

Quarterly Information (ITR)

Magazine Luiza S.A.

March 31, 2022
with Independent Auditor's Review Report

Magazine Luiza S.A.

Individual and consolidated financial statements

March 31, 2022

Contents

| | |
|--|----|
| Independent auditor's review report on quarterly information | 1 |
| Audited individual and consolidated financial statements | |
| Statements of financial position | 5 |
| Statements of profit or loss | 7 |
| Statements of comprehensive income | 8 |
| Statements of changes in equity | 9 |
| Statements of cash flows | 10 |
| Statements of value added | 11 |
| Notes to quarterly information | 12 |



São Paulo Corporate Towers
Av. Presidente Juscelino Kubitschek, 1.909
6º ao 10º andar - Vila Nova Conceição
04543-011 - São Paulo - SP - Brasil

Tel: +55 11 2573-3000
ey.com.br

A free translation from Portuguese into English of Independent Auditor's Review Report on quarterly information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)

Independent auditor's review report on quarterly information (ITR)

To the Shareholders, Board of Directors and Officers

Magazine Luiza S.A.

Franca - SP

Introduction

We have reviewed the individual and consolidated interim financial information of Magazine Luiza S.A. ("Company") contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2022, which comprises the statement of financial position as at March 31, 2022 and the related statements of profit or loss, of comprehensive income, of changes in equity, and of cash flows for the three-month period then ended, including explanatory information.

The executive board is responsible for preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the CVM.

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the three-month period ended March 31, 2022, prepared under the responsibility of the Company's executive board, and presented as supplementary information for IAS 34 purposes. These statements were subject to review procedures conducted jointly with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, pursuant to such standard and consistently with the individual and consolidated interim financial information taken as a whole.

Audit of corresponding figures

The Company's individual and consolidated financial statements as of December 31, 2021 and the individual and consolidated interim financial information for the three-month period ended March 31, 2021, presented for comparative purposes, were audited and reviewed, respectively, by another independent auditor, who issued unmodified audit and review reports dated March 14, 2022 and May 13, 2021, respectively.

São Paulo, May 13, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6



Alexandre Rubio
Accountant CRC-1SP223361/O-2

Magazine Luiza S.A.

Statements of financial position
 March 31, 2022 and December 31, 2021
 (In thousands of reais - R\$)

| | Note | Individual | | Consolidated | |
|--|------|-------------------|------------|-------------------|------------|
| | | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 579,533 | 1,458,754 | 1,407,204 | 2,566,218 |
| Marketable securities | 6 | 584,427 | 1,556,211 | 584,427 | 1,556,371 |
| Accounts receivable | 7 | 2,762,578 | 3,928,531 | 4,801,071 | 5,650,759 |
| Inventories | 8 | 6,870,322 | 7,873,544 | 8,077,255 | 9,112,214 |
| Accounts receivable from related parties | 9 | 3,461,072 | 4,201,742 | 2,887,052 | 3,707,284 |
| Taxes recoverable | 10 | 1,154,812 | 1,151,721 | 1,316,808 | 1,279,257 |
| Income and social contribution taxes recoverable | 11 | 216,693 | 205,312 | 250,086 | 234,886 |
| Other assets | | 133,574 | 136,516 | 267,369 | 402,821 |
| Total current assets | | 15,763,011 | 20,512,331 | 19,591,272 | 24,509,810 |
| Noncurrent assets | | | | | |
| Accounts receivable | 7 | - | 17,351 | 14,166 | 17,351 |
| Taxes recoverable | 10 | 1,585,315 | 1,408,706 | 1,679,734 | 1,551,556 |
| Deferred income and social contribution taxes | 11 | 1,067,417 | 874,232 | 1,114,080 | 915,111 |
| Judicial deposits | 22 | 974,660 | 935,329 | 1,277,107 | 1,189,894 |
| Other assets | | 105,241 | 175,902 | 310 | 184,816 |
| Investments in subsidiaries | 12 | 4,282,890 | 4,099,575 | - | - |
| Investments in jointly-controlled entities | 13 | 377,532 | 407,780 | 377,532 | 407,780 |
| Right of use - lease | 14 | 3,359,747 | 3,324,747 | 3,396,711 | 3,362,998 |
| Property and equipment | 15 | 1,814,204 | 1,777,788 | 1,982,862 | 1,938,713 |
| Intangible assets | 16 | 758,805 | 728,998 | 4,327,448 | 4,306,587 |
| Total noncurrent assets | | 14,325,811 | 13,750,408 | 14,169,950 | 13,874,806 |
| Total assets | | 30,088,822 | 34,262,739 | 33,761,222 | 38,384,616 |

| | Note | Individual | | Consolidated | |
|---|------|--------------------|-------------|--------------------|-------------|
| | | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Trade accounts payable | 17 | 5,473,332 | 9,108,542 | 6,248,478 | 10,098,944 |
| Partners and other deposits | 18 | - | - | 1,488,933 | 1,418,897 |
| Loans and financing | 19 | 145,013 | 44,100 | 494,447 | 407,968 |
| Salaries, vacation pay and social charges | | 225,632 | 237,270 | 376,392 | 370,176 |
| Taxes payable | | 105,505 | 146,332 | 198,615 | 239,595 |
| Accounts payable to related parties | 9 | 173,045 | 195,894 | 114,746 | 125,302 |
| Lease | 14 | 418,373 | 415,329 | 439,675 | 433,834 |
| Deferred revenue | 20 | 39,157 | 39,157 | 50,405 | 50,329 |
| Dividends payable | | 41,434 | 41,434 | 41,434 | 41,434 |
| Other accounts payable | 21 | 1,007,330 | 1,535,455 | 1,429,698 | 2,070,710 |
| Total current liabilities | | 7,628,821 | 11,763,513 | 10,882,823 | 15,257,189 |
| Noncurrent liabilities | | | | | |
| Loans and financing | 19 | 6,411,540 | 6,368,605 | 6,417,077 | 6,384,904 |
| Taxes payable | | 4,614 | 4,614 | 7,836 | 24,274 |
| Lease | 14 | 3,049,424 | 2,996,959 | 3,069,353 | 3,020,844 |
| Deferred income and social contribution taxes | 11 | - | - | 100,951 | 113,899 |
| Provision for tax, civil, and labor contingencies | 22 | 739,503 | 717,977 | 1,111,483 | 1,154,109 |
| Deferred revenue | 20 | 221,046 | 234,210 | 231,291 | 245,258 |
| Other accounts payable | 21 | 915,630 | 915,630 | 822,164 | 922,908 |
| Total noncurrent liabilities | | 11,341,757 | 11,237,995 | 11,760,155 | 11,866,196 |
| Total liabilities | | 18,970,578 | 23,001,508 | 22,642,978 | 27,123,385 |
| Equity | | | | | |
| Capital | 23 | 12,352,498 | 12,352,498 | 12,352,498 | 12,352,498 |
| Capital reserve | | (1,619,483) | (1,637,055) | (1,619,483) | (1,637,055) |
| Treasury shares | | (1,448,170) | (1,449,159) | (1,448,170) | (1,449,159) |
| Legal reserve | | 137,442 | 137,442 | 137,442 | 137,442 |
| Income reserve | | 1,856,665 | 1,856,665 | 1,856,665 | 1,856,665 |
| Equity adjustments | | 591 | 840 | 591 | 840 |
| Net loss for the period | | (161,299) | - | (161,299) | - |
| Total equity | | 11,118,244 | 11,261,231 | 11,118,244 | 11,261,231 |
| Total liabilities and equity | | 30,088,822 | 34,262,739 | 33,761,222 | 38,384,616 |

See accompanying notes.

Magazine Luiza S.A.

Statements of profit or loss
 Quarters ended March 31, 2022 and 2021
 (In thousands of reais - R\$)

| | Note | Individual | | Consolidated | |
|---|----------|--------------------|-------------|--------------------|-------------|
| | | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| Net sales revenue | 24 | 7,136,590 | 7,529,680 | 8,762,176 | 8,252,813 |
| Cost of goods resold and services rendered | 25 | (5,290,173) | (5,690,187) | (6,330,426) | (6,182,711) |
| Gross profit | | 1,846,417 | 1,839,493 | 2,431,750 | 2,070,102 |
| Operating income (expenses) | | | | | |
| Selling expenses | 26 | (1,332,924) | (1,308,121) | (1,589,233) | (1,420,206) |
| General and administrative expenses | 26 | (214,963) | (173,658) | (352,387) | (225,556) |
| Credit impairment losses | | (60,332) | (32,765) | (61,139) | (33,807) |
| Depreciation and amortization | 14 15 16 | (210,098) | (148,646) | (265,059) | (178,326) |
| Equity pickup | 12 13 | 52,773 | 91,959 | (7,953) | 22,958 |
| Other operating income, net | 26 27 | (82,856) | 216,944 | (81,531) | 282,098 |
| | | (1,848,400) | (1,354,287) | (2,357,302) | (1,552,839) |
| Operating income (loss) before finance income (costs) | | (1,983) | 485,206 | 74,448 | 517,263 |
| Finance income | | 181,464 | 31,077 | 204,694 | 33,591 |
| Finance costs | | (533,965) | (181,738) | (626,804) | (203,919) |
| Finance income (costs) | 28 | (352,501) | (150,661) | (422,110) | (170,328) |
| Income (loss) before income and social contribution taxes | | (354,484) | 334,545 | (347,662) | 346,935 |
| Current and deferred income and social contribution taxes | 11 | 193,185 | (75,905) | 186,363 | (88,295) |
| Net income (loss) for the period | | (161,299) | 258,640 | (161,299) | 258,640 |
| Earnings (loss) per share | | | | | |
| Basic (reais per share) | 23 | (0.024) | 0.040 | (0.024) | 0.040 |
| Diluted (reais per share) | 23 | (0.024) | 0.040 | (0.024) | 0.040 |

See accompanying notes.

Magazine Luiza S.A.

Statements of comprehensive income
Quarters ended March 31, 2022 and 2021
(In thousands of reais - R\$)

| | Individual and Consolidated | |
|--|--|-------------------|
| | 03/31/2022 | 03/31/2021 |
| Net income (loss) for the period | (161,299) | 258,640 |
| Items that may be subsequently reclassified to profit or loss: | | |
| Investments valued under the equity method - share in other comprehensive income (OCI) | (377) | (7,696) |
| Tax effects | 128 | 3,193 |
| Total items that may be subsequently reclassified to profit or loss | (249) | (4,503) |
| Total comprehensive income (loss) for the period, net of taxes | (161,548) | 254,137 |
| Attributable to: | | |
| Controlling shareholders | (161,548) | 254,137 |

See accompanying notes.

Magazine Luiza S.A.

