CONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Stockholders and Board of Directors of El Puerto de Liverpool, S. A. B. de C. V.

Opinion

We have audited the consolidated financial statements of El Puerto de Liverpool, S. A. B. de C. V. and its subsidiaries (the Company), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of comprehensive income, of changes in stockholders' equity and of cash flows for the year then ended and the notes to the consolidated financial statements, comprising the material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company in accordance with the ethical requirements of the "Professional Code of Ethics of Mexican Institute of Public Accountants, A. C." ("MIPA Code") that are relevant to audits of financial statements of Public Interest Entities (PIE) in Mexico and the "International Code of Ethics for Professional Accountants (including International Independence Standards)" issued by the International Ethics Standards Board for Accountants ("IESBA Code") as applicable to audits of financial statements of PIEs. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the MIPA Code and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverable value of intangible assets with an indefinite life

As mentioned in Note 14 to the consolidated financia! statements, the Company performs annual tests on the recoverable value of its intangible assets with an indefinite life (goodwill, brands and others).

These tests consist of comparing that the estimate of the projected cash flows for the Cash Generating Unit (CGU) to which the intangible assets are allocated is higher than the book value of said assets.

We focused on intangible assets with indefinite lives due to the importance of their balance ($13,278 million pesos as of December 31, 2025) compared to the consolidated financial statements, since the estimation of projected cash flows involves the application of significant judgments by Management to determine the assumptions and premises used.

In particular, we concentrated our audit efforts on: 1) the methodology used to estimate the recoverable value, and 2) the significant assumptions used to estimate the projected cash flows, such as: the estimated rate of growth of sales, the projected EBITDA (Earnings Before Income Tax, Depreciation and Amortization), and the discount rate and the terminal value, which required the application of a greater judgment, when evaluating the impact on the projected results.

We evaluated the cash flow projections prepared by Management and the processes used to prepare them, comparing said projections to the historical results, including years prior to the pandemic and budgets approved by the Company's Board of Directors.

We compared the actual results of the current year with the respective budget to rule out the fact that any assumption included in the cash flows projections could be considered too optimistic.

With the support of our valuation experts, we compared:

- The methodology used to estimate the recoverable value to that commonly used in the market for this type of assets.
- The growth of sales, the terminal value and the EBITDA to the historical results of the business and to independent market sources of comparable entities of the industry to which the Company belongs.
- The discount rate used to discount future cash flows to an estimated market rate considering the Company's leverage level, the expectation of leverage in the short and medium terms, and the optimal level of the industry.

We discussed the sensitivity analysis with Management and assessed the degree to which the assumptions need to be modified for impairment to occur.

Additionally, we evaluated the consistency of the disclosures included in the notes to the financial statements with the information provided by Management.

Acquisition of equity interest in Nordstrom

As described in Note 1 to the consolidated financial statements, during 2025 the Company acquired a 49.9% equity interest in Nordstrom, Inc. through a newly created entity. The transaction represents a business combination and resulted in the recognition of identifiable assets acquired, liabilities assumed and goodwill. The investment amounts to $24,303 million of pesos and is accounted for using the equity method.

We focused on this acquisition in our audit due to the significance of the investment, as well as the complexity and level of judgment involved in determining the fair values of the acquired assets.

In particular, we focused our audit efforts on the models and approaches used in the valuation of real estate properties and related lease arrangements, as well as on the key assumptions used by management in preparing the cash flow projections applied in the valuation models. These assumptions include revenue growth rates and discount rates, such as the weighted average cost of capital (WACC), internal rate of return (IRR), weighted average return on assets (WARA), royalty rate (RR) and customer attrition rate (CAR).

As part of our audit, we performed the following procedures:

With the involvement of valuation specialists and on a selective basis:

- Evaluated whether the valuation models used were appropriate and consistent with those generally applied to similar assets. We also assessed the application of different valuation approaches based on the characteristics of the real estate properties and related lease arrangements.
- Performed sensitivity analyses on the key valuation assumptions to assess the potential impact of changes in those assumptions.
- For the financial projections used in the valuation models, compared revenue growth rates with the historical and current performance of the associate and with industry information obtained from comparable companies.
- Compared the discount rates used, including WACC, IRR, WARA, RR and CAR, with independent market-based sources.

Other Information

Management is responsible for the other information. The other information comprises the annual report presented to Comisión Nacional Bancaria y de Valores (CNBV), which is expected to be made available to us after the date of this auditor's report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated due to other circumstances.

When we read the other information not yet received, we will issue the report required by the CNBV and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if required, describe the issue in our report.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The name of the engagement partner on the audit resulting in this independent auditor's report is stated below.

PricewaterhouseCoopers, S. C.

C.P.A. Arturo Elizondo O.
Audit Partner
Mexico City, April 10, 2026

REPORT OF THE AUDIT AND CORPORATE PRACTICES COMMITTEE

Mexico City, February 19, 2025

To the Board of Directors of
El Puerto de Liverpool, S. A. B. de C. V.

We, the undersigned, appointed as members of the Audit and Corporate Practices Committee of this company (the "Committee"), present this report on the activities carried out pursuant to article 43 of the Securities Market Act.

During the period 2025 - 2026 the Committee met four times during the year, addressing, among others, the following points:

I. The General Shareholders' Meeting held March 18, 2025, appointed Mr. Javier Arrigunaga chairman of the Audit and Corporate Practices Committee for fiscal year 2025. Additionally, the Board of Directors appointed Messrs. Juan Miguel Gandoulf and José Cohen as Committee members.

II. On audit matters:

a) We evaluated the external audit plan and proposal for professional services accepted by Management. Furthermore, pursuant to the "General provisions applicable to entities and issuers supervised by the National Banking and Securities Commission that engage external audit services for basic financial statements," we recommended to the Board of Directors that the firm PricewaterhouseCoopers be hired as external auditor, through its audit partner Arturo Elizondo Olascoaga, CPA, as External Independent Examiner, to audit the financial statements of the Company and its Subsidiaries for the fiscal year ended December 31, 2025.

Additionally, the Committee learned of the additional services this firm supplies and the mechanisms for safeguarding its independence and avoiding self-review, concluding that such mechanisms are appropriate.

b) We evaluated and found that the Company has internal and external mechanisms that provide reasonable certainty of compliance with the Laws and Regulations applicable to it.

c) We were apprised of the Company's bookkeeping policies as well as their impact on the figures contained in the financial statements as of December 31, 2025 and 2024, ensuring that the financial information was duly presented.

d) We followed up on the organization and functions of the Company's Internal Audit Department; received its annual report of activities for the year 2025, the relevant findings, and its audit plan for the year 2026.

e) We ascertained that the company has operating systems, policies and procedures by which it may be considered to have an appropriate climate of internal control and bookkeeping.

f) We were apprised of the Company's degree of adherence to the Code of Best Corporate Practices, recommended by the Mexican Stock Exchange, per the report with information at December 31, 2024, filed on May 29, 2025.

g) We were informed of any lawsuits and litigations in progress, as well as the results of those concluded during the period in question.

h) We reviewed the consolidated financial statements as of December 31, 2025, and the notes thereto.

i) We were apprised of the status of the reserves and estimates included in the financial statements at December 31, 2025.

j) We were informed of the observations and recommendations of the External Auditors, related to their examination of the consolidated financial statements as of December 31, 2024.

k) We reviewed the statistics on transactions reported to the authorities pursuant to anti-money laundering regulations.

l) We were informed about the statistics regarding reports to confidential complaint mechanisms, their follow-up, the nature of the reports, the results of the investigations, and the resulting actions.

III. On the matter of corporate practices:

a) We consider the performance of senior management to have been appropriate and efficient, taking into account the circumstances under which they have discharged their responsibilities.

b) We were informed of transactions with related parties, and found that the amounts thereof were not significant with respect to the Company's operations, and that they were conducted in accordance with market conditions.

c) We performed an overall review of the criteria by which overall remuneration is determined for key Company's directors; we consider such remuneration to be reasonable and consistent with market conditions.

As a result of the activities carried out by this Committee, and having heard the opinion of the Company's Independent Auditors, we hereby recommend that the Board of Directors submit the financial statements of El Puerto de Liverpool, S.A.B. de C.V. and Subsidiaries as of December 31, 2025, in the terms in which such statements have been prepared and presented by Company management.

Sincerely,

The Audit and Corporate Practices Committee

Juan Miguel Gandoulf **Javier Arrigunaga** **José Cohen Sitton**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024
Figures expressed in thousands of pesos

	Note	2025	2024
Assets			
CURRENT ASSETS:			
Cash and cash equivalents	7	$ 25,265,098	$ 24,728,179
Short-term loan portfolio - Net	8	56,149,104	50,437,701
Value added tax recoverable		2,645,914	3,098,483
Recoverable tax		1,037,064	-
Other accounts receivable - Net	9	4,384,233	3,491,535
Inventory		37,250,159	35,039,249
Prepaid expenses		2,714,744	2,493,768
Derivative financial instruments	10	-	326,400
Other financial assets	10	803,368	-
Total current assets		130,249,684	119,615,315
NON - CURRENT ASSETS:			
Long-term loan portfolio - Net	8	15,327,856	13,894,015
Long-term other accounts receivable - Net	9	226,832	298,071
Derivative financial instruments	10	-	718,149
Investments in associates	11	32,921,149	11,478,050
Investment properties - Net	12	26,664,479	24,857,941
Property, furniture and equipment - Net	13	67,291,876	64,025,405
Intangible assets - Net	14	17,103,838	16,414,339
Financial asset at fair value through other comprehensive income	15	-	7,711,748
Right of use assets	20	12,930,894	12,880,410
Deferred income tax	23.2	10,019,099	8,835,948
Total assets		$ 312,735,707	$ 280,729,391
Liabilities			
CURRENT LIABILITIES:			
Suppliers	16	$ 39,320,457	$ 38,230,342
Creditors		15,690,290	15,731,235
Provisions	17	7,415,053	5,931,963
Short-term debt	18	10,348,776	602,989
Deferred income	8.4	3,007,848	3,104,056
Short-term lease liabilities	20	2,659,728	2,676,760
Short-term derivative financial instruments	10	872,262	-
Income tax payable		-	1,653,766
Total current liabilities		79,314,414	67,931,111
NON - CURRENT LIABILITIES:			
Long-term debt	18	31,466,700	23,585,972
Long-term derivative financial instruments	10	2,232,572	-
Long-term lease liabilities	20	12,352,639	12,108,520
Employee benefits - Net	19	4,591,044	3,782,529
Deferred income tax	23.2	3,408,855	3,607,374
Total liabilities		133,366,224	111,015,506
STOCKHOLDERS' EQUITY:			
Capital stock	22	3,374,282	3,374,282
Retained earnings		166,168,026	153,668,851
Capital reserves	22.2	9,513,714	12,367,198
Stockholders' investment in controlling interest		179,056,022	169,410,331
Non-controlling interests		313,461	303,554
Total stockholders' equity		179,369,483	169,713,885
Total liabilities and equity		$ 312,735,707	$ 280,729,391

The accompanying notes are part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Year ended December 31, 2025 and 2024
Figures expressed in thousands of pesos, except earnings per share

	Note	2025	2024
Operating revenue:			
Net sales of merchandise		$ 197,908,043	$ 187,680,138
Interest earned from customers		22,214,495	19,258,877
Income from real estate		5,286,852	4,863,706
Services		2,222,242	2,009,707
Other income		1,504,963	1,035,443
Total revenue	2.22	229,136,595	214,847,871
Costs and expenses:			
Cost of sales		138,729,349	127,699,221
Provision for credit losses		6,266,575	4,545,492
Administrative expenses		54,685,709	50,749,020
Total costs and expenses	25	199,681,633	182,993,733
Operating income		29,454,962	31,854,138
Interest expense		(5,506,826)	(4,010,147)
Foreign exchange loss		(5,232,116)	(3,811,876)
Financing cost		(10,738,942)	(7,822,023)
Foreign exchange gain		3,167,715	6,313,808
Return on investments		1,408,748	1,691,985
Financial income		4,576,463	8,005,793
Equity in the results of associates	11.2	164,193	86,828
Profit before income tax		23,456,676	32,124,736
Income tax	23	(6,289,564)	(8,955,070)
Consolidated net income		17,167,103	23,169,666
Other comprehensive income:			
Components to be subsequently reclassified to income:			
Effect of cash flow hedging financial instruments		(95,883)	138,859
Translation effect of investment in associates		(2,356,684)	937,913
Components not to be subsequently reclassified to income:			
Changes in the fair value of equity investments at fair value through other comprehensive income	15	(105,229)	1,960,806
Remeasurement of the liability for defined benefits		(536,367)	(26,325)
Consolidated comprehensive income		$ 14,072,949	$ 26,180,919
Net income attributable to:			
Controlling interest		$ 17,150,061	$ 23,154,279
Non-controlling interests		17,051	15,387
		$ 17,167,112	$ 23,169,666
Basic earnings per share	22.4	$ 12.79	$ 17.26
Comprehensive income attributable to:			
Controlling interest		$ 14,063,042	$ 26,164,732
Non-controlling interests		9,907	16,187
		$ 14,072,949	$ 26,180,919
Basic comprehensive earnings per share	22.4	$ 10.49	$ 19.51

The accompanying notes are part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Year ended December 31, 2025 and 2024
Figures expressed in thousands of pesos, except dividends paid per share

	Note	Capital stock
Balance at January 1, 2024		$ 3,374,282
Changes in accounting policies on investment in associates		-
Comprehensive income:		
Net income		-
Financial asset at fair value through other comprehensive income - Net of income tax	15	-
Remeasurement of the liability for defined benefits - Net of income tax		-
Translation effect of investment in associates - Net of income tax	11	-
Cash flow hedging financial instruments		-
Total comprehensive income		-
Transaction with owners:		
Increase in reserve of repurchase of shares	22.2	-
Repurchase of shares - Net	22.2	-
Dividends decreed ($2.95 pesos per share)		-
Total transactions with stockholders		-
Balance at December 31, 2024		3,374,282
Changes in accounting policies on investment in associates		-
Comprehensive income:		
Net income		-
Financial asset at fair value through other comprehensive income - Net of income tax	15	-
Remeasurement of the liability for defined benefits - Net of income tax		-
Translation effect of investment in associates	11	-
Cash flow hedging financial instruments - Net		-
Total comprehensive income		-
Transaction with owners:		
Increase in reserve of repurchase of shares	22.2	-
Repurchase of shares - Net	22.2	-
Dividends decreed ($2.95 pesos per share)		-
Total transactions with stockholders		-
Balance at December 31, 2025		$ 3,374,282

The accompanying notes are part of these consolidated financial statements.

Retained earnings	Capital reserves	Total stockholder's investment in controlling interest	Non-controlling interest	Total stockholder's equity
$ 134,543,770	$ 9,294,300	$ 147,212,352	$ 287,367	$ 147,499,719
(3,401)	-	(3,401)	-	(3,401)
23,154,279	-	23,154,279	15,387	23,169,666
1,960,806	-	1,960,806	-	1,960,806
(27,125)	-	(27,125)	800	(26,325)
-	937,913	937,913	-	937,913
-	138,859	138,859	-	138,859
25,087,960	1,076,772	26,164,732	16,187	26,180,919
(2,000,000)	2,000,000	-	-	-
-	(3,874)	(3,874)	-	(3,874)
(3,959,478)	-	(3,959,478)	-	(3,959,478)
(5,959,478)	1,996,126	(3,963,352)	-	(3,963,352)
153,668,851	12,367,198	169,410,331	303,554	169,713,885
(33,430)	-	(33,430)	-	(33,430)
17,150,061	-	17,150,061	17,051	17,167,112
(105,229)	-	(105,229)	-	(105,229)
(529,223)	-	(529,223)	(7,144)	(536,367)
-	(2,356,684)	(2,356,684)	-	(2,356,684)
-	(95,883)	(95,883)	-	(95,883)
16,515,609	(2,452,567)	14,063,042	9,907	14,072,949
(23,526)	23,526		-	-
-	(424,442)	(424,442)	-	(424,442)
(3,959,478)	-	(3,959,478)	-	(3,959,478)
(3,983,004)	(400,917)	(4,383,920)	-	(4,383,921)
$ 166,168,026	$ 9,513,714	$ 179,056,022	$ 313,461	$ 179,369,483

CONSOLIDATED CASH FLOWS STATEMENTS

Year ended December 31, 2025 and 2024

Figures expressed in thousands of pesos

	Note	2025	2024
Operating activities			
Profit before income tax		$ 23,456,676	$ 32,124,735
Adjustments from items not implying cash flows:			
Depreciation and amortization		6,345,968	5,703,405
Provision for impairment of the loan portfolio	8	6,246,575	4,545,492
Other dividend income	15	(182,173)	(220,076)
Inventory reserve		1,742,999	1,530,385
Equity in the results of associates	11.2	(164,193)	(86,828)
(Profit) loss on sale of property, furniture and equipment and investment property		125,262	(74,858)
Net cost for the period of employee benefits	19	701,292	641,580
Trading derivative financial instruments		(14,340)	(974,071)
Foreign exchange fluctuation		105,660	-
Interest earned		(13,034,584)	(11,604,407)
Interest expense		5,506,826	4,010,147
		7,379,292	3,470,769
(Increase) decrease in:			
Interest earned from customers		12,886,690	11,443,929
Loan portfolio		(13,243,925)	(11,743,320)
Inventory		(3,953,909)	(8,331,044)
Value added tax recoverable		452,569	(1,044,960)
Other accounts receivable		(821,459)	(120,292)
Prepaid expenses		(220,976)	(504,956)
Other assets	10	(803,368)	302,227
Increase (decrease) in:			
Suppliers		1,090,115	384,403
Provisions		1,483,090	412,355
Deferred income		(96,208)	186,263
Creditors		349,178	1,475,010
Employee benefits		(648,488)	(535,916)
Taxes paid		(9,708,071)	(8,949,067)
Net cash inflow in operating activities		17,601,206	18,570,136
Investment activities			
Capital increase in associates	11.2 [1]	(16,561,636)	(120,277)
Dividends received from financial asset at fair value	15	182,173	220,076
Dividends received from associates	11.2	160,172	358,816
Loan granted to related parties	21	(7,096,070)	-
Repayment of loan granted to related parties	21	6,832,200	-
Interest collected on loan to related parties	21	263,870	-
Acquisition of property, furniture and equipment	13	(6,790,322)	(7,889,793)
Acquisition of investment property	12	(2,268,280)	(2,361,029)
Sale of property, furniture and equipment and investment property		224,150	440,970
Investment in intangibles of definitive useful lif	14	(1,593,964)	(1,472,715)
Net cash outflows from investing activities		(26,647,707)	(10,823,952)
Cash to be applied in financing activities		(9,046,501)	7,746,184
Financing activities			
Dividends paid	22.1	(3,958,365)	(3,958,247)
Interest paid	18	(3,256,789)	(2,760,278)
Issuance of senior notes	18	20,543,000	-
Proceeds from hedging financial instruments	10	-	1,952,968
Debt repayment	18	-	(5,900,910)
Proceeds from termination of trading derivative	10	275,509	-
Payment of lease principal	20	(1,628,772)	(1,418,151)
Payment of lease interest	20	(1,374,191)	(1,327,885)
Sale of treasury shares	22.2	689,965	2,795,160
Repurchase of treasury shares	22.2	(1,114,407)	(2,799,034)
Net cash flows of financing activities		10,175,950	(13,416,377)
Increase (decrease) in cash and cash equivalents		1,129,449	(5,670,193)
Cash and cash equivalents at the beginning of the year		24,728,179	29,807,166
Effects of exchange rate changes on cash and cash equivalents		(592,530)	591,206
Cash and cash equivalents at the end of the year		$ 25,265,098	$ 24,728,179

[1] Non-cash transactions during the year ended. See Notes 11 and 15.

