partially hedged at present.

The public health emergency has already resulted in a substantial reduction in traffic in our department stores, stores, boutiques and shopping centers since mid-March. Regionally, this has been more intense in northern and central Mexico. To mitigate the drop in revenues and preserve our liquidity levels, we are implementing an emergency plan to reduce operating expenses and Capex to the barest essentials:

- 1) Above all, preserve Group liquidity.
- 2) Rigorously reduce the budget for capital expenditures. We have halted projects that had not begun or were still in the early stages. We continue to assess our options going forward.
- 3) We have restricted operating expenses to the minimum necessary.
- 4) We have introduced credit solutions to benefit our customers in order to retain them and enable them to continue using their credit cards and avoid higher loan delinquency ratios in a responsible manner. Digital channels for receiving credit card payments continue to function normally.
- 5) Inventory levels and purchase plans are being handled with caution. We are doing everything possible to minimize the flow of merchandise to our distribution centers.

Because we do not yet know the magnitude of this global phenomenon, we reiterate to all our employees, suppliers, and above all our clients, that this is a time to come together as a society and follow the recommended measures necessary to preserve our health and that of our loved ones. El Puerto de Liverpool S.A.B. de C.V. will keep its customers and shareholders informed of measures as they are taken considering national and international events relating to our operations.

El Puerto de Liverpool, S.A.B. de C.V., is one of the largest full-line department store companies in the country, with 123 operating stores in 57 cities of Mexico.

It is also Mexico's third largest credit card issuer, with more than 5.5 million accounts.

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