Statements of changes in equity
 Quarters ended March 31, 2022 and 2021
 (In thousands of reais - R\$)

| | | | | | | Income reserve | | | | | |
|--|------|------------|-----------------|-----------------|---------------|--------------------------------------|-------------------------------|-----------------------|----------------------------------|--------------------|------------|
| | Note | Capital | Capital reserve | Treasury shares | Legal reserve | Reserve for working capital increase | Additional dividends proposed | Tax incentive reserve | Net income (loss) for the period | Equity adjustments | Total |
| Balances at January 1, 2021 | | 5,952,282 | 390,644 | (603,681) | 122,968 | 1,003,374 | 130,194 | 318,355 | - | 11,151 | 7,325,287 |
| Stock option plan | | - | 25,204 | - | - | - | - | - | - | - | 25,204 |
| Treasury shares acquired | | - | - | (358,846) | - | - | - | - | - | - | (358,846) |
| Treasury shares disposed of | | - | (24,871) | 19,032 | - | - | - | - | - | - | (5,839) |
| Consideration for acquisition | | - | 30,750 | - | - | - | - | - | - | - | 30,750 |
| Net income for the period | | - | - | - | - | - | - | - | 258,640 | - | 258,640 |
| | | - | 31,083 | (339,814) | - | - | - | - | 258,640 | - | (50,091) |
| Other comprehensive income: | | | | | | | | | | | |
| Equity adjustments | | - | - | - | - | - | - | - | - | (4,503) | (4,503) |
| Balances at March 31, 2021 | | 5,952,282 | 421,727 | (943,495) | 122,968 | 1,003,374 | 130,194 | 318,355 | 258,640 | 6,648 | 7,270,693 |
| Balances at December 31, 2021 | | 12,352,498 | (1,637,055) | (1,449,159) | 137,442 | 582,635 | 58,749 | 1,215,281 | - | 840 | 11,261,231 |
| Stock option plan | 23 | - | 18,614 | - | - | - | - | - | - | - | 18,614 |
| Treasury shares disposed of or delivered in stock option plans | 23 | - | (1,042) | 989 | - | - | - | - | - | - | (53) |
| Net loss for the period | 23 | - | - | - | - | - | - | - | (161,299) | - | (161,299) |
| | | - | 17,572 | 989 | - | - | - | - | (161,299) | - | (142,738) |
| Other comprehensive income: | | | | | | | | | | | |
| Equity adjustments | | - | - | - | - | - | - | - | - | (249) | (249) |
| Balances at March 31, 2022 | | 12,352,498 | (1,619,483) | (1,448,170) | 137,442 | 582,635 | 58,749 | 1,215,281 | (161,299) | 591 | 11,118,244 |

See accompanying notes.

Magazine Luiza S.A.

Statements of cash flows Quarters ended March 31, 2022 and 2021 (In thousands of reais - R\$)

| | Note | Individual | | Consolidated | |
|---|----------|-------------|-------------|--------------|-------------|
| | | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| Cash flows from operating activities | | | | | |
| Net income (loss) for the period | | (161,299) | 258,640 | (161,299) | 258,640 |
| Adjustments to reconcile net income for the period to cash from operating activities: | | | | | |
| Income and social contribution taxes recognized in P&L | 11 | (193,185) | 75,905 | (186,363) | 88,295 |
| Depreciation and amortization | 14 15 16 | 210,098 | 148,646 | 265,059 | 178,326 |
| Accrued interest on loans, financing and lease | 14 19 | 244,880 | 61,874 | 256,449 | 62,373 |
| Gain (loss) on marketable securities | | (18,531) | (4,778) | (18,531) | (4,778) |
| Equity pickup | 12 13 | (52,773) | (91,959) | 7,953 | (22,958) |
| Changes in provision for losses on accounts receivable and inventories | 7 8 | 87,308 | 54,425 | 88,280 | 53,956 |
| Provision for tax, civil, and labor contingencies | 22 | 21,858 | (197,629) | 25,788 | (257,181) |
| Gain on disposal of property and equipment | 27 | 298 | 147 | 298 | 349 |
| Appropriation of deferred revenue | 27 | (13,164) | (13,164) | (13,891) | (13,864) |
| Stock option plan expenses | | 12,166 | 26,139 | 12,166 | 26,139 |
| Net income for the period | | 137,656 | 318,246 | 275,909 | 369,297 |
| (Increase) decrease in operating assets: | | | | | |
| Accounts receivable | | 1,114,199 | 1,153,148 | 782,942 | 1,012,246 |
| Marketable securities | | 990,315 | 479,639 | 990,475 | 481,163 |
| Inventories | | 985,019 | (915,767) | 1,016,610 | (900,484) |
| Accounts receivable from related parties | | 693,996 | 593,349 | 773,559 | 688,387 |
| Taxes recoverable | | (191,081) | (89,884) | (180,929) | (81,620) |
| Judicial deposits | | (39,331) | (110,094) | (87,213) | (136,761) |
| Other assets | | (93,032) | 8,835 | 197,238 | (21,000) |
| Changes in operating assets | | 3,460,085 | 1,119,226 | 3,492,682 | 1,041,931 |
| Increase (decrease) in operating liabilities: | | | | | |
| Trade accounts payable | | (3,635,210) | (1,097,401) | (3,850,466) | (1,431,015) |
| Partners and other deposits | | - | - | 70,036 | 38,193 |
| Salaries, vacation pay and social charges | | (11,638) | 2,271 | 8,316 | 20,024 |
| Taxes payable | | (40,879) | (164,459) | (136,829) | (200,945) |
| Accounts payable to related parties | | (22,849) | (81,158) | (10,556) | (94,121) |
| Other accounts payable | | 71,141 | (243,645) | (137,552) | (240,674) |
| Cash from operating activities | | (3,639,435) | (1,584,392) | (4,057,051) | (1,908,538) |
| Income and social contribution taxes paid | | | | | |
| Dividends received | | - | (5,475) | (13,263) | (19,321) |
| Cash flows from (used in) operating activities | | 70,220 | 29,454 | 70,220 | 29,454 |
| | | (28,526) | (122,941) | (231,503) | (487,177) |
| Cash flows from investing activities | | | | | |
| Acquisition of P&E | 14 15 | (87,969) | (92,408) | (99,978) | (94,686) |
| Acquisition of intangible assets | 16 | (58,901) | (58,234) | (74,587) | (65,945) |
| Capital increase at subsidiary | 12 | (50,837) | (246,087) | - | - |
| Payment for acquisition of subsidiary, net of cash acquired | | (498,286) | - | (498,286) | (37,081) |
| Cash flows used in investing activities | | (695,993) | (396,729) | (672,851) | (197,712) |
| Cash flows from financing activities | | | | | |
| Loans and financing raised | 19 | - | 800,000 | - | 800,000 |
| Repayment of loans and financing | 19 | (2,200) | (805,402) | (30,651) | (805,402) |
| Payment of interest on loans and financing | 19 | (31,684) | (27,517) | (38,889) | (27,568) |
| Payment of lease | 14 | (105,780) | (69,774) | (111,921) | (72,505) |
| Payment of interest on lease | 14 | (72,090) | (50,849) | (73,199) | (51,348) |
| Treasury shares disposed of (acquired) | | - | (199,795) | - | (199,795) |
| Cash flows used in (from) financing activities | | (211,754) | (353,337) | (254,660) | (356,618) |
| Increase (decrease) in cash and cash equivalents | | | | | |
| | | (879,221) | (873,007) | (1,159,014) | (1,041,507) |
| Cash and cash equivalents at beginning of period | | | | | |
| | | 1,458,754 | 1,281,569 | 2,566,218 | 1,681,376 |
| Cash and cash equivalents at end of the period | | | | | |
| | | 579,533 | 408,562 | 1,407,204 | 639,869 |
| Increase (decrease) in cash and cash equivalents | | | | | |
| | | (879,221) | (873,007) | (1,159,014) | (1,041,507) |

See accompanying notes.

Magazine Luiza S.A.

Statements of value added
 Quarters ended March 31, 2022 and 2021
 (In thousands of reais - R\$)

| | Individual | | Consolidated | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| Revenues | | | | |
| Sales of goods, products and services | 8,242,594 | 8,819,968 | 10,629,440 | 9,657,563 |
| Allowance for doubtful accounts, net of reversals | (60,332) | (32,765) | (61,139) | (33,807) |
| Other operating income | 26,652 | 372,941 | 51,487 | 433,091 |
| | 8,208,914 | 9,160,144 | 10,619,788 | 10,056,847 |
| Bought-in inputs | | | | |
| Cost of goods resold and services rendered | (5,564,111) | (6,323,627) | (6,589,554) | (6,810,768) |
| Materials, energy, third-party services and other expenses | (1,104,169) | (1,059,417) | (1,776,715) | (1,132,569) |
| Loss/recovery of receivables | (22,807) | (23,181) | (23,495) | (26,467) |
| | (6,691,087) | (7,406,225) | (8,389,764) | (7,969,804) |
| Gross value added | 1,517,827 | 1,753,919 | 2,230,024 | 2,087,043 |
| Depreciation and amortization | (210,098) | (148,646) | (265,059) | (178,326) |
| Net value added produced by the Company | 1,307,729 | 1,605,273 | 1,964,965 | 1,908,717 |
| Value added received in transfer | | | | |
| Equity pickup | 52,773 | 91,959 | (7,953) | 22,958 |
| Finance income | 181,464 | 31,077 | 204,694 | 33,591 |
| Total value added to be distributed | 1,541,966 | 1,728,309 | 2,161,706 | 1,965,266 |
| Distribution of value added | | | | |
| Personnel and charges: | | | | |
| Salaries | 429,996 | 395,234 | 594,875 | 443,143 |
| Benefits | 77,171 | 87,419 | 102,576 | 105,172 |
| Unemployment Compensation Fund (FGTS) | 43,332 | 32,488 | 61,970 | 39,753 |
| | 550,499 | 515,141 | 759,421 | 588,068 |
| Taxes, charges and contributions: | | | | |
| Federal | 41,024 | 100,652 | 186,494 | 188,028 |
| State | 531,686 | 625,587 | 676,064 | 666,864 |
| Local | 19,823 | 18,808 | 32,992 | 26,138 |
| | 592,533 | 745,047 | 895,550 | 881,030 |
| Debt remuneration: | | | | |
| Interest | 510,184 | 161,008 | 599,753 | 164,948 |
| Rent | 26,702 | 28,518 | 30,654 | 31,226 |
| Other | 23,347 | 19,955 | 37,627 | 41,354 |
| | 560,233 | 209,481 | 668,034 | 237,528 |
| Equity remuneration: | | | | |
| Retained profit (loss) | (161,299) | 258,640 | (161,299) | 258,640 |
| | 1,541,966 | 1,728,309 | 2,161,706 | 1,965,266 |

See accompanying notes.

Magazine Luiza S.A.

Notes to quarterly information
March 31, 2022
(In thousands of reais - R\$)

1. Operations

Magazine Luiza S.A. ("Company") is a publicly-held corporation listed under the special segment called "Novo Mercado" of B3 S.A. – Brasil, Bolsa, Balcão, under ticker symbol "MGLU3" and is primarily engaged in the retail sale, through physical stores, e-commerce and its SuperApp, which is an application that offers products and services from Magazine Luiza, its subsidiaries, as well as from commercial partners ("sellers") through the marketplace platform. Its jointly-controlled entities (Note 13) offer loans, financing and insurance services to customers. It is headquartered in the city of Franca, São Paulo state, and its parent and holding company is LTD Administração e Participação S.A.

Magazine Luiza S.A. and its subsidiaries are hereinafter referred to as "Company" for purposes of this report, unless otherwise stated.

As at March 31, 2022, the Company owned 1,477 stores and 24 distribution centers (1,481 stores and 26 distribution centers as at December 31, 2021) located in all regions in Brazil. The Company also operated on the e-commerce websites www.magazineluiza.com.br, www.epocacosmeticos.com.br, www.netshoes.com.br, www.zattini.com.br, www.shoestock.com.br, www.kabum.com.br, and their respective mobile applications, as well as through AiQfome, Tónolucro and Plus Delivery food delivery applications.

On May 13, 2022, the Board of Directors authorized the issue of these interim financial statements.

2. Presentation and preparation of interim financial statements

2.1. Accounting policies

The quarterly financial information is presented in thousands of reais ("R\$"), which is the Company's functional and presentation currency.

The individual and consolidated quarterly information was prepared in accordance with accounting pronouncement CPC 21 (R1) and IAS 34 (Interim financial reporting), and is presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Accounting practices, policies and key accounting judgments and sources of uncertainty about estimates adopted in the preparation of the individual and consolidated quarterly information are consistent with those adopted and disclosed in the notes to the financial statements for the year ended December 31, 2021, which disclosed on March 10, 2022, and should be read together.

Magazine Luiza S.A.