The accompanying notes are part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024
Thousands of pesos, unless otherwise specified

NOTE 1 – GENERAL INFORMATION:

El Puerto de Liverpool, S. A. B. de C. V., and subsidiaries (the Company or the Group) operate a chain of department stores, founded in 1847, engaged in selling a broad variety of products such as clothes and accessories for men, women and children, household goods, furniture, cosmetics and other consumer products. The Company is registered on the Mexican Stock Exchange (Bolsa Mexicana de Valores) and has a significant presence throughout Mexico. As of December 31, 2025, the Company operated a total of 125 department stores under the Liverpool name and 68 stores with the Liverpool Express format: 148 specialty boutiques and 194 stores with the Suburbia name. In 2025, 1 store began operations under the name of Liverpool ("Cd. Juárez Rio Grande", Chihuahua) and 3 stores under the name of Suburbia ("Acapulco Costera", Guerrero; "Aguascalientes Espacio" Aguascalientes; "Portal Tultitlan", Estado de México). As of December 31, 2024, the Company operated a total of 124 department stores under the Liverpool name and 40 stores under the Liverpool Express format; 126 specialty boutiques and 194 stores under the Suburbia name.

The Company grants its customers financing through the following cards: 1) "Liverpool", with which customers can buy exclusively at Company's stores; 2) "Liverpool Premium Card (LPC"), with which cardholders can purchase goods and services both in the chain's stores and boutiques and any of the establishments affiliated with the VISA system worldwide; 3) "Suburbia", made up of two cards, the first with which customers can purchase exclusively in stores under the Suburbia commercial segment and the second ("Suburbia VISA") with which cardholders can purchase goods and services in stores in the Suburbia chain as in any of the establishments affiliated worldwide to said system.

Additionally, at December 31, 2025 and 2024, the Company is a partner, stockholder or co-owner of shopping malls and holds an interest in 30 different malls, through which it leases commercial space to tenants engaged in a broad number of businesses.

The Company's headquarters and main place of business is:

Mario Pani No. 200
Col. Santa Fe Cuajimalpa,
Ciudad de México
C. P. 05348

Acquisition of investment in associate at Nordstrom Holdings, Inc. (Nordstrom)

On December 22, 2024, the Company entered into a definitive agreement with members of the Nordstrom family to jointly acquire all of the outstanding shares of Nordstrom, Inc. ("Nordstrom") not owned by either party, paying US$24.25 per share. This transaction resulted in the Company holding significant influence but not joint control. This transaction was approved by Nordstrom's Special Shareholders Meeting on May 16, 2025, resulting in the Company owning 49.9% of Nordstrom's share capital and the Nordstrom family owning 50.1%. As a result of this investment, on May 21, 2025, Nordstrom's shares were delisted from the New York Stock Exchange.

The Company's investment amounted to US$1,230 million, funded through a combination of internal resources (see Notes 15 and 21) and external financing (see Note 18), and was executed through a newly incorporated entity, Nordstrom Holdings incorporated in Delaware, in the United States of America.

Issuance of Debt Securities (Seniors Notes)

On January 22, 2025, the Company placed debt securities in international markets (Senior Notes) for a total amount of USD 1,000,000,000 in two tranches. The first tranche amounted to USD 500,000,000, which will accrue interest at a rate of 6.255% and matures in 2032, and the second tranche for USD 500,000,000, which will accrue interest at a rate of 6.658% and matures in 2037. See Note 18.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES:

These policies have been consistently applied to all the years presented, unless otherwise stated. The following is a summary of the main accounting policies applied in preparing the consolidated financial statements:

2.1 Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (International Financial Reporting Standards as issued by the IASB ("IFRS Accounting Standards")). IFRS Accounting Standards comprise the following authoritative literature:

- IFRS accounting standards,
- IAS standards, and
- Interpretations issued by the IFRS Interpretations Committee (IFRIC) or its predecessor body, the Standards Interpretations Committee (SIC). Pursuant to the amendments to the Rules for Public Companies and Other Participants in the Mexican Securities Market issued by the National Banking and Securities Commission on January 27, 2009, the Company is required to prepare its financial statements using IFRS Accounting Standards as its accounting framework.

The consolidated financial statements have been prepared on a historical cost basis, except for cash flow hedging financial instruments, trading derivatives, investments in government securities and financial assets at fair value through other comprehensive income are measured at fair value.

Preparing consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. The areas involving a greater degree of judgment or complexity or the areas in which the assumptions and estimates are significant for the consolidated financial statements are described in Note 4.

2.1.1 New standards and changes adopted by the Company

The Company has applied the following standards and interpretations for the first time to financial reporting periods commencing on or after 1 January 2025:

- Amendments to IAS 21 - Non-convertibility. In August 2023, the IASB amended IAS 21 to add requirements to help entities determine whether a currency is convertible into another currency and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 specified the exchange rate to use when the non-convertibility is temporary, but not what to do when the non-convertibility is not temporary. This amendment had no material impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.
- The IASB published an IFRIC agenda decision clarifying certain disclosure requirements under IFRS 8 related to operating segments. This decision states that specific revenues and expenses must be disclosed for each segment if they are included in the segment performance measure reviewed by the company's highest decision-making authority, which in this case is the Results Review Committee, regardless of whether such revenues and expenses are presented separately to this committee. The Company adopted this agenda decision and added the corresponding information. See Note 24.

2.1.2 New standards and interpretations not yet adopted

As of June 30, 2025, the following rules and interpretations were issued, but they are not mandatory for annual periods ending on December 31, 2025.

1. Amendments to the classification and measurement of financial instruments – Amendments to IFRS 9 and IFRS 7. On May 30, 2024, the IASB issued specific amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to address recent questions arising in practice and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

   a) clarify the recognition and derecognition dates for some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

   b) clarify and add further guidance for assessing whether a financial asset meets the principal-and-interest-only payment criterion;

   c) add new disclosures for certain instruments with contractual terms that may change cash flows (such as some financial instruments with features linked to achieving environmental, social, and governance objectives); and

- **d)** update the disclosures for equity instruments designated at fair value through other comprehensive income (FV-OCI). The modifications in (b) are more relevant to financial institutions, but the modifications in (a), (c) and (d) are relevant to all entities.

  The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, and early application is permitted subject to any approval process.

2. Contracts relating to nature-dependent electricity - Amendments to IFRS 9 and IFRS 7. These amendments:

- **a)** Clarify the application of the own-use exception for nature-dependent electricity;
- **b)** Of the nature, defining when a contract for the purchase and receipt of electricity is maintained for own consumption, even if there are mandatory sales of unused electricity due to the design of the electricity market;
- **c)** Provide guidance to assess whether the entity is a net purchaser of electricity in the same market for a reasonable period (maximum 12 months), to confirm that contracts are maintained in accordance with its expected usage needs;
- **d)** Allow designating as a hedged item in hedge accounting a variable nominal amount aligned with the expected variable quantity of electricity delivered under nature-dependent electricity contracts, making it easier to reflect volume and price risk;
- **e)** Establish specific disclosure requirements to improve financial transparency on these contracts, including contractual characteristics, future commitments, contract security assessment and effects on financial performance.

  The amendments are primarily relevant for entities that enter into nature-dependent electricity contracts and apply hedge accounting under IFRS 9. They will be effective for annual reporting periods beginning on or after 1 January 2026, and early application is permitted subject to any approval processes.

3. IFRS 18, Presentation and Disclosure in Financial Statements. This is the new standard on presentation and disclosure in financial statements, replacing IAS 1, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- **a)** The structure of the income statement with defined subtotals;
- **b)** The requirement to determine the most useful summary structure for presenting expenses in the income statement;
- **c)** Disclosures required in a single note within the financial statements for certain performance measures of results that are reported outside of an entity's financial statements (i.e., performance measures defined by management); and
- **d)** Improved principles on aggregation and disaggregation that apply to the main financial statements and the notes in general.

4. IFRS 19, Non-Publicly Accountable Subsidiaries: Disclosures. This new standard works in conjunction with other IFRS accounting standards. An eligible subsidiary applies the requirements of other IFRS accounting standards, except for the disclosure requirements, and instead applies the reduced disclosure requirements of IFRS 19. The reduced disclosure requirements of IFRS 19 balance the information needs of users of the financial statements of eligible subsidiaries with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if:

- **i.** it has no public accountability obligation; and
- **ii.** it has an ultimate or intermediate parent that produces publicly available consolidated financial statements that comply with IFRS Accounting Standards.

These standards or amendments are not expected to have a material impact on the Company in future reporting periods and foreseeable future transactions, except for IFRS 18. The Company is in the process of analyzing the impact of applying the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, so comparative information for the year ending December 31, 2026, will be restated in accordance with IFRS 18.

2.2 Consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company. They are deconsolidated from the date that control ceases.

The balances and unrealized profits or losses in intercompany operations are eliminated in the consolidation process. When necessary, accounting policies have been modified in subsidiary entities in order to be consistent with the policies adopted by the Company. The following is a summary of the Company's interest in subsidiaries at December 31, 2025 and 2024:

Company	Shareholding	Activity
Operadora Liverpool, S. A. de C. V.	99.99%	Sub-holding of Distribuidora Liverpool, S. A. de C. V. and other companies that operate the department stores.
Bodegas Liverpool, S. A. de C. V. and Almacenadora Liverpool, S. A. de C. V.	99.99%	Storage and distribution of merchandise.
Servicios Liverpool, S. A. de C. V.	99.99%	Advisory and administrative services provided to the Company's subsidiaries.
Suburbia, S. de R. L. de C. V.	99.99%	Holding company and other service providers and real estate companies.
Ten real estate companies	99.93%	Development of real estate projects, mainly shopping malls.

b) Associates

Associates are entities over which the Company exercises significant influence, but not control, typically represented by interests of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method.

The investment is initially recognized at cost, which corresponds to the fair value of the consideration transferred. In a step acquisition, the Company may elect either (i) a cost approach, accumulating the cost of all purchases, including transaction costs, or (ii) a fair value approach, under which the pre-existing investment is remeasured to fair value at the date on which the investee becomes an associate. Under this second approach, applied by analogy to IFRS 3, the cost of the investment corresponds to the fair value of the consideration transferred plus the fair value of the pre-existing interest, excluding transaction costs.

Any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment.

From the date the investee becomes an associate, the carrying amount of the investment is adjusted for the Company's share of the associate's profit or loss and other comprehensive income, as well as for the amortization of any basis difference on the net identifiable assets acquired. Dividends received reduce the carrying amount of the investment.

The investment is assessed for impairment and a loss is recognized only when there is objective evidence that one or more events occurring after initial recognition have adversely affected its recoverable amount.

When the Company's share of losses of an associate equals or exceeds the carrying amount of the investment, the Company discontinues recognizing further losses unless it has incurred obligations or made payments on behalf of the associate.

When the reporting date of an associate differs from that of the Company, the necessary adjustments are made to reflect significant transactions or events occurring between the two dates in order to ensure consistency of the financial information. Adjustments are also made to align the associate's accounting policies with those adopted by the Company, including translating the financial statements of foreign associates into the Company's presentation currency to ensure consistency in the presentation of the consolidated financial statements.

Foreign currency translation differences are recognized in other comprehensive income and presented within the foreign currency translation effect.

When a foreign operation is disposed of, in whole or in part, such that significant influence is lost, the cumulative amount in the translation reserve relating to that foreign operation is reclassified to the consolidated statement of comprehensive income as part of the gain or loss on disposal. When an associate or joint venture is partially disposed of but significant influence or joint control is retained, the corresponding proportion of the cumulative amount is reclassified to profit or loss.

2.3 Segment information

Segment information is presented to be consistent with the internal reports provided to the Results Review Committee, which is the body responsible for making operating decisions, assigning resources and evaluating the operating segments' yield. See Note 24.

2.4 Foreign currency transactions

a) Functional and presentation currency

The items included in each of the subsidiaries' financial statements are stated in the currency of the primary economic environment in which the entity operates (the functional currency).

The currency in which the consolidated financial statements of the Company are presented is the Mexican peso, which in turn is also the functional currency.

b) Transactions and balances

Foreign currency transactions are converted to the functional currency using the exchange rates in effect on the transaction or valuation dates when the items are re-measured. The profits and losses resulting from such transactions and from other conversion at the exchange rates in effect at the year-end of all monetary assets and liabilities denominated in foreign currency are recognized as exchange fluctuations under foreign exchange loss or gain in the statement of comprehensive income.

2.5 Financial assets

2.5.1 Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value, and
- Those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of income or other comprehensive income. See Note 2.7. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

2.5.2 Recognition and derecognition

Regular purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

2.5.3 Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. The transaction costs of financial assets at fair value through profit or loss are recorded in the statement of income.

The subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its financial assets according to the following category:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the statement of income and presented in other gains (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of income.

- Fair value through other comprehensive income: Equity instruments that are not held for trading purposes, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value through OCI. These are strategic investments and the Company considered that this classification was more relevant. There is no subsequent reclassification of fair value gains and losses to results after the derecognition of the investment. Dividends from such instruments continue to be recognized in results as other income when the Company's right to receive payments is established.

2.6. Impairment of financial assets

2.6.1 Assets carried at amortized cost

The Company prospectively assesses the expected credit losses associated with its financial assets at amortized cost, considering the results of the portfolio performance evaluation and the objective evidence of impairment. Increases to this provision are recorded in expenses and presented separately in the income statement. See Note 3.3.2.

2.7 Derivative financial instruments and hedging activities

Derivative financial instruments are initially recognized at fair value on the date the derivative financial instrument contract is entered into and are subsequently measured at fair value. The method used to recognize the gain or loss arising from changes in the fair values of derivative financial instruments depends on whether they are designated as hedging instruments and if so, the nature of the item being hedged. As of December 31, 2024, the Company held derivative financial instruments for cash flow hedges and trading purposes. During 2025, trading derivatives were cancelled (see Note 10). As of December 31, 2025, the Company holds derivative financial instruments for cash flow hedges and fair value hedges.

The Company documents at the beginning of the transaction the relationship between the hedging instruments and the items hedged, as well as its objectives and the Risk Management strategy that support its hedging transactions. The Company periodically documents whether the derivative financial instruments used in hedging transactions are highly effective in covering the cash flows of the hedged items.

The fair values of derivative financial instruments used as hedging and trading instruments are disclosed in Note 10. The total fair value of derivative financial instruments used as hedging instruments is classified as non-current assets or liabilities when the maturity of the remaining of the hedged item is greater than 12 months and is classified as current assets or liabilities when the maturity of the remainder of the hedged item is less than 12 months. Trading derivative financial instruments are classified as current assets or liabilities.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The amounts accumulated in shareholders' equity are reclassified in the periods in which the hedged item affects the result. The gain or loss related to the effective part of the interest rate swaps that hedge the loans is recognized in results within financial costs (income) at the same time that the interest expense of the covered loans is recognized.

Changes in the fair value of hedging derivatives that qualify as fair value due to foreign currency exposure to the principal for exchange rate fluctuations are recognized in the statement of profit or loss as finance costs (income) as they arise. During January 2025, the Company entered into such derivative instruments for debt issuance through senior notes. Notes 10 and 18.

When a hedging instrument matures or is sold, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time is recognized in the consolidated statement of comprehensive income in financial costs (income).

Derivative instruments designated as hedges cover, in a proportion of one to one and on the same dates, the flows of interest and principal of the loans covered, so that their correlation is exactly 1 and therefore their coverage effectiveness is 100%.

2.8 Other financial assets

Other financial assets include cash delivered as collateral required by some derivative financial contracts that correspond to margin calls which are measured at fair value.

These collaterals are offset with the derivative financial instrument if the right to offset the recognized amounts is legally enforceable and there is the intention to settle them on a net basis or to realize the asset and pay the liability simultaneously. Some financial institutions may require collateral deposits or margin calls based on derivative financial instrument contracts if the market value of our derivatives that hedge foreign exchange risks exceeds a previously agreed contractual limit, so we are subject to responding to these margin calls that require covering a substantial amount of cash and may reduce the funds available for our operations or other capital needs. As of December 31, 2025, there were requirements to make these deposits as collateral for margin call flows generated by these financial instruments. See Note 10.

2.9 Cash and cash equivalents

For purposes of presentation in the cash flows statement, cash and cash equivalents include cash in hand, demand deposits in financial institutions, other short-term investments, highly liquid with original maturities of three months or less that are easily convertible into cash and that are subject to insignificant risks of changes in value, and bank overdrafts. See Note 7. The cash equivalents are represented by investments in government instruments.

Cash and cash equivalents include amounts generated by credit, debit card and digital media sales transactions that are settled at the beginning of the following month in the amount of $773,170 and $705,875 as of December 31, 2025 and 2024, respectively. These cash equivalents are not subject to credit risk.

2.10 Inventories

Inventories are recorded at cost or net realizable value whichever is less. The cost includes the cost of the merchandise plus the costs of importation, freight, maneuvering, shipping, storage in customs and distribution centers, decreased in the value of the respective returns. The net realizable value is the estimated sale price in the normal course of operations minus the estimated costs to make the sale. The cost is determined using the average cost method.

Physical inventory counts are conducted periodically at the stores, boutiques and distribution centers and inventory records are adjusted to the results of physical inventory counts. Historically, due to the Company's loss prevention programs and control procedures, stockouts and shrinkage of inventories have been immaterial.

2.11 Investment properties

Investment properties are real property (land and buildings) held to obtain economic benefits through a collection of rent or for capital gains, and are initially valued at cost, including transaction costs. After their initial recognition, investment properties continue to be valued at cost, less accumulated depreciation and impairment losses, if any.

The Company owns shopping malls that house their department stores, as well as commercial space it leases to third parties. In such cases, only the portion leased to third parties is considered as an investment property and the Company's stores are recorded as property, furniture and equipment, in the statement of financial position. See Note 12.

Depreciation is calculated by the straight-line method to distribute the cost at its residual value over their remaining useful lives, as follows:

Buildings:

Shell and core stage of construction	75 years
Structural work	75 years
Fixed facilities and accessories	35 years

2.12 Property, furniture and equipment

The items comprising property, furniture and equipment are recognized at their historical cost, less depreciation and impairment losses. The historical cost includes expenses directly attributable to the acquisition of these assets and all expenses related to the location of assets at the site and in the conditions necessary for them to operate as expected by Management.

Expansion, remodeling, and improvement costs represent an increase in capacity and are recognized as an extension of the useful life of goods are capitalized. Maintenance and repair expenses are charged to income for the period they are incurred. The carrying amount of replaced assets is derecognized when they are replaced, recording the entire amount in the consolidated statement of income.

Works in progress represent stores under construction and includes investments and costs directly attributable to the startup of operations. These investments are capitalized upon opening the store and depreciation is computed from that point.

The land is not depreciated. Depreciation of other assets recognized in administrative expenses is calculated based on the straight-line method to distribute its cost at its residual value during its estimated useful lives, as follows:

Buildings:

Shell and core stage of construction	75 years
Structural work	75 years
Fixed facilities and accessories	35 years

Other assets:

Furniture and equipment	10 years
Computer equipment	3 years
Transportation equipment	4 years
Leasehold improvements	Over the term of the lease Agreement

The Company assigns the amount initially recorded with respect to an element of property, furniture and equipment, in its different significant parts (components) and depreciates each separately.

The residual values and useful life of the Company's assets are reviewed and adjusted, if necessary, at the date of each consolidated statement of financial position. See Note 13.

The book value of an asset is written off at its recovery value if the book value of the asset is greater than its estimated recovery value. See Note 2.14.

Gains and losses from the sale of assets are due to the difference between income from the transaction and the book value of the assets they are included in the statement of income as other income.

2.13 Intangible assets

i. Goodwill

Goodwill in acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but goodwill impairment reviews are carried out annually or more frequently if events or changes in circumstances indicate a possible impairment and are recorded at cost less accumulated impairment losses. Gains and losses on the disposal of a Company include the carrying value of the goodwill related to the Company sold.

To verify impairment, the goodwill acquired in a business combination is assigned to each of the Cash Generating Units (CGU), which is expected to benefit from the synergies of the combination. Each unit to which the goodwill has been assigned represents the lowest level within the entity to which goodwill is controlled for internal management purposes. Goodwill is controlled at the operating segment level.

ii. Brands

The brands acquired individually are shown at historical cost, while those acquired through business combinations are recognized at their fair value at the date of acquisition. Brands are not amortized and are subject to impairment tests annually. To date, no factors limiting the useful life of these assets have been identified. The brands are considered to have an indefinite useful life due to the positioning they have in the market, some of them, for more than 40 years and because the Company's experience and market evidence indicate that they will continue to generate cash flows for the Company in indefinite form. Additionally, the Company estimates that there are no legal, regulatory or contractual considerations that limit the useful lives of such brands.

iii. Development of computer systems and programs

Activities involved in the development of computer systems and programs include the plan or design and production of a new or substantially improved software or computer system. Expenses pertaining to the development of computer programs are only capitalized when they meet the criteria as shown below.

- Management intends to complete the computer program and use it;
- It is technically possible to complete the computer program so that it is available for use;
- The Company has the capacity to use the computer program;

- It can be proven that the computer program will generate future economic benefits;
- The Company has the technical, financial and other resources necessary to conclude the development of the program for its use, and
- Expenses related to the development of the computer program can be reliably measured.

The licenses acquired for the use of programs, software and other systems are capitalized at the value of the costs incurred for their acquisition and preparation for their use. Other development costs failing to meet these criteria and research expenses, as well as maintenance expenses are recognized and expensed as they are incurred. Development costs previously recognized as expenses are not recognized as assets in subsequent periods.

The costs incurred in the development of software recognized as assets are amortized over their estimated useful lives, recognized in administrative expenses, which fluctuate between five (licenses and fees) and ten years (new IT developments). See Note 14.

iv. **Other intangibles**

As a result of the acquisition of Suburbia, the Company recognized an intangible derived from the knowledge of the operative process of purchases, commercial planning, product design and commercialization (CATMex). This intangible asset was recognized at fair value at the date of acquisition and was considered indefinite based on the expectation of generating future economic benefits and is subject to annual impairment tests.

2.14 Impairment of non-financial assets

Non-financial assets subject to depreciation are subject to impairment testing. Impairment losses correspond to the amount at which the book value of the asset exceeds its recovery value. The recovery value of assets is the greater of the fair value of the asset less costs incurred for its sale and its value in use. For impairment assessment, assets are grouped at the lowest levels at which they generate identifiable cash flows (cash-generating units). Non-financial assets subject to write-offs due to impairment are valued at each reporting date to identify possible reversals of the impairment.

Goodwill and intangible assets with an indefinite useful life are not subject to amortization and are subjected annually to impairment tests, or more frequently, if there are events or circumstances that indicate that they could be affected. Other assets are subject to impairment tests when events or changes in circumstances indicate that the carrying amount may not be recovered. An impairment loss is recognized for the book value of the asset that exceeds its recoverable value. Recoverable value is the higher of the fair value of an asset less its disposal costs and its value in use. For assessing impairment, assets are grouped into the lowest levels for which there are separately identifiable cash flows, which are largely independent of the cash flows of other assets or groups of assets (cash generating units). Impaired non-financial assets other than goodwill are reviewed to determine the possible reversal of the impairment at the end of each reporting period.

2.15 Accounts payable

Accounts payable are payment obligations for goods or services acquired from suppliers in the normal course of business. Accounts payable are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

The Company has established financing programs with suppliers, through which they can discount their documents with different financial institutions. If the contractual terms and conditions modify the nature of the liability, the trade payable is derecognized and a financial debt is recognized; otherwise, the trade payable to suppliers is maintained. For purposes of the cash flow statement, if management determines that the amounts are part of the working capital used in the entity’s main income-generating activities, the cash outflows to settle the liability are presented within operating activities at the time the company settles the banking institution. See Note 16.

Accounts payable are initially recognized at fair value and subsequently remeasured at amortized cost using the effective interest rate method.

2.16 Issuances of stock certificates and Senior Notes

Issuances of stock certificates and Senior Notes are initially recognized at fair value, net of costs incurred in the transaction. This financing is subsequently recorded at its amortized cost. Differences, if any, between the funds received (net of transaction costs) and the redemption value are recognized in the statement of income during the period of the financing, using the effective interest rate method.

2.17 Cancellation of financial liabilities

The Company cancels financial liabilities if, and only if, the Company's obligations are met, canceled or matured.

2.18 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of cash flows to settle the obligation and the amount can be estimated reliably required. The amount recognized as a provision is the best estimate on the reporting period, the expenditure required to settle the present obligation, the payment is made by the amount assessed rationally, the Company has to pay to settle the obligation to the end of the reporting period under review, or to transfer it to a third party at that time. See Note 17.

2.19 Income tax

The income tax comprises currently payable and deferred taxes. The tax is recognized in the statement of income, except when it relates to items applied directly to other comprehensive income or losses or to shareholders' equity. In this case, the tax is also recognized in other items pertaining to comprehensive income or directly to stockholders' equity, respectively.

Deferred income tax is recognized on temporary differences arising from comparing the book and tax values of all assets and liabilities of the Group. However, deferred tax liabilities are not recognized if it arises from the initial recognition of goodwill; nor deferred income tax is recognized if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the end of the year and are expected to apply when the deferred income tax asset is realized, or the deferred income tax liability is settled.

The charge corresponding to taxes on profits currently payable is calculated according to the tax laws approved as of the consolidated statement of financial position date in Mexico and in the countries where the Company's associates operate and generate a taxable base. Management periodically evaluates their tax positions with respect to tax refunds as tax laws are subject to interpretation. According to this assessment as of December 31, 2025 and 2024, there are no uncertain positions.

The deferred tax asset is only recognized to the extent that future tax benefits are likely to be achieved and can be applied against any temporary differences in liabilities.

The deferred tax on profits is generated on the basis of the temporary differences between investments in subsidiaries and associates, except when the Company can control when those temporary differences are reinvested, and the temporary difference is unlikely to be reinvested in the foreseeable future.

The balances of deferred asset and liabilities, tax-on-profits, are offset when there is a legal right to offset current tax assets against current tax liabilities and when the deferred tax-on-profit assets and liabilities relate to the same tax entity, or different tax entities where the balances are to be settled on a net basis. See Note 23.

2.20 Employee benefits

a) Pensions and seniority premium

The Company's subsidiaries operate pension plans and seniority premiums that are usually funded through payments to trust funds, based on annual actuarial calculations. The Company also has defined benefit plans and a defined benefit pension plan which is a plan that determines the amount of the pension benefits to be received by an employee upon retirement, which usually depends on one or more factors, such as the employee's age, years of service and compensation.

The liability or asset recognized in the consolidated statement of financial position with respect to defined benefit pension plans is the present value of the defined benefit obligation at the consolidated statement of financial position date, less the fair value of the plan assets, along with the adjustments arising from unrecognized actuarial profits or losses and the costs of past services.

The defined benefit obligation is calculated annually by independent actuaries, using the projected unit credit method. The present value of defined benefit obligations is determined, discounting estimated cash flows at the interest rates of government bonds denominated in the same currency in which the benefits will be paid, and have expiration terms that approximate the terms of pension obligations.

Actuarial remeasurements arising from adjustments based on the experience and changes in actuarial assumptions are charged or credited to stockholders' equity in other comprehensive-income items in the period they arise.

The plans in Mexico generally expose the Company to actuarial risks, including investment risk, interest rate risk, longevity risk and risk of salary, according to the following:

Investment risk: The rate of return expected for the funds is equivalent to the discount rate, which is calculated using a discount rate determined by reference to long-term government bonds; if the return on assets is less than the fee, this will create a deficit in the plan. Currently, the plan has a balanced investment in fixed income instruments and actions. Due to the long-term nature of the plan, the Company considers it appropriate that a reasonable portion of the plan assets are invested in equities to leverage the yield generated by the fund, taking at least an investment in government instruments of 30% stipulated in the Income Tax Law.

Interest rate risk: A decrease in the interest rate increase plan liabilities; volatility in rates depends exclusively on the economic environment.

Longevity risk: The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of plan participants increased liabilities.

Risk salary: The present value of the defined benefit obligation is calculated by reference to future wages of participants. Therefore, an increase in the expectation of salary increases participants plan liabilities.

b) Annual bonus for retaining executive

Some of the Company's executives receive an annual retainer bonus, calculated as a percentage of their annual compensation and depending on the completion of certain goals established for each officer at the beginning of the year. The Company has set up a reserve of $437,932 at December 31, 2025 ($445,284 at December 31, 2024), which included in Note 17 within the provision of bonuses and compensation to employees.

c) Employees' statutory profit sharing and bonuses

The Company recognizes a liability and a bonus expense and employees' statutory profit sharing based on a calculation that considers the tax profit after certain adjustments. In the case of the PTU derived from the reform on labor, a maximum limit of three months of the worker's salary or the average of the PTU received in the last three years was established, whichever is the lesser. The Company recognizes a provision when it is contractually obligated or when there is a past practice that generates an assumed obligation.

d) Other employees benefits by voluntary separation or dismissal

The Company grants certain benefits to employees that leave the Company either by termination or voluntary decision after 20 years of service. In accordance with IAS 19 "Employee benefits", this practice constitutes an assumed obligation of the Company to its employees, which is recorded based on annual actuarial studies prepared by independent actuaries. See Note 19.

e) Benefits paid to employees for severance required by the law

The Company recognizes and pays compensation on the first of the following dates: a) the Company may not withdraw the offer of those benefits, and b) when the Company recognizes the costs of restructuring that is within the scope of IAS 37 and involves payment termination benefits.

2.21 Capital stock

Common shares are classified as capital.

2.22 Revenue recognition

Income represents the fair value of cash collected or receivable arising from the sale of goods or the rendering of services in the normal course of Company operations. Income is shown net of discounts granted to customers.

The Company uses the IFRS 15 methodology for revenue recognition based on the following steps:

- Identification of the contract with the client;
- Identification of the performance obligations;
- Determination of the transaction price;
- Assignment of the transaction price to performance obligations;
- Recognize income as performance obligations are met.

a) Sale of merchandise

Revenue from merchandise sales is recognized when the customer buys in stores, over the phone or on the internet and takes possession of the good at the time the merchandise is delivered. The Company does not consider the sale of merchandise and its delivery as separate performance obligations, because customers obtain control of the goods at the time of delivery. For promotions of merchandise sales to months without interest less than one year, as a practical solution, the Company does not adjust the amount of said sales, in accordance with the provisions of IFRS 15. For sales to months without interest exceeding one year, the Company has assessed that the amount of the discount for such sales is not significant.

The Company considers as merchandise sales of the period those in which the customer has obtained control of a product in a post-billing delivery agreement, when all the following criteria are met:

- The reason for the post-billing delivery agreement is requested by the customer;
- The product is identified separately as belonging to the customer;
- The product is currently ready for physical transfer to the customer, and
- The Company may not have the ability to use the product or redirect it to another customer.

The Company's policy is to allow the return of certain items sold. Customer returns usually involve a change of size, color, etc.; however, in cases in which the customer definitively wishes to return the product, the Company allows customers to credit the value of the merchandise to their account, if the purchase was made with the Company's own cards, or to return the amount of the purchase in an electronic cash card or a credit to the customer's bank credit card, if the purchase was made in cash or with external cards, respectively. These transactions are recognized under deferred income.

b) E-wallets and gift certificates

- **E-wallets**

  The Company offers promotions, some of which involve benefits granted to its customers represented by e-wallets, the value of which is referred to as a percentage of the selling price. E-wallets can be used by customers to settle future purchases at the Company's department stores. Upon the time the electronic wallets are granted, they are recognized in the deferred income account in the consolidated financial position. The Company deducts the amount granted to its customers in e-wallets from revenue. This account is canceled when the customer redeems the E-wallet; whether partially or entirely through the acquisition of merchandise, recognizing revenue in the same amount. In the Company's historical experience, the likelihood of customers using e-wallets accounts that have been inactive for 24 months is very low. Therefore, e-wallets showing these characteristics are canceled, with a credit to sales.

- **Gift certificates**

  The Company offers its customers gift certificates with no specific expiration date. Upon their sale, gift certificates are recognized in the deferred revenue account in the statement of consolidated financial position. This account is canceled when the customer redeems the gift certificate; whether partially or entirely, through the acquisition of merchandise, recognizing revenue in the same amount. In the Company's historical experience, the likelihood of customers using gift certificates that have been inactive for 24 months being is remote. Therefore, certificates with these characteristics are canceled against service income and other.

c) Interest income from the customers

In accordance with IFRS 9 "Financial instruments", interest income is recognized by the effective interest rate method. Late payment of interest is recorded as income as it is collected.

d) Lease revenue

The Company's policy for recognition of operating lease revenue is described in Note 2.25.2

e) Services and other

Income from service agreements is determined as follows:

- Service income is recognized when the customer receives the benefit of the service, such as: beauty salon, travel agency, opticians, marketplace, etc.

2.23 Deferred income

The Company records deferred income arising from different transactions in which cash was received, and in which the conditions for revenue recognition described in paragraph 2.22, b) have not been met. Deferred revenue is shown separately in the consolidated statement of financial position.

2.24 Other accounts receivable

The Company classifies as other accounts receivable all loans or advance payments made to employees and other parties or companies other than the general public. If collection rights or recovery of this amount is realized within 12 months from the period close, they are classified as short-term; otherwise, they are shown as long-term.

In the case of other accounts receivable, the simplified approach of IFRS 9 has been applied to measure the expected credit losses over the life of the instrument.

2.25 Leases

2.25.1 Lessee

Leases are recognized as a right-of-use asset and a liability corresponding to the date the leased asset is available for use by the Company.

Assets and liabilities derived from a lease are initially measured at present value. Lease liabilities include the net present value of the following payments:

- Fixed payments (including if they are substantial), less lease incentives receivable;
- Variable lease payments that are based on an index or rate; initially measured using the index or rate on the start date;
- The amounts expected to be payable by the Company in the guarantee of residual value;
- Price of exercising a purchase option if the Company has reasonable certainty of exercising this option, and
- Penalty payments for the termination of the lease agreement, if the terms of the lease reflect that the Company will exercise this option.

Lease payments that will be made under renewal options with reasonable certainty of being exercised are also included in the measurement of the liability.

The determination of lease liabilities is made using the interest rate implicit in the lease. However, that rate cannot be easily determined, so the Company uses the incremental financing rate, which is the rate that the Company would have to pay to borrow the necessary funds to obtain an asset of similar value to the right of use of assets in a similar economic environment with similar terms, guarantees and conditions.

To determine the incremental financing rate, the Company:

- It uses a risk-free interest rate plus the credit risk curve associated with the rating determined for the Company and applies specific adjustments to the lease, for example, term and currency type.

The Company is exposed to possible future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted to the right of use asset.

Lease payments are allocated between the principal and the financial cost. The financial cost is charged to income during the lease period in order to produce a constant periodic interest rate on the remaining balance of the liability for each period.

The right-of-use assets are measured at cost, including the following:

- The amount of the initial measurement of the lease liability;
- Any lease payment made on or before the commencement date minus any lease incentive received;
- Any initial direct costs, and
- Restoration costs.

The right-of-use assets are generally depreciated in a straight line during the shortest period between the useful life of the asset and the lease term. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset depreciates during the useful life of the underlying asset.

The Company applied the exemption for the recognition of low-value assets, which include electronic tablets, printing equipment and small items of office furniture.

Payments associated with short-term leases of furniture and equipment, vehicles and all leases of low-value assets are recognized under the straight-line method as an expense in results. Short-term leases are leases with a lease term of 12 months or less.

2.25.2 Lessor

Revenue from operating leases in which the Company is a lessor is recognized in the statement of income under the straight-line method during the term of the lease. The initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and are recognized as expenses during the term of the lease on the same basis as the income from the lease. The respective leased assets are included in the statement of the financial position depending on their nature. Lease income at 2025 and 2024 for $5,286,852 and $4,863,706, respectively, includes non-lease components for $1,800,405 and $1,678,520, which are recognized in accordance with the income standard for contracts with customers.

The Company accounted for the modifications in operating leases as a new lease from the effective date of the modification, considering the anticipated or accumulated lease payments related to the original lease as part of the payments of the new lease, they continue to be recognized in a straight line.

2.26 Earnings per share

Basic earnings per ordinary share are calculated by dividing the holding interest by the weighted average of ordinary shares outstanding during the period. Earnings per diluted share are determined by adjusting the holding interest and ordinary shares, under the assumption that the entity's commitments to issue or exchange the Company's own shares would be realized. Basic earnings are the same as diluted earnings due to the fact that there are no transactions that could dilute earnings. See Note 22.

2.27 Supplier rebates

The Company receives rebates from suppliers as reimbursement for discounts granted to customers. Supplier reimbursements related to discounts granted to customers with respect to merchandise sold are negotiated and documented by the purchasing areas and are credited to the cost of sales in the period in which they are received.

2.28 Prepaid payments

The Company recognizes prepaid payments for television advertisement and insurance premiums. Those amounts are recorded at the value that was contracted and are recorded in income when the advertisements are broadcasted and on a straight-line basis for insurance premiums. None of the insurance policies have a term exceeding twelve months.