Notes to quarterly information (Continued)
March 31, 2022
(In thousands of reais - R\$)

2. Presentation and preparation of interim financial statements (Continued)

2.1. Accounting policies (Continued)

The objective of the statement of value added (SVA) is to present information on the wealth created by the Company and its subsidiaries and its distribution over a given period, and is presented as required by the rules issued by the CVM, given that it is not provided for or mandatory under IFRS.

Management adopts the accounting policy of presenting interest paid as financing activities and dividends received as operating activities in the Statement of Cash Flows.

2.2. Impacts related to the Covid-19 pandemic

The spread of Covid-19 has affected business and economic activities on a global scale since the beginning of 2020. Since the beginning of the pandemic, the Company established an internal Contingency Committee that monitors its evolution, making important decisions, having elected three priorities: the health and safety of its employees, the continuity of operations, and the maintenance of jobs.

Considering these three pillars to face the crisis, the Company took certain measures and made assessments in line with CVM/SNC Memorandum Circulars No. 02 and 03/2020, analyzing the key risks and uncertainties arising from Covid-19 in relation to its financial statements. These analyses are described in the 2021 financial statements, which should be read together with this interim financial information.

In the three-month period ended March 31, 2022, the Company did not find any indication of impairment of its assets. Additionally, on the date of disclosure of this interim information, all of the Company's physical stores were operating normally.

3. New standards, amendments and interpretations of standards

The amended standards and effective interpretations for the year beginning on January 1, 2022 did not affect this interim financial information. A number of other reviews of standards and interpretations are underway by the IASB and the Company will assess them in due course.

Magazine Luiza S.A.

Notes to quarterly information (Continued)
 March 31, 2022
 (In thousands of reais - R\$)

4. Notes to financial statements as of December 31, 2020 that are not presented in this quarterly information

The quarterly information is presented in accordance with accounting pronouncements CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), in compliance with the provisions contained in CVM/SNC/SEP Memorandum Circular No. 003/2011 of April 28, 2011. The preparation of this quarterly information involves judgment by the Company's management in connection with the relevance and changes that should be disclosed in the explanatory notes. Accordingly, this interim information presents selected explanatory notes and does not include all explanatory notes presented in the financial statements for the year ended December 31, 2021. As permitted by Memorandum Circular No. 03/2011, from the Brazilian Securities and Exchange Commission (CVM), the following explanatory notes and their references to the financial statements as of December 31, 2021 are not presented:

- Significant accounting policies and practices (Note 3); and
- Significant accounting judgments and sources of uncertainties in estimates (Note 4).

5. Cash and cash equivalents

| | Rates | Individual | | Consolidated | |
|-------------------------------|-------------------------------|----------------|------------------|------------------|------------------|
| | | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| Cash | | 94,283 | 37,732 | 95,086 | 38,775 |
| Banks | | 48,430 | 73,410 | 85,873 | 750,450 |
| Bank deposit certificates | From 70% to 101% of the CDI | 436,820 | 1,347,612 | 1,188,673 | 1,742,161 |
| Non-boutique investment funds | From 92.5% to 100% of the CDI | - | - | 37,572 | 34,832 |
| Total | | 579,533 | 1,458,754 | 1,407,204 | 2,566,218 |

Credit risk and sensitivity analyses are described in Note 30.

6. Marketable securities

| Financial assets | Rates | Individual | | Consolidated | |
|-------------------------------|----------------|----------------|------------------|----------------|------------------|
| | | 03/31/2022 | 12/31/2022 | 03/31/2022 | 12/31/2022 |
| Non-boutique investment fund | 97% of the CDI | 13,143 | 12,734 | 13,143 | 12,734 |
| Boutique investment fund: | | | | | |
| Repurchase agreements | (a) | 160,611 | 27,512 | 160,611 | 27,512 |
| Federal government securities | | 410,673 | 1,515,965 | 410,673 | 1,516,125 |
| Total | | 584,427 | 1,556,211 | 584,427 | 1,556,371 |

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

6. Marketable securities (Continued)

- (a) These refer to boutique fixed income investment funds. As of March 31, 2022 and December 31, 2021, the portfolio comprised the investments described in the table above, which are linked to securities and financial transactions and referenced to the variation of the Interbank Deposit Certificate (CDI), with the objective of returning to the average yield of 100% of the CDI for the Company.

Credit risk and sensitivity analyses are described in Note 30.

7. Accounts receivable

| | Individual | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 03/31/2022 | 12/31/2022 | 03/31/2022 | 12/31/2021 |
| Trade accounts receivable: | | | | |
| Credit cards (a) | 1,864,269 | 3,111,344 | 3,676,452 | 4,618,014 |
| Debit cards (a) | 14,841 | 9,417 | 18,578 | 14,396 |
| Own installment sales plan (b) | 847,404 | 789,111 | 847,404 | 789,111 |
| Customer services (c) | 176,770 | 166,625 | 187,371 | 208,837 |
| Other receivables (d) | 33,662 | 44,139 | 237,235 | 182,588 |
| Total trade accounts receivable | 2,936,946 | 4,120,636 | 4,967,040 | 5,812,946 |
| From commercial agreements (e) | 318,887 | 295,757 | 359,361 | 343,837 |
| Allowance for expected credit losses | (182,682) | (151,426) | (200,592) | (169,588) |
| Present value adjustment | (310,573) | (319,085) | (310,572) | (319,085) |
| Total | 2,762,578 | 3,945,882 | 4,815,237 | 5,668,110 |
| Current assets | 2,762,578 | 3,928,531 | 4,801,071 | 5,650,759 |
| Noncurrent assets | - | 17,351 | 14,166 | 17,351 |

Days sales outstanding is of 37 and 46 days, individual and consolidated, respectively, as of March 31, 2022 (27 and 33 days, individual and consolidated, respectively, as of December 31, 2021).

- (a) Accounts receivable from sales made through credit and debit cards, which the Company receives from the buyers in amounts, terms and number of installments defined at the time of sale of the products. The consolidated information includes receivables from buyers transacted through Magalu Pagamentos, to be transferred to the partners (sellers) as described in Note 18. As of March 31, 2022, the Company recorded credits assigned to buyers and financial institutions amounting to R\$3,447,434 (R\$2,656,104 as of December 31, 2021), individual, and R\$5,773,188 (R\$5,165,898 as of December 31, 2021), consolidated, on which a discount ranging from 105% to 123% of the CDI is applied. Through assignment of receivables from cards, the Company transfers to the buyers and financial institutions all risks from customer receivables and, thus, settles the amounts receivable related to these credits.
- (b) Refers to receivables from sales financed by the Company and by other financial institutions.
- (c) Refers substantially to sales intermediated by the Company for Luizaseg and Cardif do Brasil Seguros e Garantias S.A. The Company allocates to its partners the extended warranty and other insurance, in full, in the month following the sale, and receives from customers in accordance with the agreed transaction term. Additionally, receivables for marketplace services and other services are allocated to this account.
- (d) Refers mostly to receivables for transportation services of subsidiaries Magalog and GFL Logística to third parties, as well as services rendered and entries in Hub Fintech's payment accounts.
- (e) Refers to bonuses to be received from suppliers, arising from the fulfillment of the purchase volume, as well as from agreements that define the share of suppliers in disbursements related to advertising and marketing (joint advertising).

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

7. Accounts receivable (Continued)

Changes in provision for impairment of credits are as follows:

| | Individual | | Consolidated | |
|------------------------|------------------|------------|------------------|------------|
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| Opening balance | (151,426) | (95,832) | (169,588) | (115,207) |
| (+) Additions | (69,105) | (167,496) | (69,931) | (174,278) |
| (-) Write-offs | 37,849 | 111,902 | 38,927 | 119,897 |
| Closing balance | (182,682) | (151,426) | (200,592) | (169,588) |

The credit risk analysis is detailed in Note 30.

The aging list of trade accounts receivable and receivables from commercial agreements is as follows:

| | Trade accounts receivable | | | | From commercial agreements | | | |
|---------------------|---------------------------|------------|------------------|------------|----------------------------|------------|----------------|------------|
| | Individual | | Consolidated | | Individual | | Consolidated | |
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| Falling due: | | | | | | | | |
| Within 30 days | 258,002 | 217,534 | 535,272 | 517,617 | 32,653 | 40,577 | 38,551 | 57,714 |
| 31 to 60 days | 183,297 | 151,049 | 293,034 | 477,441 | 30,665 | 52,469 | 36,291 | 75,429 |
| 61 to 90 days | 186,779 | 167,493 | 275,356 | 417,431 | 16,378 | 52,238 | 16,378 | 52,970 |
| 91 to 180 days | 1,235,940 | 867,283 | 2,175,583 | 1,095,766 | 210,123 | 53,630 | 210,123 | 53,630 |
| 181 to 360 days | 926,991 | 2,556,412 | 1,511,013 | 3,118,855 | 10,000 | 63,710 | 10,000 | 63,710 |
| More than 361 days | 40,635 | 52,636 | 41,416 | 60,598 | - | 263 | - | 288 |
| | 2,831,644 | 4,012,407 | 4,831,674 | 5,687,708 | 299,819 | 262,887 | 311,343 | 303,741 |
| Overdue: | | | | | | | | |
| Within 30 days | 3,853 | 31,573 | 13,330 | 32,628 | 5,297 | 19,670 | 8,147 | 22,223 |
| 31 to 60 days | 46,728 | 20,500 | 46,728 | 22,041 | 2,145 | 7,480 | 7,859 | 10,740 |
| 61 to 90 days | 3,712 | 16,239 | 3,712 | 16,239 | 1,711 | 1,133 | 3,599 | 1,133 |
| 91 to 180 days | 51,009 | 39,917 | 71,596 | 54,330 | 9,915 | 4,587 | 28,413 | 6,000 |
| | 105,302 | 108,229 | 135,366 | 125,238 | 19,068 | 32,870 | 48,018 | 40,096 |
| Total | 2,936,946 | 4,120,636 | 4,967,040 | 5,812,946 | 318,887 | 295,757 | 359,361 | 343,837 |

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

8. Inventories

| | Individual | | Consolidated | |
|--------------------------------|------------------|------------|------------------|------------|
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| Goods for resale | 6,983,439 | 7,971,149 | 8,189,993 | 9,210,072 |
| Consumption materials | 28,492 | 44,921 | 48,706 | 65,698 |
| Provision for inventory losses | (141,609) | (142,526) | (161,444) | (163,556) |
| Total | 6,870,322 | 7,873,544 | 8,077,255 | 9,112,214 |

As of March 31, 2022, the Company recorded inventories of goods for resale given in guarantee of legal proceedings, under enforcement, in the approximate amount of R\$21,834 (R\$21,846 as of December 31, 2021).