2.29 Financial assets at fair value through other comprehensive income

During 2024 and until May 19, 2025, the Company's investment in Nordstrom (see Note 15) was considered as equity instruments not held for trading, for which the Company made an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income (OCI). After the derecognition of the investment, there was no subsequent reclassification of fair value gains and losses to profit or loss. The Company transferred the gain or loss from other comprehensive income to retained earnings in the same period in which it was incurred. Dividends received from Nordstrom were recognized in profit or loss as other income when the Company's right to receive them arose. From the date the Company acquired 49.9% ownership of Nordstrom, and Nordstrom became an associate, the equity method was recognized as explained in Note 2.2b, and dividends received were recognized by reducing the value of the investment in associates.

NOTE 3 – RISK MANAGEMENT:

The main risks to which the Company is exposed are:

3.1 Real estate risk

The Company owns department stores and either owns or co-owns 30 shopping malls. The Board of Directors is responsible for authorizing the purchase of land and buildings proposed by the Company's real estate area. For every real estate investment, sales are estimated per square meter and the return on the investment is estimated. The Company has no risk concentration in accounts receivable from lessees, as it has a diversified base and periodically evaluates their payment capacity, especially prior to renewing their lease agreements. Although the value of real property in Mexico is relatively stable, economic development and structural changes in the country are risk factors that could affect the supply and demand of real property and affect rent levels and the risk of vacant commercial space. Commonly, real property in Mexico is quoted in US dollars, and thus an excessive rise in the exchange rate of the peso to the dollar or in the prices of property available to the Company or construction materials could limit the Company's plans to expand. The Company has insurance that duly covers its assets against the risk of fire, earthquake and other natural disasters. All insurance has been contracted with leading companies in the insurance market.

3.2 Market risk

The Company contracts derivative financial instruments to reduce the uncertainty of the cash flows and fair value related to the debt contracted. The derivative financial instruments contracted are assigned for hedge accounting purposes and are closely linked to the financing contracted by the Company.

The Company's internal control policies require that the representatives of the finance and legal areas conduct a collegiate analysis prior to authorizing financing or conducting operations with derivative financial instruments. In evaluating the use of derivatives to cover hedge financing risks, sensitivity analysis is conducted of the different possible levels of the relevant variables and effectiveness testing is conducted to determine the accounting treatment of the derivative financial instrument, once contracted.

3.2.1 Exchange rate risk

The Company is exposed to risks related to movements in the exchange rate of the Mexican peso to the US dollar and the euro with respect to importations of merchandise mainly from Europe and Asia. As of December 31, 2025, and 2024, purchases of merchandise paid in a currency other than the Mexican peso represent approximately 15% and 12% of total purchases, respectively. As of December 31, 2025 and 2024, debt contracted in currencies other than the Mexican peso represents approximately 64% and 42% of total debt, respectively.

At December 31, 2025 and 2024, the Company's exposure to exchange rate risks amounted to (US$1,459,152), €(57,193) and US$347,786, €(50,263), respectively. In the event of an 8% increase in the exchange rate of the peso to the US dollar, the Company's (loss) gain would approximate ($2,097,292) and $563,922. The 8% represents the sensitivity rate used when the foreign exchange risk is reported internally to the Results Review Committee and represents the Administration's assessment of the possible variation in exchange rates. The sensitivity analysis includes only the monetary items pending settlement denominated in foreign currency at the end of the year.

The Company had the following foreign currency monetary assets and liabilities:

	December 31,			
	2025		2024	
Thousands of US dollars:				
Monetary assets	US$	130,632	US$	929,881
Monetary liabilities		(1,589,784)		(582,095)
Short (long) position	US$	(1,459,152)	US$	347,786
Equivalent in pesos	$	(26,216,146)	$	7,049,031
Thousands of Euros:				
Monetary assets	€	11,593	€	15,365
Monetary liabilities		(68,786)		(65,628)
(Long) short position	€	(57,193)	€	(50,263)
Equivalent in pesos	$	(1,208,105)	$	(1,070,134)

The exchange rates of the peso to the dollar, in effect at the date of the consolidated statement of financial position and the date of approval of the independent auditor's report, were as follows:

	December 31,			
	2025		2024	
US dollar	$	17.9667	$	20.2683
Euro	$	21.1233	$	21.2907

3.2.2 Interest rate risk

The contracted financings of senior notes are subject to interest rates and expose the Company to the risk of variability in interest rates and, therefore, to its cash flows. The Company's policy is to cover most of its financing towards a fixed rate profile. The main objective of the use of derivative financial instruments is to know with certainty the effective cash flows and the fair value that the Company will pay to comply with its obligations. With interest rate swaps, the Company agrees with other parties to deliver or receive monthly the difference between the interest amount of the variable rates agreed in the debt contracts and the amount of the interest of the fixed rates contracted in derivative financial instruments. The Company continuously analyzes its exposure to interest rates. A number of different interest rate scenarios are evaluated such as refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Company calculates the corresponding impact on results or its consolidated financial position.

The Company contracts interest rate swaps that have critical terms similar to the item covered, such as the reference rate, restart dates, payment dates, maturities and nominal amount. As all critical terms agreed upon during the year, there is an economic relationship.

The ineffectiveness of coverage for interest rate swaps is assessed using the same principles as for hedges of purchases in foreign currency. They can occur due to the following:

- Adjustment of the creditor value/debtor value in interest rate swaps that do not correspond to the loan, and
- The critical differences between interest rate swaps and loans.

There was no recognized ineffectiveness during 2025 or 2024 in relation to interest rate swaps.

Sensitivity analysis for interest rates

The following sensitivity analyses have been determined considering the current derivative financial instruments at December 31, 2025 and assuming the following:

If variable interest rates had been 10 basis points below and all the other variables remained constant, the other items comprising comprehensive income for the year ended December 31, 2025 and 2024 would have increased by $42,838 and $16,510 net of deferred taxes, respectively, mainly as a result of the changes in fair value of hedge derivative financial instruments contracted to hedge against exposure to changes in interest rates.

The information corresponding to the interest rate derivative financial instruments that have been contracted is shown in Note 10 of these consolidated financial statements.

3.3 Financial risks

3.3.1 Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its fund requirements. Company's Management has established policies, procedures and limits that govern the Treasury function. The Treasury is responsible for ensuring the Company's liquidity and for managing its working capital to guarantee payments to vendors, debt service, capital investments and fund the costs and expenses of the operation. The Company finances its operations through a combination of: 1) using cash available, 2) reinvestment of a significant portion of profits, and 3) contracting financing and leasing denominated in pesos.

The Company has established supplier financing programs, whereby suppliers may discount their notes with different financial institutions. The balance payable under these programs is recognized in the suppliers account, as the terms of the accounts payable do not change in the consolidated statement of financial position. If the Company were to have any difficulty in meeting its obligations, such concentration would not increase the risk that the Company might have to pay a significant amount, at any given time, to a single counterparty. Management has assessed that the Company does not rely on extended payment terms and suppliers have generally not become accustomed to or do not rely on early payment under the financing arrangement. If the financial institution were to cancel the arrangement, such withdrawal would not affect the Company's ability to settle the liabilities when they become due.

As of December 31, 2025 and 2024, the Company has short-term credit lines available for approximately $24,379,298 and $21,042,461; as well as overdraft lines to immediately access debt instruments for $9,810,000 and $7,310,000, respectively.

The following table shows the contractual maturities of the Company's financial liabilities according to the expiration periods. This information has been prepared considering the cash flows without discounting, from the first date on which the Company will be required to pay and includes the contractual interests and the main cash flows:

	Between 1 month and 1 year	Between 1 and 5 years	More than 5 years
December 31, 2025:			
Suppliers and creditors	$ 55,010,751	$ -	$ -
Senior notes and contractual interests	12,586,761	26,085,069	22,999,792
Derivative financial instruments	872,262	-	2,232,572
Lease liabilities	2,779,910	8,346,831	13,069,302
	$ 71,249,684	$ 34,431,900	$ 39,069,302

	Between 1 month and 1 year	Between 1 and 5 years	More than 5 years
December 31, 2024:			
Suppliers and creditors	$ 53,961,577	$ -	$ -
Senior notes and contractual interests	1,961,688	28,087,642	-
Lease liabilities	2,795,259	8,065,481	14,023,101
	$ 58,718,524	$ 36,153,123	$ 14,023,101

3.3.2 Credit risk

Credit risk arises when the Company suffers losses as a result of customers defaulting on payments, financial institutions in which it maintains investments, or counterparties with which derivative financial instruments are contracted.

Loan portfolio

The Company's accounts receivable are comprised of loans granted to our customers through the use of credit cards issued by the Company to purchase merchandise, goods and services at our stores or establishments affiliated with with the VISA system.

The Company has a robust risk management system for the loan portfolio, whose main components include: 1) credit granting processes, portfolio administration and management, and collection management; 2) information security, technological infrastructure and processes and procedures in-store and corporate; 3) the regulatory risk, which includes aspects related to compliance with the provisions issued by the Consumer Advocacy Agencyand regulations to prevent money laudering, and 4) the risk of fraud.

Credit application forms are evaluated and approved through automated procedures using parameterized scorecards (grading factors) designed by the Company. For managing the initial lines of credit, limits are also evaluated automatically by the Company's system and are periodically monitored by the risk department to increase or decrease them based on the cardholder's record. The Company has the infrastructure to manage credit line growth strategies, with risk rating models (scorecards) that allow risk predictability. Additionally, there are processes and policies for early identification of potential changes in payment capacity, prompt corrective decision making and determination of current and potential losses.

The Company continuously monitors the recovery of its portfolio based on a broad range of factors that include historical trends of portfolio aging, a record of cancellations and future expectations of performance. In times of economic crisis and with high unemployment indexes, the Company restricts approval of applications and loans made, as well as restricting credit limits of current customers. Given the Company's line of business, there are no real guarantees related to accounts receivable. The best way to represent the maximum exposure to credit risk is the carrying value of accounts receivable.

For the management of delinquent accounts, the Company has policies, processes, analytical tools and infrastructure to manage the recovery of the portfolio. Collection management is segmented by risk level and delinquency level through specialized internal and external offices. Through automated systems, monthly account cutoffs are conducted and any accounts failing to show the required payment are detected. Accounts not receiving payment are immediately blocked to prevent the balance from continuing to grow and the automated computation of late-payment interest begins. The actions taken by the Company to recover past-due balances include, among others: telephone calls to customers, sending of letters and telegrams, and home visits. Accounts showing no payment after 150 days are automatically assigned to collection agencies to take over collection efforts, and accounts showing more than 240 days default are written off. See Note 8.

Accounting policy for the provision for credit losses

To calculate this provision, the Company recognizes future losses in the portfolio based on the level of impairment of credit risk. The key information used to measure the provision for expected credit losses (ECL) includes the following parameters:

- Probability of Default (PD);
- Significant Increase in Credit Risk (SICR);
- Loss Given Default (LGD), and
- Exposure at Default (EAD).

The expected credit loss methodology uses information derived from statistical models using historical data.

To measure expected credit losses, the loan portfolio has been grouped according to credit risk characteristics, days past due, and historical portfolio performance.

Specific models have been generated for the following portfolios:

- Liverpool Department Store Card (Liverpool)
- Liverpool VISA Card (LPC)
- Suburbia Department Store Card
- Suburbia VISA Card

The Company estimates the LGD parameters based on the history of the recovery rate of claims against unpaid credits. The LGD model considers the recovery of cash. EAD represents the expected exposure at the time of payment default.

The EAD of a financial asset is the gross carrying amount at the time of default. Likewise, EAD also considers the portion of the undrawn line of credit that can potentially be exercised in the future.

The significant increase in risk is estimated with the change between the PD with which the account originated and the PD that it has at the time of calculating the provision; for this, certain thresholds are determined for credits in stage 1, which if exceeded, then the credits migrate to stage 2.

The Company prospectively assesses expected credit losses related to its financial assets carried at amortized cost.

The impairment methodology depends on whether there has been a significant increase in credit risk. Once the Company has classified its financial assets according to credit risk, they are evaluated individually or collectively to identify signs of impairment and thus recognize the provision for impairment arising from credit risk.

In determining whether the credit risk of an account has increased significantly since its initial recognition, the Company considers reasonable and supportable information that is relevant and available without further cost or effort, including quantitative and qualitative information. As additional support, the Company assumes that a considerable increase in credit risk occurs when an asset defaults, that is, when loans accumulate 90 days or more without receiving a payment.

The expected credit loss model is based on changes in credit quality from initial recognition and considers the following phases:

Stage 1

This stage includes loans that have not had a significant increase in credit risk and the basis for recognition of the provision considers expected losses for the next 12 months.

Stage 2

This phase includes loans that have suffered a considerable increase in credit risk, but for which there is no objective evidence of impairment. Interest income is still calculated on the gross carrying value of the asset. And the recognition basis of the provision considers the expected losses throughout the remaining life of the loan.

Stage 3

This stage includes loans with objective evidence of impairment at the date of each cutoff. Interest income is calculated on the net carrying value. And the recognition basis of the estimate is over the remaining life of the account.

Suburbia cards - transition from simplified approach to proprietary models

The Suburbia Cards were launched in 2018 and, in light of the limited historical information available in the first years of operation of the portfolio, the Company determined expected credit losses (ECL) applying the simplified approach under IFRS 9 through December 31, 2024, using internal performance information and benchmark parameters from comparable portfolios. As a result of the portfolio's maturity and the availability of sufficient and relevant information, as of December 31, 2025 the Company incorporated proprietary statistical models to estimate ECL for the Suburbia Department Store and VISA Cards, which consider specific PD, LGD, EAD and CCF parameters, as well as forward-looking information from macroeconomic variables.

The incorporation of these inputs and assumptions due to new information and/or circumstances reflects updated conditions and represents an update in the accounting estimate of ECL as a consequence of a higher level of precision in measuring credit risk, which remains aligned with IFRS 9. The effects derived from this update at the end of 2025 were not material and, starting in 2026, the Company will present reconciliation information of movements by stages in accordance with the IFRS 9 general approach.

Write-off

The portfolio is written off when there is no reasonable expectation of recovery. The indicator that there is no reasonable expectation of recovery is that the debtor does not propose a payment plan to the Company, after 150 days without payment, from that moment, the credits are automatically assigned to the external lawyers firms specialized in collection to continue the collection efforts, and when reaching 240 days without receiving payments, they are derecognized from the accounting. See Note 8.

Loan portfolio impairment losses are presented as net impairment losses within operating income. Subsequent recoveries of amounts previously written off are recognized in other net income for the commission of the collection agency.

For stage 1, PD is determined by the probability that the loan may default in the next 12 months. In stage 2, PD is the probability of default over the remaining life of the loan. For stage 3 loans, PD considers 100% probability that the credit will not be recovered. See Note 8.

Prospective information incorporated in the Expected Credit Loss (ECL)

The Company uses prospective information considering historical data and its experience in managing this type of data. Likewise, the Company carried out a historical analysis to identify the macroeconomic variables that affect expected credit losses, these being the Consumer Confidence Index (ICC5), Gross Domestic Product (GDP) and the Equilibrium Interbank Interest Rate (TIIE). Based on expected changes in these factors, the Company adjusts historical loss rates.

In the case of macroeconomic factors, the Company has built a scenario stressing the variables that affect the model (GDP, TIIE and ICC5), in order to reflect the increase in risks with respect to historical changes related to the probability of cardholder default.

Financial institutions and counterparties in derivative operations

Cash surpluses are invested in credit institutions with a high credit rating, such as in government instruments and counterparties in derivative operations are high credit quality financial institutions. It should be mentioned that none of the Company's derivative financial instruments require it to keep cash deposits in margin accounts to guarantee these operations.

3.4 Fair value estimate

Financial instruments recorded at fair value in the consolidated statement of financial position are classified based on how their fair value is obtained:

- Level 1 fair values are derived from prices quoted (not adjusted) in active markets for identical liabilities or assets.
- Level 2 fair values are derived from indicators different from the quoted prices included in Level 1, but that include indicators that are observable directly to quoted prices or indirectly, that is to say, derived from these prices.
- Level 3 fair values are derived from valuation techniques that include indicators for assets or liabilities that are not based on observable market information.

	Book value	Level 1	Level 2	Level 3
December 31, 2025:				
Cash equivalents investments	$ 20,441,183	$ 20,441,183	$ -	$ -
Total	$ 20,441,183	$ 20,441,183	$ -	$ -

	Book value	Level 1	Level 2	Level 3
December 31, 2024:				
Assets arising from hedge derivative financial instruments	$ 718,149	$ -	$ 718,149	$ -
Assets arising from trading derivative financial instruments	326,400	-	326,400	-
Asset at fair value through other comprehensive income	7,711,748	7,711,748	-	-
Cash equivalents investments	4,496,837	4,496,837	-	-
Total	$ 13,253,134	$ 12,208,585	$ 1,044,549	$ -

During the years ended December 31, 2025 and 2024, there were no transfers between levels 1 and 2. The carrying amount of short-term financial instruments is similar to its fair value due to materializing in the short term.

For determining fair value of hedge derivative financial instruments classified at level 2, the technical pricing model recognized in the financial sphere was used (estimated future cash flows brought to present value) using available market information at the valuation date. The key market input assumptions used were: a) Futures curve of US Government bonds, b) Futures curve of Mexican Government bonds and c) Quotation at market value.

3.5 Climate change risk

Our risk management processes consider the environmental, social, and corporate governance (ESG) factors that may impact an organization's finances, assets, or reputation. The Company is exposed to financial risks derived mainly from climatic and environmental factors, grouped into: transition risks, which are associated with the transition to a low-carbon economy (including regulatory changes, environmental taxes, increased energy costs, circular economy requirements and changes in market preferences, e.g., reputational risks) and physical risks linked to climatic events (water scarcity, increased water stress in certain regions, increased frequency or severity of heavy rainfall and flooding, heat waves, thermal stress and tropical cyclones) due to the Group's activities and geographic locations.

The Company has analyzed its exposure, vulnerability and resilience to physical and climate transition risks as part of its comprehensive risk management framework.

For transition risks, the analysis focuses on three pillars: 1) identification of climate transition risks: regulatory risks (introduction and expansion of carbon pricing mechanisms, policies to foster the circular economy) and opportunities in resource efficiency (use of efficient building technologies, advances in transport and distribution technologies); 2) assessment of the organization's vulnerability: the Company's position within the Mexican market and the retail sector; and 3) estimated financial exposure: assessment of plastic packaging taxes, the estimated introduction and expansion of carbon pricing mechanisms, and increases in fossil fuel costs for mobile sources and electricity, considering different regulatory and market assumptions.

For physical risks, the Company began by assessing exposure to 13 climate threats in 622 sites under a scenario of temperature increase above 4°C by 2100. Subsequently, vulnerability ratings were assigned to each site based on surveys and physical characteristics, on a scale from very low to very high; finally, these vulnerability ratings are combined with exposure ratings to determine the potential impact. The analysis prioritizes higher-impact risks, among which stand out water scarcity and increased water stress in certain regions, increased frequency or severity of heavy rainfall and flooding, heat waves, thermal stress and tropical cyclones in specific locations. These risks were determined and assessed over medium-term (2030) and long-term (2050) horizons, considering projected climate scenarios with rising temperatures, as well as threats from extreme weather conditions such as increased rainfall intensity, greater presence of hurricanes, heat waves causing prolonged droughts, extended periods of warm temperatures during the winter season or cold weather during the summer season that could affect the consumer economy, reduce inventory demand, cause disruptions or delays in the production and delivery of materials and products in our supply chain, and cause staff shortages in its stores.