Changes in the provision for inventory losses are shown below:

| | Individual | | Consolidated | |
|---------------------------------|------------------|------------|------------------|------------|
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| Opening balance | (142,526) | (90,108) | (163,556) | (101,178) |
| Set-up of provision | (18,203) | (505,891) | (18,349) | (519,663) |
| Inventories written off or sold | 19,120 | 453,473 | 20,461 | 457,285 |
| Closing balance | (141,609) | (142,526) | (161,444) | (163,556) |

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

9. Transactions with related parties (Continued)

| Reconciliation | Individual | | Consolidated | |
|--|------------------|------------|------------------|------------|
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| Accounts receivable from related parties | 3,461,072 | 4,201,742 | 2,887,052 | 3,707,284 |
| Accounts payable to related parties | (173,045) | (195,894) | (114,746) | (125,302) |
| | 3,288,027 | 4,005,848 | 2,772,306 | 3,581,982 |

- (I) Transactions with Luizacred, jointly-controlled entity with Banco Itaúcard S.A., refer to the following activities:
- Receivables with private label credit cards and finance costs with advance of such receivables;
 - Balance receivable from the sale of financial products to customers by Luizacred, received by the Company;
 - Commissions on services provided monthly by the Company, including attraction of new customers, management and administration of consumer credit transactions, control and collection of financing granted, indication of insurance linked to financial services and products. The amounts payable (current liabilities) refer to the receipt of customer installments at the Company's store cashiers, which are transferred to Luizacred;
- (II) The amounts receivable (current assets) and revenues of Luizaseg, jointly-controlled entity with NCVP Participações Societárias S.A., a subsidiary of Cardif do Brasil Seguros e Previdência S.A., arise from commissions on services provided monthly by the Company, relating to the sale of extended warranties and proposed dividends. The amounts payable (current liabilities) refer to transfers of extended warranties sold, to Luizaseg, in full, on the month following the sale.
- (III) The amounts of Netshoes, a wholly-owned subsidiary, refer to commissions for sales made via the Parent Company's Marketplace platform.
- (IV) Transactions with Época Cosméticos, a wholly-controlled subsidiary, refer to the cost of acquisition of goods for resale and also sales commissions through the Parent Company's Marketplace platform.
- (V) The amounts receivable (current assets) from Consórcio Luiza (LACs), a wholly-owned subsidiary, refer to proposed dividends and commissions for sales made by the Parent Company as an agent for consortium operations. The amounts payable (current liabilities) refer to unrealized onlending operations to LACs relating to consortia installments received by the Parent Company through cashiers at the points of sale.
- (VI) Transactions with "Magalog," a wholly-owned subsidiary, refer to freight expenses.
- (VII) Transactions with Magalu Pagamentos, a wholly-owned subsidiary, refer to commissions receivable for sales in its marketplace, as well as fees for the use of the sub-acquisition operation offered by Magalu Pagamentos.
- (VIII) Refers to provision of system development services by the subsidiary Luizalabs Computação e Sistemas de Informação Ltda.
- (IX) Transactions with MTG Administração, Assessoria e Participações S.A., controlled by the same controlling shareholders of the Company, refer to expenses with rent of commercial buildings for establishment its stores, as well as distribution centers, central office, and reimbursement of expenses.
- (X) Transactions with PJD Agropastoril Ltda., a company controlled by the Company's indirect controlling shareholders, refer to expenses with truck rentals for freight of goods.
- (XI) Transactions with LH Agropastoril, Administração Participações Ltda., controlled by the same controlling shareholders of the Company, refer to expenses with rent of commercial buildings.
- (XII) Transactions with ETCO Sociedade em Conta de Participação, whose participating partner is a company controlled by the chairman of the Company's Board of Directors, refer to contracts for provision of publicity and advertising services, including transfers related to broadcasting, media production and graphic creation services.
- (XIII) Refers to investments, redemptions and income from boutique investment funds (ML Renda Fixa Crédito Privado FI and FI Caixa ML RF Longo Prazo - see Note 6 – Marketable securities).

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

9. Transactions with related parties (Continued)

(XIV) Transactions with In Loco Tecnologia da Informação S.A., investee of the Company's indirect controlling shareholders, providing geolocation services to users of Magazine Luiza's application.

a) Management compensation

| | 03/31/2022 | | 03/31/2021 | |
|---------------------------------|--------------------|-----------------|--------------------|-----------------|
| | Board of Directors | Statutory Board | Board of Directors | Statutory Board |
| Fixed and variable compensation | 1,014 | 1,666 | 1,217 | 2,597 |
| Stock option plan | 3,274 | 5,971 | 4,917 | 10,697 |

The Company does not offer post-employment benefits, severance pay, or other long-term benefits. Short-term benefits for the statutory board correspond to those granted to the other Company employees, and certain eligible employees are beneficiaries of an incentive plan linked to shares, as mentioned in Note 23. The Company's internal policy determines the payment of Profit Sharing to its employees. These amounts are accrued on a monthly basis by the Company, according to estimated achievement of goals. Total management remuneration was approved at the Annual General Meeting held on April 18, 2022, in which the limit of R\$59,394 was forecast for 2022.

10. Taxes recoverable

| | Individual | | Consolidated | |
|--------------------------------|------------------|------------------|------------------|------------------|
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| ICMS recoverable (a) | 2,226,280 | 2,001,716 | 2,287,155 | 2,052,515 |
| PIS and COFINS recoverable (b) | 510,234 | 555,098 | 702,676 | 771,339 |
| Other | 3,613 | 3,613 | 6,711 | 6,959 |
| Total | 2,740,127 | 2,560,427 | 2,996,542 | 2,830,813 |
| Current assets | 1,154,812 | 1,151,721 | 1,316,808 | 1,279,257 |
| Noncurrent assets | 1,585,315 | 1,408,706 | 1,679,734 | 1,551,556 |

(a) Refer to accumulated credits of own ICMS and by tax substitution, arising from the application of diversified rates in interstate receiving and shipping operations. These credits are realized by means of request for refund and offset of debts of the same nature with states of origin of the credit.

The Company is a party to lawsuits in different states challenging the use of amounts of refund of State VAT – Tax Substitution (ICMS/ST) arising from sales to end consumers for an amount lower than the presumed tax base of periods prior to the *erga omnes* effect granted by the Federal Supreme Court (STF) on the matter in 2016, for which the final and unappealable decision is expected for the coming months. Considering the procedural progress, the Company reached the understanding that a favorable outcome for these suits is practically certain, and obtained legal opinions from its advisors confirming this understanding. Accordingly, restated credits of R\$539,796 were recognized in 2021, of which R\$348,383 refers to principal and R\$191,413 to monetary restatement.

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

10. Taxes recoverable (Continued)

- (b) In 2019, a final favorable decision was handed down on the proceedings claiming the right to exclude State VAT (ICMS) from the tax bases of Contribution Tax on Gross Revenue for Social Integration Program (PIS) and Contribution Tax on Gross Revenue for Social Security Financing (COFINS), regarding Magazine Luiza S.A. and its merged company FS Vasconcelos Ltda. Two lawsuits were filed in 2007, ensuring the right to recognize tax credits in the statute of limitation period from 2002 to 2014, and another lawsuit was filed in 2017, ensuring the right to the credit for the period after Law No. 12973/14. The recorded amount for these lawsuits was R\$1,190,050, of which R\$ 713,455 refers to principal and R\$476,595 to monetary restatement.

Also in 2019, a final decision was handed down for subsidiary Netshoes on the same issue. The lawsuit was filed in 2014 and ensures the tax credit from 2009 to 2014 totaling R\$119,035, of which R\$73,093 refers to principal and R\$45,942 to monetary restatement.

The measurement of credits related to these proceedings was determined with the support of legal and tax advisors, considering the periods indicated above and the Company's right to exclude ICMS from the PIS and COFINS tax bases without any restrictions, since the decisions that have become final guarantee that all the ICMS required from the Company should be excluded from the PIS and COFINS tax bases, regardless of the collection method, according to the legal advisors.

Offset of the credits occurs as the validations take place via administrative procedures with the Brazilian IRS.

11. Income and social contribution taxes

- a) Income and social contribution taxes recoverable

| | Individual | | Consolidated | |
|---|----------------|------------|----------------|------------|
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| IRPJ and CSLL recoverable (a) | 173,658 | 173,658 | 192,272 | 189,924 |
| Withholding Income Tax (IRRF) recoverable | 43,035 | 31,654 | 57,814 | 44,962 |
| Total | 216,693 | 205,312 | 250,086 | 234,886 |

- (a) Considering the progress of discussions and case laws on the application of Supplementary Law No. 160/2017, the Company, together with its legal and tax advisors, reviewed its application considering ICMS tax incentives and benefits as investment grants, without distinction in relation to their form of granting. As such, previously unused income and social contribution tax credits on net income were recognized in the amount of R\$168,190, of which R\$155,342 refers to principal and R\$12,848 to monetary restatement, for the periods from 2017 to 2020, based on the evaluation that a favorable outcome is possible in case of inquiries, tending to probable, according to ICPC 22 – Uncertainty over Income Tax Treatments (equivalent to IFRIC 23). Accordingly, the Company reviewed its tax calculations and recorded a posting against current and deferred income and social contribution taxes in P&L for the year. The offset of tax credits will be made against income and social contribution taxes or other federal taxes.

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

11. Income and social contribution taxes (Continued)

b) Reconciliation of the tax effect on income before income and social contribution taxes

| | Three-month period ended | | | |
|--|--------------------------|------------|------------------|------------|
| | Individual | | Consolidated | |
| | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| Income (loss) before income and social contribution taxes | (354,484) | 334,545 | (347,662) | 346,935 |
| Current statutory rate | 34% | 34% | 34% | 34% |
| Expected income and social contribution tax debit at current rates | 120,525 | (113,745) | 118,205 | (117,958) |
| Reconciliation to effective rate (effects of application of tax rates): | | | | |
| Exclusion - equity pickup | 17,943 | 31,266 | (2,704) | 7,806 |
| Deferred IRPJ and CSLL not accrued on tax losses | - | - | 13,046 | 14,747 |
| Effect of government grant (1) | 19,060 | 8,316 | 22,069 | 10,854 |
| Exclusion of monetary restatement of undue tax payments (2) | 37,187 | - | 37,187 | - |
| Other permanent exclusions, net | (1,530) | (1,742) | (1,440) | (3,744) |
| Income and social contribution tax credit (debit) | 193,185 | (75,905) | 186,363 | (88,295) |
| Current | - | (226) | (25,113) | (23,687) |
| Deferred | 193,185 | (75,679) | 211,476 | (64,608) |
| Total | 193,185 | (75,905) | 186,363 | (88,295) |
| Effective rate | 54.5% | 22.7% | 53.6% | 25.5% |

(1) As mentioned in item "a" above, the Company, in performing its regular activities, takes advantage of a series of tax benefits granted by the states. Based on the concept brought by Supplementary Law No. 160/2017, these benefits are considered investment grants and, according to CPC 07 – Government grants and assistance, they are recorded in P&L for the year.

(2) On September 24, 2021, in a decision of the Federal Supreme Court with recognized *erga omnes* effect, the levy of IRPJ and CSLL on amounts related to the Selic rate received due to repetition of undue tax payment was declared unconstitutional. The Company has a writ of mandamus, dated before the judgment of the Federal Supreme Court, whose subject matter is precisely the recognition of the illegitimacy of the levy of IRPJ and CSLL on Selic in tax credits. Based on the decision of the STF, the Company permanently excluded these amounts from the tax base, considering that it is likely that the decision will be accepted by the tax authorities, pursuant to ICPC 22 – Uncertainty over Income Tax Treatments (equivalent to IFRIC 23).

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

11. Income and social contribution taxes (Continued)

c) Breakdown of and changes in the balances of deferred income and social contribution tax assets and liabilities

Deferred tax

| | Individual | | | Consolidated | | |
|---|--------------------------|----------------------|--------------------------|--------------------------|----------------------|--------------------------|
| | Balance at 12/31/2021 | Income (expenses) | Balance at 03/31/2022 | Balance at 12/31/2021 | Income (expenses) | Balance at 03/31/2022 |
| Deferred income and social contribution taxes on: | | | | | | |
| Income and social contribution tax losses | 503,823 | 170,579 | 674,402 | 547,235 | 175,626 | 722,861 |
| Allowance for expected credit losses | 51,485 | 10,627 | 62,112 | 51,485 | 10,627 | 62,112 |
| Provision for inventory losses | 48,459 | (312) | 48,147 | 48,762 | (312) | 48,450 |
| Provision for present value adjustments | 80,605 | (5,592) | 75,013 | 80,605 | (5,592) | 75,013 |
| Provision for tax, civil, and labor contingencies | 220,466 | 6,742 | 227,208 | 336,353 | 6,742 | 343,095 |
| Provision for stock option plan | 109,602 | 4,538 | 114,140 | 109,602 | 4,538 | 114,140 |
| Temporary differences on leases | 70,026 | 7,499 | 77,525 | 70,026 | 7,499 | 77,525 |
| Temporary differences on fair value in acquisitions | (41,679) | - | (41,679) | (294,344) | 13,061 | (281,283) |
| Judicial deposits | 628 | (11) | 617 | 628 | (11) | 617 |
| Deferred tax credits | (169,164) | - | (169,164) | (169,164) | - | (169,164) |
| Other provisions | (19) | (885) | (904) | 20,024 | (261) | 19,763 |
| Deferred income and social contribution tax assets (liabilities) | 874,232 | 193,185 | 1,067,417 | 801,212 | 211,917 | 1,013,129 |

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

11. Income and social contribution taxes (Continued)

c) Breakdown of and changes in the balances of deferred income and social contribution tax assets and liabilities (Continued)

Deferred tax (Continued)

| | Individual | | Consolidated | | | | |
|---|--------------------------|----------------------|--------------------------|--------------------------|----------------------|-------------------------|--------------------------|
| | Balance at 12/31/2020 | Income (expenses) | Balance at 03/31/2021 | Balance at 12/31/2020 | Income (expenses) | Business combination | Balance at 03/31/2021 |
| Deferred income and social contribution taxes on: | | | | | | | |
| Income and social contribution tax losses | - | 43,314 | 43,314 | 19,334 | 50,572 | - | 69,906 |
| Allowance for expected credit losses | 32,583 | 5,272 | 37,855 | 32,583 | 5,272 | - | 37,855 |
| Provision for inventory losses | 30,637 | 3,329 | 33,966 | 30,940 | 3,329 | - | 34,269 |
| Provision for present value adjustments | 17,092 | 7,789 | 24,881 | 17,092 | 7,789 | - | 24,881 |
| Provision for tax, civil, and labor contingencies | 200,447 | 3,279 | 203,726 | 291,113 | 3,279 | (16) | 294,376 |
| Provision for stock option plan | 69,392 | 8,217 | 77,609 | 69,392 | 8,217 | - | 77,609 |
| Temporary differences on fair value in acquisitions | (41,679) | - | (41,679) | (161,284) | - | - | (161,284) |
| Judicial deposits | (11,394) | (439) | (11,833) | (11,394) | (439) | - | (11,833) |
| Deferred tax credits | (186,184) | (144,495) | (330,679) | (186,184) | (144,495) | - | (330,679) |
| Other provisions | 53,153 | (1,945) | 51,208 | 70,301 | 1,868 | - | 72,169 |
| Deferred income and social contribution tax assets (liabilities) | 164,047 | (75,679) | 88,368 | 171,893 | (64,608) | (16) | 107,269 |

(1) Refers to temporary exclusions from the income and social contribution tax bases related to recognition of tax credits, the tax benefits of which are observed at a time other than upon recognition.

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

11. Income and social contribution taxes (Continued)

c) Breakdown of and changes in the balances of deferred income and social contribution tax assets and liabilities (Continued)

Breakdown of deferred income and social contribution taxes by company

| | Balance at 12/31/2021 | Deferred tax assets | Deferred tax liabilities | Balance at 03/31/2022 |
|---------------------|----------------------------------|--------------------------------|-------------------------------------|----------------------------------|
| Individual | 874,232 | 1,067,417 | - | 1,067,417 |
| Netshoes | (10,105) | - | (2,618) | (2,618) |
| KaBuM | (84,164) | | (81,389) | (81,389) |
| Consórcio Luiza | 795 | 933 | - | 933 |
| Época Cosméticos | 10,176 | 10,717 | - | 10,717 |
| Magalog | 26,759 | 30,830 | - | 30,830 |
| Softbox | 3,004 | 4,183 | - | 4,183 |
| Magalu Pagamentos | (19,485) | - | (16,944) | (16,944) |
| Consolidated | 801,212 | 1,114,080 | (100,951) | 1,013,129 |

The balance of deferred income and social contribution tax assets recorded is limited to amounts whose realization is supported by projections of future taxable bases, approved by management.

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

12. Investments in subsidiaries

a) Changes in investments in subsidiaries

Changes in investments in direct subsidiaries presented in the individual financial statements are as follows:

Position at 03/31/2022

| Subsidiary | Ownership interest | | Assets | | Liabilities | | Capital | Equity | Net revenue | Net income (loss) |
|-------------------|--------------------------|------|-----------|------------|-------------|------------|---------|---------|-------------|-------------------|
| | Shares/units of interest | % | Current | Noncurrent | Current | Noncurrent | | | | |
| Netshoes | 1,514,532,428 | 100% | 708,834 | 547,227 | 652,683 | 215,917 | 623,161 | 387,461 | 492,060 | (12,380) |
| KaBuM | 1,976,774 | 100% | 1,079,130 | 129,596 | 730,261 | 110,400 | 861,020 | 368,065 | 785,477 | 51,333 |
| Época Cosméticos | 34,405,475 | 100% | 131,773 | 106,896 | 94,085 | 8 | 90,205 | 144,576 | 167,050 | 9,802 |
| Magalu Pagamentos | 2,000,000 | 100% | 2,140,862 | 548,876 | 2,068,365 | 29,560 | 2,000 | 591,813 | 206,679 | 28,530 |
| Consórcio Luiza | 6,500 | 100% | 82,816 | 4,507 | 19,849 | 2,671 | 50,050 | 64,803 | 34,216 | 3,986 |
| Magalog | 16,726 | 100% | 267,810 | 299,093 | 253,715 | 56,892 | 217,533 | 256,296 | 384,519 | (9,892) |
| Luizalabs | 23,273,616 | 100% | 104,103 | 224,882 | 120,870 | 11,052 | 115,199 | 197,063 | 2,940 | (3,279) |

| Changes | Opening balance | Capital increase/ Future capital contribution | Other comprehensive income | Action plan | Net assets merged | Remeasurement of goodwill | Equity pickup | Closing balance |
|-------------------|------------------|--|----------------------------|--------------|-------------------|---------------------------|---------------|------------------|
| Netshoes | 1,098,743 | 5,233 | (1,500) | 820 | - | - | (13,678) | 1,089,618 |
| KaBuM | 1,738,137 | - | - | 3,387 | - | 68,037 | 45,947 | 1,855,508 |
| Época Cosméticos | 175,527 | 800 | - | - | - | - | 9,802 | 186,129 |
| Magalu Pagamentos | 563,283 | - | - | - | - | - | 28,530 | 591,813 |
| Integra Commerce | 2,170 | - | - | - | (2,170) | - | - | - |
| Consórcio Luiza | 60,817 | - | - | - | - | - | 3,986 | 64,803 |
| Magalog | 238,986 | 34,903 | - | - | - | - | (10,056) | 263,833 |
| Luizalabs | 221,912 | 9,901 | - | 3,178 | - | - | (3,805) | 231,186 |
| Total | 4,099,575 | 50,837 | (1,500) | 7,385 | (2,170) | 68,037 | 60,726 | 4,282,890 |

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

12. Investments in subsidiaries (Continued)

a) Changes in investments in subsidiaries (Continued)

Position at 12/31/2021

| Subsidiary | Ownership interest | | Assets | | Liabilities | | Capital | Equity | Net revenue | Net income (loss) |
|--------------------|--------------------------|------|-----------|------------|-------------|------------|---------|---------|-------------|-------------------|
| | Shares/units of interest | % | Current | Noncurrent | Current | Noncurrent | | | | |
| Netshoes | 1,514,532,428 | 100% | 791,994 | 564,462 | 743,803 | 217,344 | 617,919 | 395,309 | 2,477,798 | 134,697 |
| KaBuM ¹ | 1,976,774 | 100% | 1,199,864 | 125,828 | 856,045 | 204,680 | 2,000 | 264,967 | 156,667 | 13,361 |
| Época Cosméticos | 34,405,475 | 100% | 204,022 | 100,425 | 170,460 | 13 | 89,405 | 133,974 | 725,313 | 45,329 |
| Magalu Pagamentos | 2,000,000 | 100% | 2,005,967 | 552,603 | 1,963,472 | 31,815 | 2,000 | 563,283 | 658,811 | 156,147 |
| Integra Commerce | 100 | 100% | 150 | - | - | - | 4,156 | 150 | - | - |
| Consórcio Luiza | 6,500 | 100% | 82,068 | 4,415 | 23,391 | 2,275 | 50,050 | 60,817 | 129,530 | 11,383 |
| Magalog | 16,726 | 100% | 265,539 | 288,833 | 262,234 | 60,863 | 182,630 | 231,276 | 1,031,358 | (858) |
| Luizalabs | 23,273,616 | 100% | 59,296 | 223,906 | 84,606 | 11,329 | 105,297 | 187,267 | 90,084 | (6,981) |

| Changes | Opening balance | Capital increase/ Future capital contribution | Acquisition of subsidiaries (2) | Other comprehensive income | Action plan | Dividends declared | Net assets merged | Equity pickup | Closing balance |
|-------------------|------------------|--|---------------------------------|----------------------------|--------------|--------------------|-------------------|----------------|------------------|
| Netshoes | 763,450 | 216,170 | - | 1,853 | 3,427 | - | - | 113,843 | 1,098,743 |
| KaBuM | - | - | 1,724,776 | - | - | - | - | 13,361 | 1,738,137 |
| Época Cosméticos | 121,454 | 9,000 | - | - | (256) | - | - | 45,329 | 175,527 |
| Magalu Pagamentos | 169,536 | 237,770 | - | - | (170) | - | - | 156,147 | 563,283 |
| Integra Commerce | 2,170 | - | - | - | - | - | - | - | 2,170 |
| Consórcio Luiza | 52,129 | - | - | - | - | (2,695) | - | 11,383 | 60,817 |
| Magalog | 145,212 | 82,079 | 12,800 | - | (247) | - | - | (858) | 238,986 |
| Luizalabs | 62,843 | 80,395 | 82,800 | - | 3,979 | - | 1,328 | (9,433) | 221,912 |
| Kelex | 1,072 | - | - | - | - | - | (844) | (228) | - |
| Certa | 481 | - | - | - | - | - | (484) | 3 | - |
| Total | 1,318,347 | 625,414 | 1,820,376 | 1,853 | 6,733 | (2,695) | - | 329,547 | 4,099,575 |

(1) The amounts of net revenue and net income at KaBuM refer to the period after closing of the acquisition process;

(2) Refers to the amount of consideration payable for the acquisition of companies, in MGLU3 shares.

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

12. Investments in subsidiaries (Continued)

b) Reconciliation of the book value

| Subsidiary | Equity | Goodwill on acquisition | Surplus value¹ | 03/31/2022 |
|-------------------|------------------|--------------------------------|----------------------------------|-------------------|
| Netshoes | 387,461 | 486,718 | 215,439 | 1,089,618 |
| KaBuM | 368,065 | 769,779 | 717,664 | 1,855,508 |
| Época Cosméticos | 144,576 | 36,826 | 4,727 | 186,129 |
| Magalu Pagamentos | 591,813 | - | - | 591,813 |
| Consórcio Luiza | 64,803 | - | - | 64,803 |
| Magalog | 256,296 | 3,756 | 3,781 | 263,833 |
| Luizalabs | 197,063 | 25,418 | 8,705 | 231,186 |
| Total | 2,010,077 | 1,322,497 | 950,316 | 4,282,890 |

(¹) Refers to the difference in the fair value of assets and liabilities allocated to the acquisition price.

| Subsidiary | Equity | Goodwill on acquisition | Surplus value¹ | 12/31/2021 |
|-------------------|------------------|--------------------------------|----------------------------------|-------------------|
| Netshoes | 395,309 | 486,718 | 216,716 | 1,098,743 |
| KaBuM | 264,967 | 746,688 | 726,482 | 1,738,137 |
| Época Cosméticos | 133,974 | 36,826 | 4,727 | 175,527 |
| Magalu Pagamentos | 563,283 | - | - | 563,283 |
| Integra Commerce | 150 | - | 2,020 | 2,170 |
| Consórcio Luiza | 60,817 | - | - | 60,817 |
| Magalog | 231,276 | 3,756 | 3,954 | 238,986 |
| Luizalabs | 187,267 | 25,421 | 9,224 | 221,912 |
| Total | 1,837,043 | 1,299,409 | 963,123 | 4,099,575 |

(¹) Refers to the difference in the fair value of assets and liabilities allocated to the acquisition price.