As resilience measures against these identified climate risks, the Company strategically works to improve its processes by incorporating circular economy criteria, eco-efficiency and reducing greenhouse gas (GHG) emissions that contribute to climate change. These improvements are carried out through strategic investments focused on mitigating our environmental impact and optimizing the continuity of operations, depending on operating conditions and the environment, in the following lines of action:

1) recycling of waste with such potential, 2) reduction in potable water consumption (including treatment of water consumed, water efficiency and rainwater harvesting), 3) reduction in energy consumption through energy efficiency initiatives, 4) increase in the use of energy from renewable sources (including energy suppliers and self-generation processes with solar panels at different locations) as well as the incorporation of hybrid and electric units for customer distribution and the establishment of charging centers, and 5) implementation of a comprehensive sustainable packaging system.

In addition, as a preventive measure against the assessed climate physical risks, the Company has contracted insurance policies for losses such as earthquakes, floods or other similar operations, including property, accident and business interruption insurance (which includes coverage of sales volume in some stores), as part of its operational risk management scheme.

As of December 31, 2025, the Company has not identified any material impacts on its financial position arising from the sustainability risk analysis. Management continues to evaluate matters related to financial exposure and resilience to climate transition and physical risks, in line with evolving climatic, regulatory and market conditions.

NOTE 4 – KEY SOURCES OF UNCERTAINTY IN THE ESTIMATES AND CRITICAL JUDGMENTS:

In applying the Company's accounting policies, which are described in Note 2, Management makes judgments, estimates and assumptions on the carrying amounts of assets and liabilities. The related estimates and assumptions are based on historical experience and other factors considered relevant. Actual results could differ from those estimates.

Estimates and underlying assumptions are analyzed on a regular basis. The reviews of book estimates are recognized in the review period or future periods, if the review affects both the current period and subsequent periods.

The following are the sources of key uncertainty in the estimates made at the date of the consolidated statement of financial position, and which have a significant risk of resulting in an adjustment to the book values of assets and liabilities during the following financial period.

4.1 Estimated impairment of intangible assets with an indefinite useful life

The methodology applied by the Company to determine whether goodwill, rights to its brands and other intangibles have suffered any impairment in value is described in Note 14.

4.2 Estimation of useful lives of brands and other intangible assets with an indefinite life

The brands acquired as part of Suburbia have demonstrated their stability by having had permanence in the market for several decades and are well-recognized in Mexico. The knowledge of the operative process of procurement, commercial planning, product design and marketing (called CATMex) is unique in the Mexican market. It has generated economic benefits for Suburbia for several decades, and represents a key competitive differentiator in the market in which it operates. Based on our own experience, during 178 years of operating in Mexico, the Company believes that CATMex will continue to generate cash flows for the Company indefinitely.

To date, no factors limiting the useful life of the aforementioned intangible assets have been identified and there are no legal, regulatory or contractual considerations that limit them, so in the opinion of the Company's Management, it was determined to appoint the brands of Suburbia and CATMex as having an indefinite useful life. See Note 14.

NOTE 5 – CATEGORY OF FINANCIAL INSTRUMENTS:

	Amortized cost	Instruments at fair value through profit or loss	Instruments at fair value through other comprehensive income	Total
December 31, 2025:				
Financial assets:				
Cash and bank deposits	$ 4,823,915	$ 20,441,183	$ -	$ 25,265,098
Short and long-term loan portfolio	71,476,960	-	-	71,476,960
Other short and long-term accounts receivable	4,611,065	-	-	4,611,065
Financial liabilities:				
Issuance of short and long-term senior notes and securities certificates	$ 41,815,476	$ -	$ -	$ 41,815,476
Suppliers, creditors and provisions	62,425,804	-	-	62,425,804
Derivate financial instruments	-	3,104,834	-	3,104,834
December 31, 2024:				
Financial assets:				
Cash and bank deposits	$ 20,231,342	$ 4,496,837	$ -	$ 24,728,179
Derivate financial instruments	-	326,400	718,149	1,044,549
Short and long-term loan portfolio	64,331,716	-	-	64,331,716
Other short and long-term accounts receivable	3,789,606	-	-	3,789,606
Financial asset at fair value through other Comprehensive income	-	-	7,711,748	7,711,748
Financial liabilities:				
Issuance of long-term senior notes and short and long-term securities certificates	$ 24,188,961	$ -	$ -	$ 24,188,961
Suppliers, creditors and provisions	59,893,540	-	-	59,893,540

NOTE 6 – CREDIT QUALITY OF FINANCIAL INSTRUMENTS:

	December 31, 2025	2024
Loan portfolio:		
Counterparties without external risk ratings:		
Group 1 - Customers with Liverpool credit card	$ 56,478,256	$ 50,644,938
Group 2 - Customers with LPC credit card	17,343,071	15,485,010
Group 3 - Customers with Suburbia credit card	4,355,820	3,623,376
Group 4 - Customers with Suburbia VISA	953,551	773,456
Total loan portfolio [1]	$ 79,130,698	$ 70,526,780

[1] Balances are included before the provision for credit losses.

	2025	2024
Cash, investments and short-term bank deposits [2]		
AAA	$ 25,233,235	$ 24,686,338
AA	-	-
A	-	-
	$ 25,233,235	$ 24,686,338
Financial assets - derivative financial instruments [3]		
AAA	$ -	$ 1,044,549
AA	-	-
	-	1,044,549
	$ 104,276,13	$ 96,257,668

- Group 1 - For the Company, credits granted through the Liverpool credit card represent a lesser risk because its use is sporadic and seasonal and is restricted to the products on sale at Company stores.
- Group 2 - The LPC credit card, operated by the Company, implies a different of level risk mainly to the fact that they can be used at a broad number of establishments, allow their holders to draw cash from ATMs and are intended for continuous use.
- Group 3 - For the Company, credits granted through the Suburbia department store credit card represent a lesser risk because its use is sporadic and seasonal and is restricted to the products sold at the Company's stores.
- Group 4 - The Suburbia VISA credit card, operated by the Company, implies a different level of risk mainly due to the fact that it can be used at a broad number of establishments, allows its holders to draw cash from ATMs and is intended for continuous use.

(2) The remaining cash equivalents in the consolidated statement of financial position correspond to cash on hand.

(3) The Company does not consider that there are risk factors arising from non-compliance with counterparties' obligations; therefore, it has not been necessary to recognize allowances for this concept as of December 31, 2025 and 2024.

NOTE 7 – CASH AND CASH EQUIVALENTS:

	December 31, 2025		2024	
Cash and bank deposits	$	4,823,915	$	20,231,342
Investments		20,441,183		4,496,837
Total	$	25,265,098	$	24,728,179

NOTE 8 – LOAN PORTFOLIO AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS:

	December 31, 2025		2024	
Credits related to customer contracts:				
Liverpool	$	56,478,256	$	50,644,938
LPC		17,343,071		15,485,010
Suburbia credit card		4,355,820		3,962,114
Suburbia VISA		953,551		704,718
		79,130,698		70,526,780
Provision for impairment of loan portfolio:				
Liverpool		(4,801,331)		(3,982,175)
LPC		(2,024,204)		(1,604,363)
Suburbia credit card		(650,731)		(486,581)
Suburbia VISA		(177,471)		(121,945)
		(7,653,737)		(6,195,064)
Total loan portfolio	$	71,476,960	$	64,331,716
Total short-term loan portfolio	$	56,149,104	$	50,437,701
Total long-term loan portfolio	$	15,327,856	$	13,894,015

The fair value of the short-term loan portfolio at December 31, 2025 and 2024 closely resembles their carrying amount. The fair value of the long-term loan portfolio as of December 31, 2025 and 2024, as established in $15,281,808 and $13,725,580, respectively, is classified within level 3 and will be determined using the discounted cash flow at a current discount rate according to the average term of the portfolio and the risk of it.

8.1 The provision for credit losses as of December 31, 2025 and 2024 was determined as follows:

Liverpool

Stage	December 31, 2025 Balance	December 31, 2025 Provision	%	December 31, 2024 Balance	December 31, 2024 Provision	%
1	$ 52,506,338	$ 2,497,843	4.76%	$ 46,932,528	$ 1,972,830	4.20%
2	2,059,154	896,923	43.56%	2,280,684	962,432	42.20%
3	1,912,763	1,406,565	73.54%	1,431,726	1,046,913	73.12%
	$ 56,478,255	$ 4,801,331		$ 50,644,938	$ 3,982,175	

LPC

	December 31, 2025 Balance	December 31, 2025 Provision	%	December 31, 2024 Balance	December 31, 2024 Provision	%
1	$ 15,920,837	$ 1,020,758	6.41%	$ 14,084,549	$ 733,430	5.21%
2	663,802	347,135	52.29%	797,983	357,261	44.77%
3	758,432	656,311	86.54%	602,478	513,672	85.26%
	$ 17,343,071	$ 2,024,204		$ 15,485,010	$ 1,604,363	

Suburbia credit card / Suburbia VISA

Stage	Suburbia credit card December 31, 2025 Balance	Provision	%	Suburbia VISA December 31, 2025 Balance	Provision	%
1	$ 3,893,215	$ 370,940	9.53%	$ 812,591	$ 97,513	12.00%
2	261,696	109,797	41.96%	91,203	36,064	39.54%
3	200,909	169,994	84.61%	49,757	43,894	88.22%
	$ 4,355,820	$ 650,731		$ 953,551	$ 177,471	

Suburbia credit card / Suburbia VISA

	Suburbia credit card December 31, 2024 From 0 to 29 days	From 30 to 89 days expired	From more than 90 days expired	Total	Suburbia VISA December 31, 2024 From 0 to 29 días	From 30 to 89 days expired	From more than 90 days expired	Total
Expected loss rate	8.37%	48.30%	86.50%		11.85%	50.08%	90.14%	
Credit portfolio	$ 3,417,865	$ 96,139	$ 178,110	$ 3,692,114	$ 644,750	$ 21,307	$ 38,661	$ 704,718
Provisión for credit losses	$ 286,083	$ 46,433	$ 154,065	$ 486,581	$ 76,426	$ 10,670	$ 34,849	$ 121,945

As of December 31, 2025, the Company shows the balances of the allowance for impairment of accounts receivable made using a full approach with the methodology in Note 3.3.2.

8.2 As of December 31, 2025 and 2024, the movements in the allowance for impairment of accounts receivable are shown as follows:

Liverpool

	Provision for credit losses Stage 1	Stage 2	Stage 3	Total
January 1, 2024	$ 1,355,599	$ 1,299,970	$ 770,494	$ 3,426,063
Remeasurement of financial assets that remain in the same stage	267,700	46,639	(2,663)	311,676
From stage 1 to stage 2	(55,464)	55,464	-	-
From stage 1 to stage 3	(25,881)	-	25,881	-
From stage 2 to stage 1	793,055	(793,055)	-	-
From stage 2 to stage 3	-	(84,064)	84,064	-
From stage 3 to stage 1	89,011	-	(89,011)	-
From stage 3 to stage 2	-	8,984	(8,984)	-
Financial assets granted during the period	299,205	124,934	40,801	464,940
Remeasurement of financial assets that changed stage in the period	(704,306)	602,597	883,530	781,821
Financial assets written off in the period	(46,089)	(299,037)	(657,199)	(1,002,325)
December 31, 2024	1,972,830	962,432	1,046,913	3,982,175

Liverpool

	Provision for credit losses			
	Stage 1	Stage 2	Stage 3	Total
Remeasurement of financial assets that remain in the same stage	(248,644)	667	(2,605)	(250,582)
From stage 1 to stage 2	(75,390)	75,390	-	-
From stage 1 to stage 3	(61,027)	-	61,027	-
From stage 2 to stage 1	543,958	(543,958)	-	-
From stage 2 to stage 3	-	(63,201)	63,201	-
From stage 3 to stage 1	106,575	-	(106,575)	-
From stage 3 to stage 2	-	6,221	(6,221)	-
Financial assets granted during the period	248,693	86,333	38,517	373,543
Remeasurement of financial assets that changed stage in the period	106,265	689,562	1,234,814	2,030,641
Financial assets written off in the period	(95,417)	(316,523)	(922,506)	(1,334,446)
December 31, 2025	$ 2,497,843	$ 896,923	$ 1,406,565	$ 4,801,331

The financial assets written off still subject to collection activities for their recovery amount to $3,057,362 and $2,286,333, as of December 31, 2025 and 2024, respectively.

LPC

	Provision for credit losses			
	Stage 1	Stage 2	Stage 3	Total
January 1, 2024	$ 579,954	$ 434,612	$ 391,222	$ 1,405,788
Remeasurement of financial assets that remain in the same stage	122,046	24,546	(1,177)	145,415
From stage 1 to stage 2	(20,248)	20,248	-	-
From stage 1 to stage 3	(15,015)	-	15,015	-
From stage 2 to stage 1	254,913	(254,913)	-	-
From stage 2 to stage 3	-	(24,226)	24,226	-
From stage 3 to stage 1	41,138	-	(41,138)	-
From stage 3 to stage 2	-	3,679	(3,679)	-
Financial assets granted during the period	114,975	44,539	21,562	181,076
Remeasurement of financial assets that changed stage in the period	(300,909)	249,506	446,087	394,684
Financial assets written off in the period	(43,424)	(140,730)	(338,446)	(522,600)
December 31, 2024	733,430	357,261	513,672	1,604,363
Remeasurement of financial assets that remain in the same stage	(5,278)	4,317	(1,033)	(1,994)
From stage 1 to stage 2	(26,951)	26,951	-	-
From stage 1 to stage 3	(25,745)	-	25,745	-
From stage 2 to stage 1	183,266	(183,266)	-	-
From stage 2 to stage 3	-	(20,481)	20,481	-
From stage 3 to stage 1	47,406	-	(47,406)	-
From stage 3 to stage 2	-	2,659	(2,659)	-
Financial assets granted during the period	91,784	26,325	23,582	141,691
Remeasurement of financial assets that changed stage in the period	(1,532)	277,612	583,124	859,204
Financial assets written off in the period	24,378	(144,243)	(459,195)	(579,606)
December 31, 2025	$ 1,020,758	$ 347,135	$ 656,311	$ 2,024,204

The financial assets written off still subject to collection activities for their recovery amount to $1,255,754 and $966,955, as of December 31, 2025 and 2024, respectively.

Suburbia

As of December 31, 2024, the Company applied the simplified IFRS 9 approach to measure expected credit losses on Suburbia TD and VISA credit cards. As of December 31, 2025, a full approach was applied, as explained in Note 3.3.2. based on this, the Company will prepare reconciliation information on changes in stages starting in 2026.

The cumulative balance of the written off loan portfolio that is still subject to collection activities for recovery amounts to $398,508 and $291,113 as of December 31, 2025 and 2024, respectively.

8.3 The balance of the provision for expected losses for the loan portfolio is shown below:

	2025	2024
At January 1	$ 6,195,064	$ 5,279,949
Increased in provision for credit losses recognized in income during the year	6,246,575	4,545,492
Loan portfolio written off during the year as uncollectible	(4,787,902)	(3,630,377)
At December 31	$ 7,653,737	$ 6,195,064

Sensitivity analysis for the provision for credit losses

If the Company were to change the prospective information adjustment factor by 10% up or down the macroeconomic paths, the provision for credit losses would increase by $17,873 and decrease by $178, respectively.

Deferred income

8.4 Liabilities related to customer contracts are shown below:

	December 31, 2025	2024
Contract liability - deferred income	$ 3,007,848	$ 3,104,056
Total current contract liabilities	$ 3,007,848	$ 3,104,056

The following table shows how much of the recognized income was included in the balance of the liability for contracts at the beginning of the period:

	Year ended December 31, 2025	2024
Deferred income (see Note 2.22b.)	$ 3,104,056	$ 2,917,793
Total current contract liabilities	$ 3,104,056	$ 2,917,793

NOTE 9 — OTHER ACCOUNTS RECEIVABLE - NET:

	December 31, 2025	2024
Short-term accounts receivable:		
Other debtors [1]	$ 1,888,563	$ 1,661,591
Joint ventures	939,330	501,923
Solodisa, S. A. de C. V.	486,885	486,885
Compañía Aseguradoras	368,243	7,767
Broxel, S. A. P. I. de C. V.	245,786	239,875
Redstar Investments International, Corp.	168,919	-
Tenants [2]	52,402	77,494
Clients BYD	48,603	315,240
Short-term employee loans	185,502	200,760
	4,384,233	3,491,535
Long.term accounts receivable:		
Long-term loans to employees	226,832	298,071
Total	$ 4,552,087	$ 3,789,606

[1] Includes accounts receivable from voucher issuing companies and other debtors other than merchandise.

[2] This amount includes the provision for credit losses for $20,616 and $18,069, as of December 31, 2025 and 2024, respectively.

NOTE 10 – DERIVATIVE FINANCIAL INSTRUMENTS:

The Company uses hedging Derivative Financial Instruments (DFI) with the purposes of reducing the risk of adverse movements in interest rates and foreign exchange rates related to its long-term debt, as well as to ensure certainty regarding the cash flows it will pay in order to meet its contracted obligations. Additionally, the Company uses derivatives held for trading purposes.

The main instruments used are interest rate and foreign exchange swaps. The positions contracted as of the end of each year are presented below:

Assets

		Dates		Interest rate		Fair value at December 31,	
Notional amount [1]		Contracting	Maturity	Contracted by DFI	Agreed in the debt	2025	2024
USD	250,000 [2]	September 2016	October 2026	8.88%	-	$ -	$ 326,400
USD	350,000	September 2016	October 2026	8.59%	3.88%	-	477,199
USD	50,000	October 2016	October 2026	8.87%	3.88%	-	75,985
USD	50,000	October 2016	October 2026	8.76%	3.88%	-	75,517
USD	50,000	October 2016	October 2026	8.84%	3.88%	-	89,448
Total						-	1,044,549
Less long-term portion						-	718,149
Current portion (short term)						$ -	$ 326,400

Liabilities

		Dates		Interest rate		Fair value at December 31,	
Notional amount [1]		Contracting	Maturity	Contracted by DFI	Agreed in the debt	2025	2024
USD	350,000	September 2016	October 2026	8.59%	3.88%	$ 639,646	$ -
USD	50,000	October 2016	October 2026	8.87%	3.88%	80,992	-
USD	50,000	October 2016	October 2026	8.76%	3.88%	81,686	-
USD	50,000	October 2016	October 2026	8.84%	3.88%	69,938	-
USD	250,000	January 2025	January 2032	4.14%	6.255%	636,771	-
USD	250,000	January 2025	January 2032	4.10%	6.255%	646,238	-
USD	200,000	January 2025	January 2037	3.61%	6.658%	395,053	-
USD	300,000	January 2025	January 2037	3.69%	6.658%	554,510	-
Total						3,104,834	-
Less long-term portion						2,232,572	-
Current portion (short term)						$ 872,262	$ -

(1) The notional amounts related to derivative financial instruments reflect the contracted reference volume; however, they do not reflect the amounts at risk with respect to future cash flows. The amounts at risk are generally limited to the unrealized profit or loss from the mark-to-market of these instruments, which may vary according to changes in the market value of the underlying asset, its volatility and the credit quality of the counterparties. Such amounts are recognized within foreign exchange gain or loss.