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

13. Investments in jointly-controlled entities

Position at 03/31/2022

| Jointly-controlled entity | Ownership interest | | Assets | | Liabilities | | Capital | Equity | Net revenue | Net income |
|---------------------------|--------------------------|-----------------|----------------------------|-------------------|----------------|-----------------|---------|---------|-------------|------------|
| | Shares/units of interest | % | Current | Noncurrent | Current | Noncurrent | | | | |
| Luizacred | 31,056,244 | 50% | 16,166,231 | 1,891,962 | 17,160,334 | 71,773 | 483,000 | 826,086 | 974,973 | (26,760) |
| Luizaseg | 12,855 | 50% | 325,163 | 394,078 | 335,285 | 178,831 | 133,883 | 205,125 | 165,757 | 15,713 |
| Changes | Opening balance | Dividends | Other comprehensive income | Unrealized income | Equity pickup | Closing balance | | | | |
| Luizacred | 426,422 | - | - | - | (13,380) | 413,042 | | | | |
| Luizaseg | (18,642) | (23,546) | 1,251 | (2,430) | 7,857 | (35,510) | | | | |
| Total | 407,780 | (23,546) | 1,251 | (2,430) | (5,523) | 377,532 | | | | |

Position at 12/31/2021

| Jointly-controlled entity | Ownership interest | | Assets | | Liabilities | | Capital | Equity | Net revenue | Net income |
|---------------------------|--------------------------|-----------------|----------------------------|---------------|-----------------|------------|---------|---------|-------------|------------|
| | Shares/units of interest | % | Current | Noncurrent | Current | Noncurrent | | | | |
| Luizacred | 31,056,244 | 50% | 15,191,017 | 1,924,832 | 16,169,030 | 93,975 | 483,000 | 852,844 | 2,911,596 | 152,978 |
| Luizaseg | 12,855 | 50% | 276,724 | 486,832 | 353,579 | 175,975 | 133,883 | 234,002 | 671,726 | 71,619 |
| Changes | Opening balance | Dividends | Other comprehensive income | Equity pickup | Closing balance | | | | | |
| Luizacred | 384,951 | (35,018) | - | 76,489 | 426,422 | | | | | |
| Luizaseg | 1,774 | (31,091) | (12,164) | 22,839 | (18,642) | | | | | |
| Total | 386,725 | (66,109) | (12,164) | 99,328 | 407,780 | | | | | |

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

13. Investments in jointly-controlled entities (Continued)

Total investments in jointly-controlled entities

| | <u>03/31/2022</u> | <u>12/31/2021</u> |
|----------------------------------|-----------------------|-----------------------|
| Luizacred (a) | 413,042 | 426,422 |
| Luizaseg (b) | 102,563 | 117,001 |
| Luizaseg – Unrealized income (c) | <u>(138,073)</u> | <u>(135,643)</u> |
| Total | <u>377,532</u> | <u>407,780</u> |

- (a) Interest of 50% of the voting capital representing the contractually agreed sharing of the control of the business, requiring the unanimous consent of the parties about significant decisions and financial and operating activities. Luizacred is jointly controlled with Banco Itaúcard S.A. and is engaged in the supply, distribution and trade of financial products and services to customers at the Company's chain of stores.
- (b) Interest of 50% of the voting capital representing the contractually agreed sharing of the control of the business, requiring the unanimous consent of the parties about significant decisions and guarantees and operating activities. Luizaseg is jointly controlled with NCVF Participações Societárias S.A., subsidiary of Cardif do Brasil Seguros e Previdência S.A., and is engaged in the development, sale and administration of extended warranties for any type of product sold in Brazil through the Company's chain of stores.
- (c) Unrealized income from transactions involving intermediation of extended warranty insurance for the jointly-controlled entity Luizaseg.

14. Lease

The Company acts as a lessee in agreements mainly related to real estate (physical stores, distribution centers and administrative units). Since 2019, the Company recognizes these agreements in accordance with CPC 06 (R2)/IFRS 16, in the statement of financial position as right of use and lease liability.

Changes in the right of use in the three-month periods ended March 31, 2022 and 2021 are as follows:

| | <u>Individual</u> | <u>Consolidated</u> |
|---|-------------------------|-------------------------|
| Right of use at December 31, 2021: | 3,324,747 | 3,362,998 |
| Additions/remeasurements | 203,815 | 208,526 |
| Direct costs | 1,068 | 1,068 |
| Write-offs | (39,066) | (39,066) |
| Depreciation | <u>(130,817)</u> | <u>(136,815)</u> |
| Right of use at March 31, 2022: | <u>3,359,747</u> | <u>3,396,711</u> |
| Breakdown: | | |
| Cost value | 4,638,720 | 4,713,649 |
| Accumulated depreciation | <u>(1,278,973)</u> | <u>(1,316,938)</u> |
| Right of use at March 31, 2022: | <u>3,359,747</u> | <u>3,396,711</u> |

Magazine Luiza S.A.

Notes to quarterly information (Continued)
 March 31, 2022
 (In thousands of reais - R\$)

14. Lease (Continued)

| | <u>Individual</u> | <u>Consolidated</u> |
|---|-------------------------|-------------------------|
| Right of use at January 1, 2021: | 2,441,539 | 2,465,514 |
| Additions/remeasurements | 100,692 | 100,861 |
| Depreciation | (92,398) | (93,795) |
| Right of use at March 31, 2021: | <u>2,449,833</u> | <u>2,472,580</u> |
| Breakdown: | | |
| Cost value | 3,237,773 | 3,273,233 |
| Accumulated depreciation | (787,940) | (800,653) |
| Right of use at March 31, 2021: | <u>2,449,833</u> | <u>2,472,580</u> |

Changes in the lease liabilities in the three-month periods ended March 31, 2022 and 2021 are as follows:

| | <u>Individual</u> | <u>Consolidated</u> |
|------------------------------------|-------------------------|-------------------------|
| Lease at December 31, 2021: | 3,412,288 | 3,454,678 |
| Remeasurements/additions | 206,223 | 211,205 |
| Payment of principal | (105,780) | (111,921) |
| Payment of interest | (72,090) | (73,199) |
| Accrued interest | 67,149 | 68,258 |
| Write-offs | (39,993) | (39,993) |
| Lease at March 31, 2022: | <u>3,467,797</u> | <u>3,509,028</u> |
| Current liabilities | 418,373 | 439,675 |
| Noncurrent liabilities | 3,049,424 | 3,069,353 |
| | <u>Individual</u> | <u>Consolidated</u> |
| Lease at January 1, 2021: | 2,497,323 | 2,526,304 |
| Remeasurements/additions | 96,633 | 96,802 |
| Payment of principal | (69,774) | (72,505) |
| Payment of interest | (50,849) | (51,348) |
| Accrued interest | 45,888 | 46,387 |
| Lease at March 31, 2021: | <u>2,519,221</u> | <u>2,545,640</u> |
| Current liabilities | 343,650 | 353,726 |
| Noncurrent liabilities | 2,175,571 | 2,191,914 |

Magazine Luiza S.A.

Notes to quarterly information (Continued)
March 31, 2022
(In thousands of reais - R\$)

15. Property and equipment

Changes in property and equipment in the three-month periods ended March 31, 2022 and 2021 are as follows:

| | <u>Individual</u> | <u>Consolidated</u> |
|--|-------------------------|-------------------------|
| Net P&E at December 31, 2021: | 1,777,788 | 1,938,713 |
| Additions | 86,901 | 98,910 |
| Write-offs | (298) | (298) |
| Depreciation | (50,187) | (54,463) |
| Net P&E at March 31, 2022 | <u>1,814,204</u> | <u>1,982,862</u> |
| Breakdown: | | |
| Cost value | 2,609,429 | 2,901,931 |
| Accumulated depreciation | (795,225) | (919,069) |
| Net P&E at March 31, 2022 | <u>1,814,204</u> | <u>1,982,862</u> |
| | <u>Individual</u> | <u>Consolidated</u> |
| Net P&E at January 1, 2021: | 1,171,758 | 1,258,162 |
| Additions | 88,349 | 90,627 |
| Additions from business combination | - | 127 |
| Write-offs | (147) | (349) |
| Depreciation | (36,031) | (40,577) |
| Net P&E at March 31, 2021 | <u>1,223,929</u> | <u>1,307,990</u> |
| Breakdown: | | |
| Cost value | 2,101,643 | 2,283,044 |
| Accumulated depreciation | (877,714) | (975,054) |
| Net P&E at March 31, 2021 | <u>1,223,929</u> | <u>1,307,990</u> |

No indication of impairment was identified in the three month-periods ended March 31, 2022.

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

16. Intangible assets

Changes in intangible assets in the three-month periods ended March 31, 2022 and 2021 are as follows:

| | <u>Individual</u> | <u>Consolidated</u> |
|---|-------------------|---------------------|
| Net intangible assets at December 31, 2021: | 728,998 | 4,306,587 |
| Additions | 58,901 | 74,587 |
| Addition of goodwill based on expected future profitability | - | 20,055 |
| Amortization | (29,094) | (73,781) |
| Net intangible assets at March 31, 2022 | 758,805 | 4,327,448 |
| Breakdown: | | |
| Cost value | 1,098,878 | 4,970,296 |
| Accumulated amortization | (340,073) | (642,848) |
| Net intangible assets at March 31, 2022 | 758,805 | 4,327,448 |
| | <u>Individual</u> | <u>Consolidated</u> |
| Net intangible assets at January 1, 2021: | 593,427 | 1,886,997 |
| Additions | 58,234 | 65,944 |
| Addition of intangible assets due to business combination | - | 10,359 |
| Addition of goodwill based on expected future profitability | - | 86,795 |
| Amortization | (20,217) | (43,954) |
| Net intangible assets at March 31, 2021 | 631,444 | 2,006,141 |
| Breakdown: | | |
| Cost value | 903,576 | 2,542,467 |
| Accumulated amortization | (272,132) | (536,326) |
| Net intangible assets at March 31, 2021 | 631,444 | 2,006,141 |

17. Trade accounts payable

| | <u>Individual</u> | | <u>Consolidated</u> | |
|--------------------------|-------------------|-------------------|---------------------|-------------------|
| | <u>03/31/2022</u> | <u>12/31/2021</u> | <u>03/31/2022</u> | <u>12/31/2021</u> |
| Goods for resale | 5,442,706 | 9,037,611 | 6,200,707 | 9,990,475 |
| Other suppliers | 116,656 | 142,710 | 145,532 | 190,371 |
| Present value adjustment | (86,030) | (71,779) | (97,761) | (81,902) |
| Total | 5,473,332 | 9,108,542 | 6,248,478 | 10,098,944 |

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

17. Trade accounts payable (Continued)

The Company has agreements with partnering banks to structure a factoring transaction with its main suppliers. In this transaction, suppliers transfer to the bank the right to receive the notes in exchange for early receipt. The bank then becomes a creditor of the operation. The Company settles the note on the date originally agreed upon with its supplier and subsequently receives a bank commission for this intermediation and confirmation of the notes payable. This commission is recorded as finance income.

Since the transaction carried out by the Company does not change the terms, prices and conditions previously agreed upon with suppliers, this amount is recognized as trade accounts payable.

At March 31, 2022, the balance payable negotiated by suppliers and accepted by the Company totaled R\$3,004,866, individual, and R\$3,029,003, consolidated (R\$4,414,266, individual, and R\$4,460,556, consolidated, at December 31, 2021).

Trade accounts payable are initially recorded at present value, against Inventories. The reversal of the present value adjustment is accounted for under Cost goods resold and services rendered, upon lapse of the term.

18. Partners and other deposits

| | Consolidated | |
|--|------------------|------------------|
| | 03/31/2022 | 12/31/2021 |
| Onlending to sellers – marketplace (a) | 1,065,299 | 934,030 |
| Payment arrangements to be settled (b) | 18,647 | 18,983 |
| Digital customer accounts (c) | 404,987 | 465,884 |
| Total | 1,488,933 | 1,418,897 |

(a) This refers to amounts to be transferred to partners in the marketplace regarding purchases made by customers on Magazine Luiza's digital platform of products sold by partner storeowners (sellers) and traded by Magalu Pagamentos.

(b) Refers substantially to amounts transacted by Hub Pagamentos customers using prepaid cards in accredited commercial facilities, to be settled with the corresponding acquirers.

(c) This corresponds to deposits made by customers in Magalu Pay digital accounts and Hub prepaid payment account.

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

19. Loans and financing

| Type | Charges | Guarantee | Final maturity | Individual | | Consolidated | |
|-----------------------------------|-----------------------------|-------------|----------------|------------------|------------|------------------|------------|
| | | | | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| Promissory notes (a) | 100% of CDI + 1.25% p.a. | Clean | April/24 | 1,610,911 | 1,567,971 | 1,610,911 | 1,567,971 |
| Debentures – restricted offer (b) | 100% of CDI + 1.25% p.a. | Clean | Dec/26 | 4,939,814 | 4,837,054 | 4,939,814 | 4,837,054 |
| Working capital (c) | CDI + +1.8% to 4.9% p.a. | Surety Bank | Oct/25 | - | - | 352,445 | 356,167 |
| Innovation financing – FINEP (d) | 4% p.a. 113.5% of | guarantee | Dec/22 | 5,500 | 7,351 | 5,130 | 7,063 |
| Other | CDI p.a. | Clean | Oct/25 | 328 | 329 | 3,224 | 24,617 |
| Total | | | | 6,556,553 | 6,412,705 | 6,911,524 | 6,792,872 |
| Current liabilities | | | | 145,013 | 44,100 | 494,447 | 407,968 |
| Noncurrent liabilities | | | | 6,411,540 | 6,368,605 | 6,417,077 | 6,384,904 |

- (a) On April 30, 2021, the Company carried out the 5th issue of promissory notes, including 1,500 promissory notes with a par value of R\$1,000,000 each, with a single maturity on April 29, 2024 at the cost of 100% of CDI + 1.25% p.a. The amounts raised have been used to improve the cash flow in the ordinary course and management of the Company's business. The 4th issue of commercial promissory notes was settled in June 2021.
- (b) The Company raised R\$800 million on January 15, 2021 through the 9th issue of debentures, via public distribution and with restricted placement efforts, remunerated at CDI + 1.25% p.a. and maturing on January 15, 2024. On October 14 and December 23, 2021, according to the debt extension strategy, the Company carried out the 10th and 11th issues of simple non-convertible debentures, for public distribution with restricted placement efforts. Four million (4,000,000) shares were issued with a par value of R\$1,000 each, with final maturity on October 15 and December 23, 2026, at the cost of 100% of CDI + 1.25% p.a. The amount raised will strengthen the Company's working capital.
- (c) This refers to agreements signed by the subsidiary KaBuM for working capital purposes.
- (d) This concerns a financing agreement signed with Financiadora de Estudos e Projetos - FINEP, for the purpose of investing in technological innovation research and development projects.

Reconciliation of cash flows from operating and financing activities

| | Individual | | Consolidated | |
|------------------------|------------------|------------|------------------|------------|
| | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| Opening balance | 6,412,705 | 1,683,968 | 6,792,872 | 1,686,762 |
| Funding | - | 800,000 | - | 800,000 |
| Payment of principal | (2,200) | (805,402) | (30,651) | (805,402) |
| Payment of interest | (31,684) | (27,517) | (38,889) | (27,568) |
| Accrued interest | 177,732 | 15,986 | 188,192 | 15,986 |
| Closing balance | 6,556,553 | 1,667,035 | 6,911,524 | 1,669,778 |

Magazine Luiza S.A.

Notes to quarterly information (Continued)
 March 31, 2022
 (In thousands of reais - R\$)

19. Loans and financing (Continued)

Maturity schedule

The maturity schedule of loans and financing is as follows:

| <u>Maturity</u> | <u>Individual</u> | <u>Consolidated</u> |
|-----------------|-------------------|---------------------|
| 2022 | 134,500 | 465,660 |
| 2023 | 10,223 | 26,057 |
| 2024 | 2,410,945 | 2,410,945 |
| 2025 | 2,000,336 | 2,008,313 |
| 2026 | 2,000,549 | 2,000,549 |
| Total | 6,556,553 | 6,911,524 |

Covenants

Debentures and the 5th issue of Promissory Notes are subject to covenants corresponding to maintenance of the adjusted net debt/EBITDA ratio below 3.0 times. Adjusted net debt corresponds to the sum of all loans and financing, including debentures, excluding cash and cash equivalents, short-term investments and marketable securities, and credit card receivables not paid in advance. Adjusted EBITDA is calculated in accordance with CVM Ruling No. 527, of October 4, 2012, excluding operational events (revenue/expenses) of an extraordinary nature.

20. Deferred revenue

| | <u>Individual</u> | | <u>Consolidated</u> | |
|--|-------------------|-------------------|---------------------|-------------------|
| | <u>03/31/2022</u> | <u>12/31/2021</u> | <u>03/31/2022</u> | <u>12/31/2021</u> |
| Deferred revenue with third parties: | | | | |
| Exclusivity agreement with Cardif (a) | 65,509 | 69,876 | 65,509 | 69,876 |
| Exclusivity agreement with Banco Itaúcard S.A. (b) | 68,375 | 71,500 | 68,375 | 71,500 |
| Other agreements | - | - | 21,493 | 22,220 |
| | 133,884 | 141,376 | 155,377 | 163,596 |
| Deferred revenue with related parties: | | | | |
| Exclusivity agreement with Luizacred (b) | 85,819 | 88,591 | 85,819 | 88,591 |
| Exclusivity agreement with Luizaseg (a) | 40,500 | 43,400 | 40,500 | 43,400 |
| | 126,319 | 131,991 | 126,319 | 131,991 |
| Total deferred revenue | 260,203 | 273,367 | 281,696 | 295,587 |
| Current liabilities | 39,157 | 39,157 | 50,405 | 50,329 |
| Noncurrent liabilities | 221,046 | 234,210 | 231,291 | 245,258 |

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

20. Deferred revenue (Continued)

- (a) On December 14, 2015, Luizaseg entered into a new Strategic Partnership Agreement with companies of the Cardif group and Luizaseg, aiming to extend the rights and obligations set forth in the agreements between the parties that expired on December 31, 2015, for an additional 10-year period, effective from January 1, 2016 to December 31, 2025. This agreement enabled a cash inflow of R\$330,000 to the Company. Of this amount, R\$42,000 were allocated to the jointly-controlled entity Luizacred since it has exclusive rights over credit card insurance. The recognition of the Company's revenue resulting from this agreement is allocated to P&L over the term of the agreement, part of which is conditioned to achievement of certain goals.
- (b) On September 27, 2009, the Company entered into a partnership agreement with Itaú Unibanco Holding S.A. ("Itaú") and Banco Itaucard S.A., under which the Company granted to Luizacred the exclusive right to offer, distribute, and sell financial products and services in its chain of stores for a 20-year period. Under the aforementioned partnership, Itaú institutions paid the amount of R\$250,000 in cash, of which: (i) R\$230,000 refers to the completion of the negotiation itself, without the right of recourse, and (ii) R\$20,000 is subject to achievement of profitability goals in Luizacred. Said targets were fully achieved by the end of 2014.

On December 29, 2010, the parties signed the first addendum to the partnership agreement with Luizacred, extending the exclusive right to offer, distribute and sell financial products and services at the chain of stores then acquired in the Northeast of Brazil (Lojas Maia) for a 19-year period. As consideration, Luizacred paid R\$160,000 to the Company, which is recognized in P&L over the term of the agreement. As part of this partnership agreement, the amount of R\$20,000, mentioned in the paragraph above, was increased to R\$55,000.

On December 16, 2011, the Company entered into a second addendum to the partnership agreement with Luizacred, due to acquisition of New-Utd ("Lojas do Baú"). As consideration, Luizacred paid R\$48,000 to the Company, which is recognized in P&L over the remaining agreement term.

21. Other accounts payable

| | Individual | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| Sales pending delivery, net of returns | 664,751 | 542,076 | 757,566 | 584,385 |
| Amounts to be transferred to partners (a) | 102,777 | 104,767 | 108,881 | 153,722 |
| Specialized services | 71,393 | 126,302 | 86,963 | 149,240 |
| Freight payable | 16,045 | 91,407 | 113,209 | 196,885 |
| Marketing payable | 133,614 | 77,367 | 215,773 | 183,382 |
| Payables for acquisitions (b) | 922,854 | 1,427,749 | 888,050 | 1,565,412 |
| Other | 11,526 | 81,417 | 81,420 | 160,592 |
| Total | 1,922,960 | 2,451,085 | 2,251,862 | 2,993,618 |
| Current liabilities | 1,007,330 | 1,535,455 | 1,429,698 | 2,070,710 |
| Noncurrent liabilities | 915,630 | 915,630 | 822,164 | 922,908 |

- (a) Transfers of amounts carried out through sales of services (insurance, technical assistance, furniture installations, etc.) from partners intermediated by the Company in its physical stores.
- (b) Agreed consideration payable for acquisitions of companies, the highest amount of which refers to acquisition of KaBuM (R\$1,422,793 as of December 31, 2021).

Magazine Luiza S.A.

Notes to quarterly information (Continued)
 March 31, 2022
 (In thousands of reais - R\$)

22. Provision for tax, civil, and labor contingencies

In relation to labor, civil and tax proceedings in progress whose outcomes have been assessed as unfavorable by the legal advisors, the Company set up provision, which is management's best estimate of the future disbursement. Changes in the provision for tax, civil and labor contingencies are shown below:

Individual

| | Tax | Civil | Labor | Total |
|------------------------------------|----------------|---------------|---------------|----------------|
| Balances at January 1, 2022 | 652,074 | 20,047 | 45,856 | 717,977 |
| Additions | 8,108 | 2,100 | 1,515 | 11,723 |
| Payments | - | (332) | - | (332) |
| Restatement | 10,135 | - | - | 10,135 |
| Balances at March 31, 2022 | 670,317 | 21,815 | 47,371 | 739,503 |

Consolidated

| | Tax | Civil | Labor | Total |
|---|------------------|---------------|---------------|------------------|
| Balances at January 1, 2022 | 1,073,207 | 30,937 | 49,965 | 1,154,109 |
| Additions | 11,611 | 2,848 | 2,293 | 16,752 |
| Allocation of price in business combination | (67,068) | - | - | (67,068) |
| Reversals | (1,534) | - | - | (1,534) |
| Payments | - | (1,007) | (339) | (1,346) |
| Restatement | 10,570 | - | - | 10,570 |
| Balances at March 31, 2022 | 1,026,786 | 32,778 | 51,919 | 1,111,483 |

As of March 31, 2022, the nature of the Company's major proceedings classified by management, based on the opinion of its legal advisors, as probable risk of loss, as well as legal obligations for which amounts have been deposited in court, included in the provisions above, is as follows:

a) Tax contingencies

The Company a party to administrative and legal proceedings involving tax matters assessed as probable loss, for which provisions have been set up. In addition to these proceedings, the Company records provision for other legal disputes for which judicial deposits have been made, as well as provisions related to the business combinations of its acquirees. Tax contingencies are presented below:

| | Individual | | Consolidated | |
|---------|----------------|----------------|------------------|------------------|
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| Federal | 471,292 | 464,442 | 827,759 | 885,575 |
| State | 199,000 | 187,606 | 199,000 | 187,606 |
| Local | 25 | 26 | 27 | 26 |
| | 670,317 | 652,074 | 1,026,786 | 1,073,207 |

Magazine Luiza S.A.