(2) Trading derivative financial instruments. During January 2025, the Company recognized a net foreign exchange gain of $19,810 resulting from the early termination of an instrument with a notional amount of 250 million US dollars, for which a deposit of $275,508 was received from the banking institution. Following this transaction, the Company no longer holds any trading positions. As of December 31, 2024, the Company recognized $966,050 in profit or loss from the valuation of these instruments.

In the swap contracts entered into in recognized and international markets associated with the interest rates of its long-term debt, the Company is subject to the rules of such markets, which include, among others, the requirement to cover operating margins as well as subsequent margin calls (revolving funds, which are required when there are fluctuations in the underlying interest rates and are applied against payments) required from the Company.

As of December 31, 2025, within other financial assets, collateral (margin calls) is presented with respect to derivative financial transactions entered into with Banco Santander (México), S. A., Institución de Banca Múltiple, Grupo Financiero Santander México, and Bank of America Corporation (BOFA). The value of such collateral (guarantees) amounts to $803,368. As of December 31, 2024, the Company had no balances derived from such activities.

NOTE 11 – INVESTMENT IN ASSOCIATES:

Concept	Activity	Place of incorporation and operations	Proportion of shareholding and voting rights December 31, 2025	2024	December 31, 2025	2024
Nordstrom Holdings,Inc. (i)	Sales	USA	49.9%	N/A	$ 22,233,767	$ -
Investment in associates (ii), (iii)	Sales	Mexico and Central America	50%	50%	8,201,638	8,784,896
Other investments in associates (iv)	Malls	Mexico	Several	Several	2,485,744	2,693,154
					$ 32,921,149	$ 11,478,050

(i) Nordstrom Inc. (Nordstrom)

On May 20, 2025, Liverpool entered into a definitive agreement with members of the Nordstrom Family to jointly acquire all outstanding shares of Nordstrom, Inc. through a newly created entity, Nordstrom Holding, Inc. The transaction also involved the acquisition of publicly held shares at a price of US$24.25 per share and the contribution of the shares previously held by the Company in Nordstrom, Inc. to Nordstrom Holdings, Inc.

The transaction was approved by Nordstrom's Extraordinary Shareholders' Meeting on May 16, 2025, resulting in the Company owning 49.9% of Nordstrom Holdings, Inc. and the Nordstrom Family owning 50.1%. As a result of this investment, on May 21, 2025, the shares of Nordstrom, Inc. ceased trading on the New York Stock Exchange.

The acquisition of this investment consisted of: (i) the contribution of 15,755,000 Nordstrom common shares, acquired on September 15, 2022, with a fair value of $7,455,762 at the transaction date, and (ii) a cash investment of $16,846,864. Liverpool financed this transaction with available cash, as well as with the proceeds obtained from the issuance of senior notes in 2025 (see Note 18). As a result, the Company assessed this transaction as a single transaction, as no changes or restructuring were carried out in the acquired business. Likewise, the transaction qualified as a phased acquisition; therefore, the Company elected to account for it using the fair value as deemed cost method by analogy to IFRS 3. Under this approach, the cost of an acquired associate is measured as the fair value of the previously held interest plus the fair value of any additional consideration transferred at the date on which the investment became an associate. The previously held interest had been measured at fair value in accordance with IFRS 9, with changes recognized in other comprehensive income. At the transaction date, the Company measured the associate's net assets at fair value, which resulted in the recognition of goodwill of $6,863,767, considering the 49.9% ownership interest in the total goodwill generated by the acquisition.

		May 20
Total identifiable net assets acquired	$	34,947,613
Ownership interest		49.90%
Share of net assets		17,438,859
Less: Purchase price		24,302,626
Goodwill	$	6,863,767

Acquisition related costs amounted to a total of $674,790, which were recognized as an expense as incurred. However, pursuant to a shareholders' agreement, the transaction costs related to the acquisition were fully reimbursed by Nordstrom Holdings to the acquirers and, therefore, had no impact on the Company's operating income. Conversely, the associate recognized these costs as expenses in its own financial statements under IFRS 3 by analogy, as part of the phased acquisition, which reduced its net profit; such costs were recognized through the Company's share in the profits (losses) of associates under the equity method.

(ii) Unicomer

Unicomer is a private company that operates a retail chain engaged in the sale of furniture and household appliances through more than 1,237 stores, with different formats in Central America, South America and the Caribbean. The Company holds a 50% equity interest in Unicomer. This acquisition gave rise to goodwill of $757,623, which is included as part of the investment balance. The Company does not exercise joint control over Unicomer, as the criteria to conclude joint control are not met. However, under IFRS, the Company exercises significant influence over Unicomer, as it owns 50% of the voting rights and is entitled to appoint two members of the Board of Directors.

(iii) Moda Joven Sfera México, S. A. de C. V. (Sfera México)

In 2006, the Company incorporated an entity in association with El Corte Inglés, S. A. with 49% of the capital (the leading department store chain in Spain). This entity operates a chain of 58 stores in Mexico, specializing in family clothing and accessories under the trade name Sfera.

(iv) Other investments

Malls

These investments mainly correspond to the Company's equity interests in the following shopping malls: Angelópolis in the city of Puebla, Plaza Satélite in the State of Mexico, Galerías Querétaro in the city of Querétaro, Parque Tepeyac in Mexico City and Galerías Metepec in the State of Mexico.

11.1 Following is a summary of the combined financial information pertaining to the Company's associates:

	Unicomer December 31, 2025	Unicomer December 31, 2024	Sfera México December 31, 2025	Sfera México December 31, 2024	Nordstrom December 31, 2025	Nordstrom December 31, 2024
Summarized statement of financial position						
Current assets:						
Cash and cash equivalents	$ 2,540,688	$ 3,328,308	$ 599,467	$ 629,265	$ 1,441,252	$ -
Other current assets	23,752,592	28,682,850	745,585	448,916	47,334,939	-
Total current assets	26,293,280	32,011,158	1,345,052	1,078,181	48,776,191	-
Non current asset:	26,121,995	25,837,891	1,699,023	1,663,651	142,603,024	-
Total assets	52,415,274	57,849,049	3,044,075	2,741,832	191,379,215	-
Current liabilities:						
Suppliers	5,284,235	6,662,748	160,486	161,840	24,547,000	-
Other current liabilities	16,017,641	20,895,647	138,233	113,182	36,668,907	-
Total current liabilities	21,301,876	27,558,395	298,719	275,022	61,215,907	-
Non current liabilities	17,785,663	15,558,086	1,153,224	1,117,847	99,361,705	-
Total liabilities	39,087,539	43,116,481	1,451,943	1,392,869	160,577,612	-
Net assets	13,327,735	14,732,568	1,592,132	1,348,963	30,801,603	-
Participation of the company in the net assets of associates	6,663,873	7,366,285	780,142	660,990	15,370,000	-
Goodwill	757,623	757,623	-	-	6,863,767	-
Equity in net assets of associates	$ 7,421,496	$ 8,123,908	$ 780,142	$ 660,990	$ 22,233,767	$ -

	Unicomer December 31, 2025	Unicomer December 31, 2024	Sfera México December 31, 2025	Sfera México December 31, 2024	Nordstrom December 31, 2025	Nordstrom December 31, 2024
Summarized statement of comprehensive income:						
Revenue	$ 17,692,420	$ 23,907,893	$ 2,393,765	$ 2,353,067	$ 209,494,982	$ -
Interest income	7,041,849	9,865,468	29,557	34,963	6,846,127	-
Depreciation and amortization	(1,095,683)	(1,116,779)	(240,350)	(232,632)	8,292,063	-
Interest expense	(1,487,385)	(2,039,645)	(110,079)	(99,844)	(2,135,993)	-
Income tax expense	(278,668)	(606,367)	(108,969)	(170,931)	(2,414,081)	-
Net income	(229,539)	(230,477)	243,169	400,612	263,495	-
Company's equity in profits of associates	$ (86,446)	$ (109,472)	$ 119,152	$ 196,300	$ 131,487	$ -

11.2 The reconciliation of movements in the investment in associates is as follows:

	Unicomer	Sfera México	Nordstorm	Other	Total
Balance at December 31, 2024	$ 7,277,482	$ 660,678	$ -	$ 3,179,625	$ 11,117,785
Translation effect of investment in associates	1,336,229	-	-	-	1,336,229
Equity method	(109,472)	196,300	-	-	86,828
Dividends	(162,816)	(196,000)	-	-	(358,816)
Capital increase in associates	(216,316)	-	-	336,593	120,277
Other - Net	(1,201)	12	-	(823,064)	(824,253)
Balance at December 31, 2024	8,123,906	660,990	-	2,693,154	11,478,050
Translation effect of investment in associates	(647,898)	-	(1,974,799)	-	(2,622,697)
Equity method	(86,446)	119,152	131,487	-	164,193
Dividends	-	-	(160,172)	-	(160,172)
Capital increase in associates	-	-	24,302,626 (1)	(285,229)	24,017,397
Other - Net	31,934	-	(63,375)	77,819	44,378
Balance at December 31, 2025	$ 7,421,496	$ 780,142	$ 22,233,767	$ 2,485,744	$ 32,921,149

[1] This increase corresponds to a share contribution amounting to $7,455,762, which did not involve any cash outflow, and a cash contribution totaling $16,846,864.

NOTE 12 - INVESTMENT PROPERTIES - NET:

		Amount
Balance at January 1, 2024	$	22,886,294
Acquisitions [1]	$	2,361,029
Disposals		(14,656)
Depreciation		(374,726)
Balance at December 31, 2024	$	24,857,941
Balance at January 1, 2024:		
Cost	$	29,993,395
Accumulated depreciation		(5,135,454)
Balance at December 31, 2024	$	24,857,941
Acquisitions	$	2,268,280
Disposals		(90,706)
Depreciation		(371,036)
Balance at December 31, 2025	$	26,664,479
Balance at January 1, 2025:		
Cost	$	32,170,969
Accumulated depreciation		(5,506,490)
Balance at December 31, 2025	$	26,664,479

[1] Includes the acquisition of the Altama City Shopping Center.

Investment properties include shopping malls, works in progress and other land intended to construct future shopping malls.

The fair value of investment properties of the Company at December 31, 2025 and 2024 amounts to $ 41,989,223 and $36,451,954, respectively, through discounted cash flows, the key assumptions used were the projected annual growth of business and projected cash flow, using an average discount rate of 13.78% (14.9% in 2024), classified as level 3.

The operating costs directly related to the income from leasing investment properties are comprised as follows:

	Year ended December 31,			
		2025		2024
Repairs and maintenance	$	1,121,710	$	1,019,649
Advertising		197,122		178,483
Payroll salaries		169,737		102,854
Real estate taxes and water		101,802		141,385
Hired services		63,634		54,123
Other expenses		7,548		13,469
Electrical power and utilities		9,110		4,647
Rent of equipment		3,913		4,925
Travel expenses		5,543		6,330
Total	$	1,680,119	$	1,525,865

NOTE 13 - PROPERTY, FURNITURE AND EQUIPMENT - NET:

	Land	Buildings	Furniture and equipment	Leasehold improvements	Computer equipment	Transportation equipment	Works in progress 1	Total
At December 31, 2025:								
Beginning balance	$ 6,932,947	$ 34,067,571	$ 8,035,056	$ 5,241,400	$ 865,192	$ 454,066	$ 8,429,173	$ 64,025,405
Acquisitions	-	142,908	1,600,930	112,124	71,427	5,289	4,857,644	6,790,322
Transfers	-	5,688,289	3,259,826	1,014,201	306,586	116,648	(10,385,550)	-
Disposals	-	(4,518)	(92,799)	(237,824)	(2,767)	(8,141)	(17,602)	(363,651)
Depreciation	-	(662,009)	(1,466,343)	(489,970)	(376,421)	(165,457)	-	(3,160,200)
Ending balance	6,932,947	39,232,241	11,336,670	5,639,931	864,017	402,405	2,883,665	67,291,876

	Land	Buildings	Furniture and equipment	Leasehold improvements	Computer equipment	Transportation equipment	Works in progress 1	Total
At December 31, 2025:								
Cost	6,932,947	48,141,006	28,036,158	12,182,592	5,655,522	1,451,180	2,883,665	105,283,070
Accumulated depreciation	-	(8,908,765)	(16,699,488)	(6,542,661)	(4,791,505)	(1,048,775)	-	(37,991,194)
Ending balance	$ 9,932,947	$ 39,232,241	$ 11,336,670	$ 5,639,931	$ 864,017	$ 402,405	$ 2,883,665	$ 67,291,876
At December 31, 2024:								
Beginning balance	$ 6,919,502	$ 33,926,730	$ 7,649,842	$ 4,904,183	$ 841,588	$ 527,855	$ 4,638,219	$ 59,407,919
Acquisitions	-	14,712	170,213	65,574	60,210	7,657	7,571,425	7,889,791
Transfers	13,445	783,085	1,515,053	760,708	338,861	158,591	(3,569,743)	-
Disposals	-	(4,980)	(6,150)	(1,739)	(8,201)	(117,900)	(210,728)	(349,698)
Depreciation	-	(651,976)	(1,293,902)	(487,326)	(367,266)	(122,137)	-	(2,922,607)
Ending balance	6,932,947	34,067,571	8,035,056	5,241,400	865,192	454,066	8,429,173	64,025,405
At December 31, 2024:								
Cost	6,932,947	42,314,327	23,268,201	11,294,091	5,280,276	1,337,384	8,429,173	98,856,399
Accumulated depreciation	-	(8,246,756)	(15,233,145)	(6,052,691)	(4,415,084)	(883,318)	-	(34,830,994)
Ending balance	$ 6,932,947	$ 34,067,571	$ 8,035,056	$ 5,241,400	$ 865,192	$ 454,066	$ 8,429,173	$ 64,025,405

(1) The balance of works in progress at the end of the fiscal year 2025 corresponds to various projects where the Company is building a distribution center and some stores.

NOTE 14 – INTANGIBLE ASSETS - NET:

	Indefinite useful life			Definite useful life		
	Goodwill	Trademarks	Other intangible	Licenses and fees	IT developments	Total
Balance at December 31, 2023	$ 7,481,553	$ 3,668,021	$ 2,108,566	$ 598,120	$ 1,755,820	$ 15,612,080
Movements:						
Investments	-	20,000	-	259,032	1,188,682	1,467,714
Disposals	-	-	-	(2,623)	(6,631)	(9,254)
Amortization	-	-	-	(309,282)	(346,919)	(656,201)
Balance at December 31, 2024	7,481,553	3,688,021	2,108,566	545,247	2,590,952	16,414,339
Movements:						
Investments	-		-	95,549	1,498,415	1,593,964
Disposals	-	-	-	(94)	-	(94)
Amortization	-	-	-	(398,050)	(506,321)	(904,371)
Balance at December 31, 2025	$ 7,481,553	$ 3,688,021	$ 2,108,566	$ 242,652	$ 3,583,046	$ 17,103,838

Impairment test of goodwill, brands and other intangibles

The Company conducts annual tests to determine whether the goodwill, brands and other intangibles, the rights of its brands and other intangibles (CATMex) have suffered any impairment in their value. As of December 31, 2025 and 2024, the Company performed the respective tests without determining any adjustment for impairment.

The Company identified the Suburbia commercial segment as the Cash Generating Unit (CGU), in which goodwill, trademarks and other intangibles with an indefinite life were assigned. The recoverable value of the CGUs is based on calculations of fair value less cost of disposal, which is prepared based on historical results and expectations about the development of the market in the future included in the business plan. The recovery value calculation considers the cash flow projections based on financial budgets approved by Management, and their recovery derived from the pandemic, these cash flows cover a period of eight years (maturity period of the stores) and a terminal period discounted at present value with an estimated discount rate considering the Company's level of leverage.

As of December 31, 2025 and 2024, the excess of fair value less disposal costs over book value amounted to $2,192,609 (7%) and $7,161,066 (25%), respectively. The level of the fair value hierarchy used was level 3.

The determination of the fair value less the cost of disposal requires the use of estimates that consider the assumptions mentioned below:

	2025 (%)	2024 (%)
Discount rate	13.40	13.70
EBITDA margin (terminal value)	22.30	26.11
The expected growth rate of sales (average budgeted)	7.21	10.87
Terminal value growth rate	4.00	3.60

The recoverable amount of this CGU would be equal to its carrying amount if the key assumptions were to change as follows: the discount rate would increase from 13.40% to 13.88%, the EBITDA margin in the terminal value would decrease from 22.30% to 20.57%, the expected average budgeted sales growth rate would decrease from 7.21% to 6.98%, and the terminal growth rate would decrease from 4.00% to 3.19%.

NOTE 15 – FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:

Financial asset at fair value through other comprehensive income comprise:

	December 31,	
	2025	2024
Listed securities of Nordstrom, Inc.	$ -	$ 7,711,748

On September 15, 2022, the Company invested acquired 15,755,000 shares of the North American department store Nordstrom, Inc., for the amount of 295 million of dollars equivalent to $5,943 million pesos, said amount represents 9.90% of the total outstanding shares.

As of December 31, 2025 and 2024, the valuation of these shares generated (loss) gain recognized in other comprehensive income for the amount of ($150,327) and $2,801,150, net of income tax, respectively.

On May 20, 2025, Liverpool acquired significant indirect influence through Nordstrom Holding, which required the reclassification of the fair value investment as an investment in an associate. See Note 11.

The Company's investment in Nordstrom was considered a financial asset at fair value, with changes in fair value recognized through other comprehensive income (OCI). Following the disposal of assets measured at fair value, the Company recognized the gain or loss from other comprehensive income in retained earnings in the same period in which it was incurred. Dividends received from Nordstrom were recognized in profit or loss as other income when the Company's right to receive them arose. From the date the Company acquired the full 49.9% interest in Nordstrom, they were recognized by reducing the carrying amount of the investment in associates.

The dividends generated as of December 31, 2025 and 2024, for said listed shares amounted to $182,173 and $220,076, respectively, which were recognized in the income statement under other income prior to their conversion into an investment in an associate.

NOTE 16 – SUPPLIERS:

	December 31, 2025		2024	
Suppliers without financing agreement	$	35,352,052	$	33,992,586
Suppliers with financing agreement [1]		3,968,405		4,237,756
Total	$	39,320,457	$	38,230,342

[1] The Company has implemented certain financing agreements with suppliers, which allow suppliers to select the documents to be negotiated and these are settled by the financial institutions before the payment terms established by the Company. These programs are characterized by publishing through a platform the discount rates by the different participating financial institutions, the suppliers publish the invoices they wish to collect, the financial institutions make the acceptance and pay the discounted documents to the suppliers. The Company does not benefit from extended payment terms under these agreements, no additional guarantees are granted in relation to these agreements and it is the suppliers who absorb the financial cost. The Company analyzed the terms and conditions described above, based on said analysis it concludes that they continue to be a commercial account payable, therefore in the statement of financial position the balance of these agreements is presented within the line of "Suppliers". For the purposes of the cash flow statement, it has been determined that the amounts are part of the working capital used in the entity's main income-generating activities, therefore it presents the cash outflows to settle the liability in operating activities at the time the entity pays the banking institution. When the terms and conditions of the agreements are similar, the Company groups them for the purposes of its analysis.

As of December 31, 2025 and 2024, the ranges of payment due dates with suppliers that have financing agreements negotiated at the end of the year are between 7 days and 120 days after the date of the original invoice. The ranges of payment due dates for comparable trade payables that are not part of financing agreements with suppliers are in the same ranges.

The carrying amounts of liabilities under supplier financing agreements as of December 31, 2025 and 2024 amount to $3,968,405 and $4,237,756, respectively, which have been paid by the financial intermediary as of that date.

There were no business combinations or material exchange differences affecting liabilities under supplier financing agreements in any of the periods.

The carrying amounts of liabilities under supplier financing agreements are considered to be valued at market values, due to their short-term nature.

NOTE 17 – PROVISIONS:

		Bonuses and compensation paid to employees [1]		Other provisions [2]		Total
At December 31, 2024	$	2,452,164	$	3,067,444	$	5,519,608
Charged to statement of income		7,257,470		5,043,791		12,301,261
Used during the year		(7,335,931)		(4,552,975)		(11,888,906)
At December 31, 2024		2,373,703		3,558,260		5,931,963
Charged to statement of income		5,942,981		5,775,202		11,718,183
Used during the year		(5,590,499)		(4,644,594)		10,235,093
At December 31, 2025	$	2,726,185	$	4,688,868	$	7,415,053

[1] Includes provisions for year end bonuses, sales commissions, vacation accruals, guaranteed profit sharing, and other provisions.

[2] Other provisions include liabilities for services rendered by consultants and maintenance of stores and offices.

NOTE 18 – DEBT:

The Company's debt is comprised as follows:

	December 31, 2025	December 31, 2024
Short-term debt:		
Senior notes	$ 8,940,643	$ -
Interest payable	1,408,133	602,989
	$ 10,348,776	$ 602,989
Long-term debt:		
Stock certificates	$ 13,500,000	$ 13,500,000
Senior notes	17,966,700	10,085,972
	$ 31,466,700	$ 23,585,972

The issuance of stock certificates and senior notes contracted by the Company do not establish the obligation to maintain certain proportions in its financial structure or the compliance with financial ratios; however, they require the Company to comply with certain restrictions for the payment of dividends, mergers, spin-offs, change of corporate purpose, issuance and sale of share capital, capital investments and liens. These obligations are reviewed quarterly. As of December 31, 2025 and 2024, the Company complied with the aforementioned conditions. Management has evaluated and there are no facts or circumstances that indicate a possible breach in the next twelve months.

18.1 Debt securities certificates:

Currently, the Company has placed the following unsecured issues:

Maturity	Interest payable	Interest rate	December 31, 2025	December 31, 2024
Aug 2027	Semiannually	Fixed at 7.94%	$ 3,500,000	$ 3,500,000
Nov 2029	Semiannually	Fixed at 7.96%	5,000,000	5,000,000
Aug 2030	Semiannually	Fixed at 8.03%	5,000,000	5,000,000
			13,500,000	13,500,000
Less - Issues of long-term stock certificates			(13,500,000)	(13,500,000)
Plus - Interest payable			327,615	324,588
Current portion			$ 327,615	$ 324,588

Maturities pertaining to the long-term portion of this liability at December 31, 2025 are as follows:

Maturity	Amount
2027	$ 3,500,000
2029	5,000,000
2030	5,000,000
	$ 13,500,000

The fair value of the stock certificates is as follows:

	December 31, 2025		December 31, 2024	
Maturity date	Book Value	Fair value [1]	Book Value	Fair value [1]
Aug 2027	$ 3,500,000	$ 3,465,315	$ 3,500,000	$ 3,266,795
Nov 2029	5,000,000	5,019,695	5,000,000	5,019,695
Nov 2030	5,000,000	4,773,300	5,000,000	4,347,150
	$ 13,500,000	$ 13,258,310	$ 13,500,000	$ 12,633,640

[1] The fair value of debt securities certificates is determined based on reference to price quotations published in an active market (classified as level 1 in the fair value hierarchy).

18.2 Senior notes

Below are the details of the Senior Notes as of December 31, 2025 and 2024:

Maturity	Interest payable	Interest rate	December 31, 2025		2024	
Oct. 2026 [1]	Semiannually	Fixed at 3.88%	$	8,940,643	$	10,085,972
Oct. 2032 [2]	Semiannually	Fixed at 6.255%		8,983,350		-
Oct. 2037 [2]	Semiannually	Fixed at 6.658%		8,983,350		-
				26,907,343		10,085,972
Less - Long-term senior notes				17,966,700		10,085,972
				8,940,643		-
Plus - Interest payable				1,080,518		278,401
Short-term portion			$	10,021,161	$	278,401

[1] In September 2016, the Company issued Senior Notes in the amount of $15,464,550 (USD$750 million), bearing interest at an annual rate of 3.88% and maturing in 2026. The notes constitute direct obligations of the Company, and its subsidiary Distribuidora Liverpool, S. A. de C. V. acts as guarantor of the payment of such notes.

[2] On January 22, 2025, the Company completed the issuance of debt securities in the international markets (Senior Notes) for a total amount of $20,543,000, equivalent to USD$1,000,000,000, in two tranches. The first tranche, in the amount of USD$500,000,000, bears interest at a rate of 6.255% and matures in 2032, and the second tranche, in the amount of USD$500,000,000, bears interest at a rate of 6.658% and matures in 2037 (the "Notes"). Its subsidiary Distribuidora Liverpool, S. A. de C. V. acts as guarantor of the payment of such Notes. The Company used the proceeds to finance a portion of the Nordstrom acquisition described in Note 1.

The Notes were offered in a private placement to qualified institutional buyers in the United States of America and to persons outside the United States of America pursuant to Rules 144A and S under the U.S. Securities Act of 1933. The Notes have been listed on Euronext Dublin (Global Exchange Market of Euronext Dublin). The Notes have not been and will not be registered with the National Securities Registry maintained by the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores) and have not been publicly offered in Mexico.

The fair value of issuances of Senior Notes is as follows:

Maturity date	December 31, 2025 Book Value		Fair value [1]		2024 Book Value		Fair value [1]	
Oct. 2026	$	8,940,643	$	8,908,993	$	10,085,972	$	9,905,433
Oct. 2032		8,983,350		9,590,355		-		-
Oct. 2037		8,983,350		9,658,898		-		-
	$	26,907,343	$	28,158,246	$	10,085,972	$	9,905,433

[1] The fair value of Senior Notes is determined based on price quotations published in an active market (classified as level 1 in the fair value hierarchy).

A reconciliation of debt as required by IAS 7 "Cash flow statement" is as follows:

	December 31, 2025		2024	
Beginning balance of debt and interest	$	24,188,961	$	27,655,649
Debt contracted in the year		20,543,000		-
Repayments		-		(5,900,910)
Cancellation of derivative interest [1]		(70,702)		-
Foreign exchange variation		(3,721,629)		2,512,238
Interest accrued		4,132,635		2,682,262
Interest paid		(3,256,789)		(2,760,278)
Closing balance of debt and interest	$	41,815,476	$	24,188,961

[1] On January 20, 2025, accrued interest payable to be settled under the trading instrument, amounting to $70,702, was settled. See Note 10.

NOTE 19 – EMPLOYEE BENEFITS:

The value of employee benefit obligations at December 31, 2025 and 2024, amounted to $5,059,473 and $4,180,865, respectively, as follows:

	December 31,			
		2025		2024
Pension plans	$	(2,340,483)	$	(1,960,084)
Seniority premium		(1,537,639)		(1,182,202)
Other employee benefits for voluntary separation or dismissal		(1,181,351)		(1,038,579)
	$	(5,059,473)	$	(4,180,865)

The net cost for the year ended at December 31, 2025 and 2024 are as follows:

	Year ended December 31,			
		2025		2024
Pension plans	$	249,860	$	241,114
Seniority premium		241,393		203,836
Other employee benefits for voluntary separation or dismissal		210,039		196,630
	$	701,292	$	641,580

The amount included as a liability in the consolidated statements of financial position is integrated as follows:

	December 31,			
		2025		2024
Defined benefit obligations	$	(5,059,473)	$	(4,180,865)
Fair value of plan assets		468,429		398,336
Liability in the consolidated balance sheet	$	(4,591,044)	$	(3,782,529)

The movement in the defined benefit obligation is as follows:

	December 31,			
		2025		2024
Beginning balance at January 1	$	(4,180,865)	$	(3,948,704)
Service cost		(330,827)		(310,621)
Interest cost		(411,261)		(360,029)
Actuarial loss		(736,122)		(88,240)
Benefits paid		(599,602)		526,729
Ending balance at December 31	$	(5,059,473)	$	(4,180,865)

The movement in the liability is as follows:

	December 31,			
		2025		2024
Beginning balance at January 1	$	(3,782,529)	$	(3,650,540)
Provision of the year		(701,292)		(641,580)
Actuarial remeasurements		(754,659)		72,858
Company contributions		47,834		(89,998)
Benefits paid		599,602		526,731
Ending balance at December 31	$	(4,591,044)	$	(3,782,529)

The movement in plan assets is as follows:

		2025		2024
Beginning balance at January 1	$	398,336	$	298,164
Financial gain on plan assets		22,718		190,169
Fund contributions		100,042		68,581
Transfer of assets		(52,667)		(158,578)
Ending balance at December 31	$	468,428	$	398,336

Principal categories of plan assets at the end of the reporting period are as follows:

	Fair value of plan assets December 31,			
		2025		2024
Debt instruments	$	117,107	$	99,584
Equity instruments		351,321		298,752
	$	468,428	$	398,336

The expected return on plan assets represents the weighted average expected return for the different categories of plan assets. The Company's assessment of expected yields is based on historical trends and analysts' predictions on the market of assets for the life of related obligations.

The significant actuarial assumptions are as follows:

	December 31,	
	2025	2024
Discount rate	9.25%	10.50%
Inflation rate	3.50%	3.50%
Salary growth rate	4.75%	4.75%
Pension increase rate	4.50%	4.50%

Assumptions concerning future mortality are established based on the actuarial study as per statistics and the published experience of each territory. Those assumptions give rise to the average life expectancy of an individual retiring at age 65.

Retiring at year-end:

	2025	2024
Men	20 years	20 years
Women	22 years	22 years

The sensitivity of the obligation for defined benefits resulting from changes in the weighted average of the main assumptions is as follows:

	Change in assumptions		Increase (decrease) in assumptions			
	2025	2024		2025		2024
Discount rate	0.5%	0.5%	$	(154,507)	$	(118,673)
Rate of salary increases	0.5%	0.5%		229,091		178,526
Pension increase rate	0.5%	0.5%		9,330		7,192
Life expectancy	1.0%	1.0%		(18,217)		(16,672)

The sensitivity analyses above are based on a change in one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (the present value of the defined benefit obligation calculated using the projected unit credit method at the end of the reporting period) has been applied as that used in the calculation of the pension liability recognized in the consolidated statement of financial position.

The methods and types of assumptions used in the sensitivity analysis were the same as those used in the preceding period.

NOTE 20 – LEASES:

20.1. The Company as a lessee:

This note provides information for leases in which the Company is a lessee.

i. Amounts recognized in the consolidated statement of financial position

The status shows the following amounts related to leases:

	December 31, 2025	December 31, 2024
Right-of-use assets:		
Buildings	$ 12,373,616	$ 12,395,754
Furniture and equipment	89,270	73,826
Vehicles	468,008	410,830
	$ 12,930,894	$ 12,880,410
Lease liabilities:		
Current	$ 2,659,728	$ 2,676,760
Non-current	12,352,639	12,108,520
	$ 15,012,367	$ 14,785,280

The additions and derecognition of right-of-use assets during 2025 amounted to $2,605,750 and $749,891, respectively, and in 2024 they amounted to $2,152,801 and $72,657, respectively.

ii. Amounts recognized in the consolidated statement of income

The consolidated statement of income shows the following amounts related to leases:

	Year ended December 31, 2025	Year ended December 31, 2024
Depreciation charge of the right-of-use assets:		
Buildings	$ 1,486,674	$ 1,395,752
Furniture and equipment	138,772	120,257
Vehicles	284,914	228,866
	$ 1,910,360	$ 1,744,875

	Year ended December 31, 2025	Year ended December 31, 2024
Interest expense (included in finance cost)	$ 1,374,191	$ 1,327,885
Expenses relating to short-term leases (included in the cost of sales and administrative expenses)	819,931	835,641
Expenses relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	77,909	86,660
Expense relating to variable lease payments not included in lease liabilities (included in the cost of sales and administrative expenses)	610,912	467,892

The total cash flow for the leases in 2025 and 2024 were $3,002,963 and $2,746,036, respectively.

iii. Leasing activities of the Company and how they are accounted for

The Company rents real estate, furniture and equipment, and vehicles. Rental contracts are usually made for fixed periods of 12 months to 15 years but may have options for extension of time as described in subsection v. below.

Contracts may contain lease and non-lease components. The Company assigns the consideration in the contract to the lease and non-lease components based on their relative independent prices.

The lease terms are negotiated individually and contain a wide range of different terms and conditions. Lease agreements do not impose any covenant apart from the guarantee on leased assets that the lessor maintains. Leased assets cannot be used as collateral for loan purposes.

iv. Variable lease payments

Some of the property leases contain variable payment terms that are linked to the sales generated in a store. For individual stores, up to 100% of lease payments are based on variable payment terms with a percentage range of 2% to 3% of sales. Variable payment terms are used for various reasons, including minimization of the fixed cost base for newly established stores. Variable lease payments that depend on sales are recognized in the statement income in the period when the condition triggers such payments occurs.

v. Extension and termination option

Extension and termination options are included in a series of leases of real estate, furniture and equipment throughout the Company. These are used to maximize operational flexibility in managing the assets used in the Company's operations. Most extension and termination options are held by the Company and not the lessor.

Following is the reconciliation of the lease liability required by IAS 7 "Statement of cash flows":

	December 31,			
		2025		2024
Beginning balance of lease liabilities	$	14,785,280	$	14,123,287
Acquisitions		2,605,750		2,152,801
Disposals		(749,891)		(72,657)
Accrued interest		1,374,191		1,327,885
Principal payment		(1,628,772)		(1,418,151)
Interest paid		(1,374,191)		(1,327,885)
Closing balance of lease liabilities	$	15,012,367	$	14,785,280

20.2 The Company as lessor

Operating leases are related to commercial leases. Lease periods are from one to more than five years. All operating leases over five years contain clauses for review of market income every two years. The contracts do not establish the option for tenants to buy the leased premises at the expiration date of the lease periods.

Below is an analysis of lease revenue:

	Year ended December 31,			
		2025		2024
Fixed rent	$	3,182,323	$	2,939,007
Variable rent		304,124		246,179
Total lease revenue	$	3,486,447	$	3,185,186

Following is an analysis of the minimum annual payments agreed with the lessees in the lease agreements entered into at terms of over one year:

	December 31,			
		2025		2024
Up to 1 year	$	3,303,251	$	3,062,739
From 1 to 5 years		14,516,852		13,595,805
Over 5 years		21,473,211		20,473,119
Total minimum payments agreed	$	39,293,314	$	37,131,663

NOTE 21 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES:

During 2025 and 2024, Grupo Financiero Invex, S. A. de C. V. (Invex) provided the Company with a pension plan and workers' savings fund administration services, as well as with fiduciary services. Invex and the Company share some stockholders. Fees paid to Invex for these services amounted to $7,802 and $6,160 in 2025 and 2024, respectively. At December 31, 2025 and 2024 there were no outstanding balances for these items. During 2025 and 2024, the Company contracted corporate travel services for its employees with Orión Tours, S. A. de C. V. (Orión), whose General Director is Vice-Chairman of the Company's Board of Directors. Fees paid in 2025 and 2024 to Orión amounted to $117,339 and $119,263, respectively. Likewise, 2025 and 2024 the Company contracted car insurance services with Qualitas Controladora, S. A. B. de C.V. (Qualitas) whose Board member is Vice-Chairman of the Company's Board of Directors. Fees paid in 2025 and 2024 to Qualitas amounted to $56,512 and $45,501, respectively. These services and fees were contracted using market conditions. At December 31, 2025 and 2024, no balances were pending to be paid for these items.

Compensation for directors and other key members of management during the year was as following:

	Year ended December 31,	
	2025	2024
Total short-term benefits	$ -	$ 100,269

Compensation paid to directors and key executives is determined by the Financial Review Committee, based on their performance and market trends.

In May 2025, the Company granted Nordstrom Holding a senior term loan in the amount of $7,096,070, payable over a ten-year period, bearing interest at an annual rate of 12% during the first three years, which will increase by an additional 1% per year until repayment, not to exceed 16%. Interest is payable on a quarterly basis, and the principal balance is due at maturity in 2035. The loan was used by Nordstrom Holding to acquire a portion of the shares of Nordstrom and is secured by Nordstrom shares. Accrued and collected interest as of December 31, 2025, related to this loan amounted to $263,870 and was recognized as interest income within investment returns. This loan was repaid on August 22 and October 7, 2025. As of the date of the financial statements, the receivable had been fully settled.

NOTE 22 – STOCKHOLDERS' EQUITY:

22.1 As of December 31, 2025 and 2024, share capital is subscribed and paid in full and is comprised as follows:

	Minimum fixed capital
85.29% of the capital stock is represented by 1,144,750,000 no par value Series 1 shares with voting rights. The remaining 14.71% of the capital stock is represented by 197,446,100 no par value Series C 1 shares without voting rights. The total number of shares outstanding amounts to 1,342,196,100	$ 269,112
Cumulative inflation increase at December 31, 1997	3,105,170
Total	$ 3,374,282

The Board of Directors approved on March 18, 2025, the payment of dividends from the Net Fiscal Income Account ("CUFIN") for $3,959,478. On May 23, 2025, $2,375,307 were paid and in October 2025, $1,583,496 was settled.

The Board of Directors approved on March 12, 2024, the payment of dividends from the CUFIN for $3,958,478. On May 24, 2024, $2,374,751 were paid, and in October 2024, $1,583,496 was settled.

In accordance with IAS 29 "Hyperinflation", an entity must recognize the effects of inflation in the financial information when an economy accumulates 100% inflation in a three-year period. Mexico was considered a hyperinflationary economy until 1997, and for that reason, the Company recognized all the cumulative inflation effects up to that year.

Shareholder	Number of shares of common stock	Percentage ownership of common stock (%)
Banco Nacional de México, S. A., a meber of Grupo Financiero Banamex, through its Fiduciary Division, on behalf of third parties	396,411,150	29.5
Banco INVEX, S. A., Institución de Banca Múltiple, INVEX Grupo Financiero-Trust No. 0387	101,792,301	7.6
Banco INVEX, S. A., Institución de Banca Múltiple, INVEX Grupo Financiero-Trust No. 04165	67,460,443	5.0
Pictet and Cie	63,424,172	4.7
Banco INVEX, S. A., Institución de Banca Múltiple, INVEX Grupo Financiero-Trust No. 0327 A	44,291,070	3.3
Banco INVEX, S. A., Institución de Banca Múltiple, INVEX Grupo Financiero-Trust No. 0327 B	44,291,070	3.3
Banco INVEX, S. A., Institución de Banca Múltiple, INVEX Grupo Financiero-Trust No. 0327 D	44,291,070	3.3
Banco INVEX, S. A., Institución de Banca Múltiple, INVEX Grupo Financiero-Trust No. 0327 E	44,291,068	3.3
Banco INVEX, S. A., Institución de Banca Múltiple, INVEX Grupo Financiero-Trust No. 0327 C	25,717,692	1.9
Other	510,226,064	38.1
Total	1,342,196,100	100

22.2 Capital reserves

Capital reserves are comprised as follows.

	December 31, 2025	December 31, 2024
Reserve for translation effects	$ (939,975)	$ 1,416,709
Legal reserve	582,500	582,500
Reserve for the repurchase of shares [(1)] [(2)]	9,599,580	10,000,502
Investment reserve	94,317	94,312
Reserve for valuation of derivative financial instruments	177,292	273,175
	$ 9,513,714	$ 12,367,198

[(1)] During 2025, the Company repurchased in the market 11,409,083 Series C 1 shares at prices ranging from $85.57 to $106.87. The total purchase amount was $1,114,407, to which transaction costs before taxes of $1,114 were added. Likewise, the Company sold in the market 7,123,952 Series C 1 shares at prices ranging from $85.50 to $106.79. The total proceeds from the sale amounted to $689,965, to which transaction costs before taxes of $690 were added.

[(2)] During 2024, the Company repurchased in the market 22,409,740 Series C 1 shares at prices ranging from $99.88 to $148.57. The total purchase amount was $2,802,280, to which transaction costs before taxes of $2,799 were added. Likewise, the Company sold in the market 22,519,740 Series C 1 shares at prices ranging from $98.14 to $148.41. The total proceeds from the sale amounted to $2,788,812, to which transaction costs before taxes of $2,795 were added.

The treasury share reserve represents the reserve authorized by the Shareholders' Meeting that allows the Company to repurchase its own shares in accordance with certain criteria established in the bylaws and in the Mexican Securities Market Law.

At the Ordinary General Shareholders' Meeting held on March 12, 2024, shareholders resolved to increase the treasury share reserve up to $10,000,000.

The balance of the treasury share reserve as of December 31, 2025 and 2024 amounted to $9,599,580 and $10,000,502, respectively.

22.3 The reconciliation of the foreign currency translation reserve related to associates is shown below:

At January 1, 2024	$	478,796
Traslation effect of the period		937,913
At December 31, 2024		1,416,709
Traslation effect of the period		(2,356,684)
At December 31, 2025	$	(939,975)

22.4 The reconciliation of the financial instruments valuation reserve is shown below:

At January 1, 2024	$	134,315
Plus: Change in fair value of hedging instrument		2,648,425
Less: Reclassification of OCI to results		(2,509,565)
At December 31, 2024		273,175
Plus: Change in fair value of hedging instrument		1,590,411
Less: Reclassification of OCI to results		(1,686,294)
At December 31, 2025	$	177,292

The income of the year is subject to the legal provision that requires at least 5% of the income of each year to be used to increase the legal reserve until it is equal to one-fifth of the amount of paid-in capital.

22.5 The reconciliation of the number of shares at the beginning and end of the period is shown below:

	Number of shares of common stock		Total
At December 31, 2023	1,342,196,100	$	3,374,283
Own shares acquired	(22,409,740)		(2,802,280)
Own shares sold	22,519,740		2,788,812
Other movements	(110,000)		13,467
At December 31, 2024	1,342,196,100		3,374,282
Own shares acquired	(11,409,083)		(1,114,408)
Own shares sold	7,123,952		689,965
Shares held by the Company	4,285,131		424,443
At December 31, 2025	1,342,196,100	$	3,374,282

	December 31, 2025	2024
Average weighted number of ordinary shares to determine the basic earnings per share	1,342,092,645	1,342,196,100

The holding company does not have dilutive instruments that impact basic earnings per share.

22.6 The balances of the tax accounts of stockholders' equity are:

		December 31, 2025		2024
Capital contributions account	$	161,034,248	$	159,010,161
After-tax earnings account (CUFIN)		262,374,436		240,308,151
Reinvested after tax earnings account (CUFINRE)		207,831		200,435
Total	$	423,616,515	$	399,518,747

22.7 Tax provisions related to stockholders' equity:

Dividends to be paid will be free from income tax if they come from the CUFIN. Any dividends paid in excess of CUFIN and reinvested CUFIN (CUFINRE) will cause a tax equivalent to 42.86%. The current tax is payable by the Company and may be credited against its current income tax of the year or the year on which it is paid. The remaining amount may be credited in the following two fiscal years against the tax of the year or against the provisional payments. Dividends paid coming from profit previously taxed by income tax will not be subject to tax withholding or additional tax payment. Income tax law sets the obligation of keeping CUFIN with profit generated up to December 31, 2013, and starting another CUFIN with profit generated from January 1, 2014.

NOTE 23 – INCOME TAX:

23.1 The income tax for the period is calculated by applying a 30% rate on the taxable profit. The income tax is integrated as follows:

	Year ended December 31,	
	2025	2024
Income tax	$ 7,133,879	$ 9,374,725
Deferred income tax	(844,316)	(419,655)
	$ 6,289,563	$ 8,955,070

Movements in deferred tax were as follows:

	December 31,	
	2025	2024
At January 1	$ 5,219,482	$ 6,025,763
Effect on the statement of income	844,316	419,655
Effect on the other comprehensive income	536,049	(1,225,936)
At December 31	$ 6,599,847	$ 5,219,482

23.2 The deferred tax balance is composed as follows:

	December 31,	
	2025	2024
Deferred income tax asset:		
Tax loss carryforwards	$ 1,561,394	$ 1,568,809
Lease liabilities	4,500,046	4,434,674
Provision for credit losses	3,017,988	2,423,833
Provisions, employee benefits and others	2,420,699	2,583,389
Inventories	294,812	268,493
Cash flows hedges	145,913	49,343
Investment in share of associates	581,672	354,813
Other items	324,233	335,935
	12,846,757	12,019,289

	31 de diciembre de	
	2025	2024
Deferred income tax liability:		
Real estate and property, furniture and equipment	689,918	822,684
Right of use assets	3,875,041	3,862,661
Intangible assets	1,277,581	1,273,985
Prepayments	271,524	210,369
Financial asset at fair value through other comprehensive income	-	530,525
Supplies	41,069	26,977
Other items	91,777	72,606
	6,246,910	6,799,807
Deferred income tax	6,599,847	5,219,482
Asset tax recoverable	10,398	9,092
Total deferred income tax asset	$ 6,610,245	$ 5,228,574

Net movements of deferred tax assets and liabilities during the year are explained below:

	Tax loss carryforward	Provision for credit losses	Provisions Employees benefits and others	Lease liability	Right of use assets	Investment properties, furniture and equipment	Investment in shares of associates	Inventories	Intangibles	Other	Total
At January 1, 2024	$ 1,706,372	$ 1,995,505	$ 2,982,777	$ 4,331,985	$ (3,756,207)	$ (1,167,031)	$ 587,862	$ 244,337	$ (1,307,486)	$ (507,649)	$ 6,025,763
Charged / credited to the statement of income	(137,563)	428,328	(411,066)	202,689	(106,454)	344,347	1,004,948	24,156	33,501	(963,231)	419,655
Other comprehensive income	-	-	11,678	-	-	-	(1,237,997)	-	-	383	(1,225,936)
At December 31, 2024	1,568,809	2,423,833	2,583,389	4,434,674	(3,862,661)	(822,684)	354,813	268,493	(1,273,985)	(455,199)	5,219,482
Charged / credited to the statement of income	(7,415)	594,155	(389,154)	65,372	(12,380)	132,766	(37,574)	26,319	(3,596)	475,823	844,316
Other comprehensive income	-	-	226,464	-	-	-	264,433	-	-	45,152	536,049
At December 31, 2025	$ 1,561,394	$ 3,017,988	$ 2,420,699	$ 4,500,046	$ (3,875,041)	$ (689,918)	$ 581,672	$ 294,812	$ (1,277,581)	$ 65,776	$ 6,599,847

The deferred tax due to the existence of undistributed earnings in the subsidiaries has not been recognized because the Company is able to control the timing of the reversal of the temporary differences associated with the investments or such gains are not subject to income tax payment come from the CUFIN.

At December 31, 2025, the Company has unamortized tax loss carryforwards for income tax purposes, to be indexed in the year in which they are applied, for a restated amount of:

Year	Amortizable tax loss
2030	$ 3,134,708
2031	1,802,016
2032	888
2033	264,582
	$ 5,202,194

In determining deferred income tax at December 31, 2025 and 2024, the Company applied to temporary differences, the applicable rates according to their estimated date of reversal.

23.3 The reconciliation of the legal income tax rate and the effective rate, stated as a percentage of the profit before income tax, is as follows.

	Year ended December 31,			
		2025		2024
Profit before income tax	$	23,456,676	$	32,124,736
Statutory rate		30%		30%
Income tax at statutory rate	$	7,037,003	$	9,637,421
Plus (less) effects of taxes of the following items:				
Non-deductible expenses	$	551,721	$	557,939
Non-taxable income		(625,138)		(483,412)
Annual inflation adjustment taxable deductible		(149,086)		(234,054)
Equity in the results of associates		49,258		118,614
Investment property, furniture and equipment		(988,995)		(940,086)
Cost of sales update		(97,521)		(134,063)
Dividends received from abroad		21,143		48,845
Update of tax losses		(64,246)		(73,131)
Other permanent items		555,424		456,997
Income tax	$	6,289,563	$	8,955,070
Effective income tax rate		27%		28%

NOTE 24 – SEGMENT INFORMATION:

Segment information is reported based on the information used by the Financial Review Committee in making strategic and operating decisions. An operating segment is defined as a component of an entity in which there is separate financial information that is evaluated regularly.

IFRS 8 requires disclosure of assets and liabilities pertaining to one segment, if measurement is regularly provided to the decision-making body; however, with respect to the Company, the Financial Review Committee only evaluates the performance of the operating segments based on an analysis of income and operating profit, but not of each segment's assets and liabilities.

Liverpool commercial segment

Includes the sale of clothing and accessories for men, women and children, household goods, furniture, cosmetics and other consumer products through department stores that operate under the name Liverpool, "Liverpool Duty-Free and boutiques such as "Banana Republic", "GAP", "Pottery Barn", "West Elm" and "Williams-Sonoma". It also includes the operations of our website www.liverpool.com.mx, Liverpool pocket, marketplace and phone sales. The store formats of this segment are mainly focused on the income population A, B and C +, according to the National Statistical and Geography Institute (INEGI) criteria.

Suburbia commercial segment

Includes the Suburbia stores and the operative division of purchases, commercial planning, product design and commercialization (CATMex). Suburbia offers a wide selection of products but mainly its own brands such as Weekend, Non-Stop, Contempo, La Mode, Metropolis and Gianfranco Dunna in the stores and our website www.suburbia.com.mx, focused on the population of income C and D +, according to the INEGI criteria.

Real estate segment

The real estate segment is an important complement for the Liverpool commercial segment. The Company operates shopping centers known as "Galerías", through which it leases commercial spaces to tenants dedicated to a wide variety of businesses that provide a greater number of potential customers for departmental warehouses. Also designs and develops store expansion and remodeling projects, shopping centers and other facilities.

Credit segment

The credit segment is an important complement to the Liverpool and Suburbia commercial segment. The Company finances its clients in the form of "Liverpool and Suburbia" departmental credit cards, which customers can buy exclusively at Company stores. Additionally, the Company operates the "LPC" and "Suburbia" credit cards, the former can be used to acquire goods and services both in the chain's stores and boutiques and in any store throughout the world operating with VISA cards.

24.1 Income and results per segment

The Company reports its results for each operating segment at the income, costs and expenses, and operating profit level. The other income statement items are not assigned, as they are managed on a corporate level.

The following is an analysis of income and results per segment to be reported:

Year ended at December 31, 2025	Commercial				
	Liverpool	Suburbia	Credit	Real Estate	Consolidated
Net income	$ 176,622,511	$ 25,012,737	$ 22,214,495	$ 5,286,852	$ 229,136,595
Provision for credit losses	-	-	(6,246,575)	-	(6,246,575)
Depreciation and amortization	(4,555,691)	(1,400,026)	-	(390,251)	(6,345,968)
Cost and expenses	(157,795,801)	(22,352,965)	(4,966,270)	(1,974,054)	(187,089,090)
Total cost and expenses	(162,351,492)	(23,752,990)	(11,212,845)	(2,364,305)	(199,681,633)
Operating income	$ 14,271,019	$ 1,259,746	$ 11,001,650	$ 2,922,547	$ 29,454,962
Timing of revenue recognition					
Over time	$ 176,622,511	$ 25,012,737	$ -	$ 1,800,405	$ 203,435,652

Year ended at December 31, 2024	Commercial				
	Liverpool	Suburbia	Credit	Real Estate	Consolidated
Net income	$ 167,017,151	$ 23,708,137	$ 19,258,877	$ 4,863,706	$ 214,847,871
Provision for credit losses	-	-	(4,545,492)	-	(4,545,492)
Depreciation and amortization	(3,972,369)	(1,348,710)	-	(382,326)	(5,703,405)
Cost and expenses	(145,903,326)	(20,634,740)	(4,429,363)	(1,777,407)	(172,744,836)
Total cost and expenses	(149,875,695)	(21,983,450)	(8,974,855)	(2,159,733)	(182,993,733)
Operating income	$ 17,141,456	$ 1,724,687	$ 10,284,022	$ 2,703,973	$ 31,854,138
Timing of revenue recognition					
Over time	$ 167,017,151	$ 23,708,137	$ -	$ 1,678,520	$ 192,403,808

The information disclosed in each segment is shown net of eliminations corresponding to transactions conducted between Group companies. Inter-segment results and transactions are eliminated at the consolidated level, forming part of the Group's final consolidation. This form of presentation is the same as that used by Management in its periodic review processes of the Company's performance.

Operating income is the key performance metric for management, which is reported on a monthly basis to the Company's Corporate Governance.

24.2 Geographic information

The information by geographic segments of the Company is reported using the following zones:

	Year ended December 31,	
	2025	2024
Ciudad de México and Estado de México	$ 65,621,739	$ 64,058,361
Hidalgo, Puebla, Morelos, Guerrero, Veracruz and Tlaxcala	33,859,458	31,310,649
Nuevo León, Tamaulipas, Chihuahua, Coahuila, Sinaloa, Sonora and Durango	32,950,270	30,758,349
Jalisco, Michoacán, Colima and Nayarit	25,498,793	23,604,916
Chiapas, Tabasco, Quintana Roo, Yucatán, Campeche and Oaxaca	24,260,932	23,087,744
Guanajuato, Querétaro, Aguascalientes, Zacatecas and San Luis	20,758,627	19,521,312
Other	26,186,776	22,506,540
Total	$ 229,136,595	$ 214,847,871

NOTE 25 – COSTS AND EXPENSES BY NATURE:

The cost of sales and administration expenses are comprised as shown below:

	Year ended December 31,			
		2025		2024
Cost of merchandise	$	128,023,090	$	119,666,685
Cost of distribution and logistics		8,963,260		6,502,151
Inventory reserve		1,742,999		1,530,385
		138,729,349		127,699,221
Personnel compensation and benefits		29,157,004		26,575,941
Services contracted		7,144,098		5,886,597
Depreciation and amortization		6,345,968		5,703,405
Provision for credit losses		6,246,575		4,545,492
Repairs and maintenance		3,267,502		3,054,421
Electrical power		1,313,875		1,308,902
Supplies		1,825,882		1,732,826
Advertising		2,909,232		2,602,025
Other [(1)]		2,742,148		3,884,903
Total	$	199,681,633	$	182,993,733

[(1)] Includes, among others, insurance premiums, travel expenses and property tax.

Personnel compensation benefits are comprised as follows:

	Year ended December 31,			
		2025		2024
Salary and bonds	$	24,729,755	$	22,437,711
Commissions paid to sales staff		3,416,852		3,280,437
Other payments		1,010,397		857,793
	$	29,157,004	$	26,575,941

NOTE 26 – CONTINGENCIES AND COMMITMENTS:

a) Contingencies

The Company is involved in various lawsuits and claims arising from the normal course of its operations, none of which is of importance, both individually and in aggregate, so it is expected that they will not have an important effect on your financial situation and future consolidated operating results.

b) Commitments

During 2018, the Company signed a 15-year electricity purchase and sale agreement with one of the subsidiaries of Infraestructura Energética Nova, S. A. B. de C. V. (IEnova), for the power plant located in Sonora.

In 2019, another agreement was signed with IEnova for a period of 15 years for the purchase and sale of electric power, said power plant is located in Chihuahua.

NOTE 27 — SUBSEQUENT EVENTS:

Issuance of Debt Securities (Seniors Notes)

During February 2026, the Company placed debt securities in international markets (Senior Notes) for a total amount of US$500,000,000, which will accrue interest at a rate of 5.750% and mature in 2038 (the "Securities"). The Securities were issued on February 3, 2026, and are guaranteed by its subsidiary, Distribuidora Liverpool, S. A. de C. V. The Company intends to use the net proceeds from this issuance to repay the debt maturing in 2026.

The Securities were the subject of a private offering directed to qualified institutional investors in the United States of America and to persons outside the United States of America in accordance with Rules 144A and Regulation S of the Securities Act of 1933 of the United States of America. The Securities have been listed on the Euronext Dublin Stock Exchange (Global Exchange Market of Euronext Dublin).

The Securities have not been and will not be registered with the National Securities Registry maintained by the National Banking and Securities Commission and have not been publicly offered in Mexico.

NOTE 28 — AUTHORIZATION OF ISSUANCE OF CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements were authorized for issuance on February 19, 2026, by the Board of Directors and are subject to approval by the stockholders' meeting.

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This 2025 annual report may include certain expectations regarding the results of El Puerto de Liverpool, S.A.B. de C.V. and its subsidiaries. These projections are based on Management's assessments and on current information known to the Company; however, expectations may vary depending on events and circumstances beyond the control of El Puerto de Liverpool, S.A.B. de C.V. and its subsidiaries.