Notes to quarterly information (Continued)
March 31, 2022
(In thousands of reais - R\$)

22. Provision for tax, civil and labor contingencies (Continued)

b) Civil contingencies

The provision for civil contingencies of R\$21,815, individual, and R\$32,778, consolidated, as of March 31, 2022 (R\$20,047, individual, and R\$30,937, consolidated, as of December 31, 2021), refers to claims arising mainly from customers about possible defects of products.

c) Labor contingencies

The Company is a party to various labor claims, substantially involving incurred overtime.

The provisioned amount of R\$47,371, individual, and R\$51,919, consolidated, as of March 31, 2022 (R\$45,856, individual, and R\$49,965, consolidated, as of December 31, 2021) reflects the risk of probable loss assessed by the Company management together with its legal advisors.

d) Judicial deposits

To cover tax, civil and labor contingencies, the Company has judicial deposits in the amount of R\$974,660, individual, and R\$1,277,107, consolidated, as of March 31, 2022 (R\$935,329, individual, and R\$1,189,894, consolidated, as of December 31, 2021).

e) Contingent liabilities – possible loss

The Company is a party to other tax proceedings and discussions assessed by management as possible risk of loss, based on the opinion of its legal advisors. Accordingly, no provision was set up for such proceedings and discussions. The amounts related to discussions as of March 31, 2022 are as follows: federal taxes totaling R\$1,827,350 (R\$1,933,845 as of December 31, 2021), individual, and R\$2,045,263 (R\$2,172,908 as of December 31, 2021), consolidated; state taxes totaling R\$786,037 (R\$809,521 as of December 31, 2021), individual, and R\$1,184,412 (R\$1,165,919 as of December 31, 2021), consolidated; and local taxes totaling R\$4,106 (R\$3,719 as of December 31, 2021), individual, and R\$4,113 (R\$3,719 as of December 31, 2021), consolidated.

Magazine Luiza S.A.

Notes to quarterly information (Continued)
March 31, 2022
(In thousands of reais - R\$)

22. Provision for tax, civil and labor contingencies (Continued)

e) Contingent liabilities – possible loss (Continued)

The main tax suits assessed as possible loss are as follows: (i) administrative proceeding in which the Company discusses with the tax authorities the nature/concept of the bonuses/reimbursements of its suppliers for PIS/COFINS taxation purposes, in addition to discussions on the classification of certain expenses related to its core business as inputs for purposes of PIS/COFINS credits; (ii) legal proceeding and notice served in which the Company discusses the violation of several legal principles of Law No. 13241/2015, which extinguished the exemption of PIS and COFINS on revenues from sales of products eligible for the Basic Production Process, which, according to analysis of the internal and external legal advisors, were assessed as possible loss, tending to remote; (iii) proceedings in which the Company discusses alleged ICMS credits or differences with state tax authorities; (iv) administrative proceeding in which the Company discusses with the state tax authorities tax notices served for collection of ICMS credits taken on the purchase of goods from suppliers later declared to be unreliable; (v) various notices served, for which the Company discusses the collection of ICMS credits taken on the purchase of goods from certain suppliers, as they took advantage of a tax benefit granted by another state; (vi) risk related to non-reversal of taxes on physical inventory losses. In addition, the Company monitors the developments of all discussions every quarter so that, in the event of a change in the scenario, risk assessments and possible losses will also be reassessed.

The risks involved in the proceedings are constantly evaluated and reviewed by management. The Company is also contesting civil and labor administrative proceedings for which the likelihood of loss was assessed as possible loss, but the amounts of which are immaterial for disclosure.

23. Equity

a) Capital

The Company's shareholding structure as of March 31, 2022 and December 31, 2021, with common, registered, book-entry no par value shares, is shown below:

Magazine Luiza S.A.

Notes to quarterly information (Continued)
March 31, 2022
(In thousands of reais - R\$)

23. Equity (Continued)

a) Capital (Continued)

| | 03/31/2022 | | 12/31/2021 | |
|--------------------------|----------------------|---------------|----------------------|---------------|
| | Number of shares | Interest % | Number of shares | Interest % |
| Controlling shareholders | 3,794,169,268 | 56.22 | 3,794,169,268 | 56.22 |
| Outstanding shares | 2,871,406,039 | 42.55 | 2,871,349,076 | 42.55 |
| Treasury shares | 83,351,541 | 1.24 | 83,408,504 | 1.24 |
| Total | <u>6,748,926,848</u> | <u>100.00</u> | <u>6,748,926,848</u> | <u>100.00</u> |

Shares held by controlling shareholders who are members of the Board of Directors and/or the executive board are included in the controlling shareholders line.

Under article 7 of the Bylaws, the Company may increase capital pursuant to article 168 of Law No. 6404/76, with the issue of 1,200,000,000 new common shares.

b) Capital reserve

Stock option plan – 2nd grant of the Stock option plan

The second grant of the Stock option plan was approved on October 25, 2013. On this occasion, 38,831,232 options were granted and the strike price was set at R\$0.30 (already considering the effects of the stock split). The maximum term of exercise of this plan is of 12 years, as from the date of its signature, provided that the beneficiary remains linked to the Company and has fulfilled the plan's requirements. The fair value of each option granted was estimated on the grant date using the Black & Scholes option pricing model, considering the following assumptions:

| <u>Assumption</u> | <u>2nd Grant</u> |
|--|-----------------------------|
| Expected average life of options (a) | 5.5 years |
| Annualized average volatility | 37.9% |
| Risk-free interest rate | 6% |
| Weighted average fair value of options granted | R\$0.19 |

(a) Represents the period in which the options are believed to be exercised and takes into account the average turnover of the plan's beneficiaries.

There were 284,928 exercisable stock options as of March 31, 2022. In the three-month period ended March 31, 2022, there were no changes in active stock options.

Magazine Luiza S.A.

Notes to quarterly information (Continued)
 March 31, 2022
 (In thousands of reais - R\$)

23. Equity (Continued)

b) Capital reserve (Continued)

Share-based payment

The Company has a long-term incentive plan based on shares, which was approved at the Special General Meeting held on April 20, 2017. The purpose of the plan is to regulate the granting of incentives tied to common shares issued by the Company through programs to be implemented by the Board of Directors. Managing officers, employees and service providers of the Company, its subsidiaries and jointly-controlled entities are eligible to participate.

The key plan objectives are as follows: (a) increase the Company's ability to attract and retain talent; (b) reinforce the culture of sustainable performance and seek the development of managing officers, employees and service providers, aligning the interests of shareholders with those of the eligible professionals; and (c) foster the Company's expansion and the achievement and surpassing of its corporate goals and fulfillment of its social objectives, in line with the interests of shareholders, through the long-term commitment of the beneficiaries.

The following table shows the balance (quantity) of shares granted as of March 31, 2022:

| Type of program | Grant date | Maximum grace period | Position of granted shares | Fair value ¹ |
|--|-------------------|----------------------|----------------------------|-------------------------|
| 1 st Matching share | June 28, 2017 | 4 years, 10 months | 5,038,080 | R\$0.97 |
| 2 nd Matching share | April 05, 2018 | 5 years | 5,362,552 | R\$3.08 |
| 3 rd Matching share | April 04, 2019 | 5 years | 1,738,016 | R\$5.05 |
| 4 th Matching share | April 15, 2020 | 5 years | 1,613,352 | R\$10.96 |
| 5 th Matching share | May 04, 2021 | 5 years | 1,021,443 | R\$19.86 |
| 2 nd Restricted share | April 04, 2019 | 3 years | 1,270,560 | R\$5.05 |
| 3 rd Restricted share | June 05, 2019 | 3 years | 580,224 | R\$5.98 |
| 4 th Restricted share | April 04, 2019 | 3 years | 1,460,128 | R\$5.27 |
| 4 th Restricted share - Board | January 04, 2021 | 3 years | 1,624,064 | R\$24.63 |
| 5 th Restricted share | April 15, 2020 | 3 years | 2,101,232 | R\$10.96 |
| 6 th Restricted share | May 04, 2021 | 3 years | 1,816,116 | R\$19.86 |
| 1 st Performance share | February 20, 2019 | 5 years | 43,020,608 | R\$5.08 |
| | | | 66,646,375 | R\$6.05 |

(¹) Refers to the weighted average fair value calculated in each program.

In addition to the plans above, the Company granted 8,916,188 shares in the process of acquiring the Softbox group, a related party of the former owners of the acquiree who continue to act as employees and of the other employees. The fair value measured on the grant date was R\$5.68 and the maximum grace period of the plan is 5 years (December 2023).

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

23. Equity (Continued)

c) Treasury shares

| | <u>Number</u> | <u>Amount</u> |
|---------------------------|---------------------|------------------|
| At January 1, 2021 | 35,539,688 | 603,681 |
| Acquired in the year | 59,416,900 | 1,055,885 |
| Disposed of in the year | <u>(11,548,084)</u> | <u>(210,407)</u> |
| At December 31, 2021 | 83,408,504 | 1,449,159 |
| Disposed of in the period | <u>(56,963)</u> | <u>(989)</u> |
| At March 31, 2022 | <u>83,351,541</u> | <u>1,448,170</u> |

The reduction in the balance of treasury shares is equal to the weighted average of the cost incurred to acquire the shares. Any excess cash received for the disposal on the reduction of treasury shares is recorded as capital reserve. The value of the MGLU3 share at March 31, 2022 was of R\$6.82.

d) Equity adjustments

In the period ended March 31, 2022, the Company recorded the amount of R\$591 (R\$840 as of December 31, 2021) under equity adjustments, related to the fair value adjustments of financial assets.

e) Earnings per share

Basic and diluted earnings per share are calculated as follows:

| <u>In thousands</u> | <u>Basic earnings</u> | | <u>Diluted earnings</u> | |
|--|-----------------------|-------------------|-------------------------|-------------------|
| | <u>03/31/2022</u> | <u>03/31/2021</u> | <u>03/31/2022</u> | <u>03/31/2021</u> |
| Total number of common shares | 6,748,926,848 | 6,498,926,848 | 6,748,926,848 | 6,498,926,848 |
| Effect of treasury shares | (83,351,541) | (51,357,771) | (83,351,541) | (51,357,771) |
| Effect of exercise of stock option plans (a) | - | - | 66,908,683 | 79,735,461 |
| Weighted average number of outstanding common shares | 6,665,575,307 | 6,447,569,077 | 6,732,483,990 | 6,527,304,538 |
| Net income for the period: | (161,299) | 258,640 | (161,299) | 258,640 |
| Earnings per share: (in reais) | (0.024) | 0.040 | (0.024) | 0.040 |

(a) Considers the effect of exercisable shares in accordance with the share-based plans disclosed above.

Magazine Luiza S.A.

Notes to quarterly information (Continued)
 March 31, 2022
 (In thousands of reais - R\$)

24. Net sales revenue

| | Individual | | Consolidated | |
|--------------------------------|--------------------|-------------|--------------------|-------------|
| | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| Gross revenue: | | | | |
| Retail - resale of goods | 8,207,791 | 8,897,616 | 9,817,009 | 9,567,312 |
| Retail - provision of services | 409,148 | 315,283 | 643,813 | 463,008 |
| Other services | - | - | 116,118 | 88,062 |
| | 8,616,939 | 9,212,899 | 10,576,940 | 10,118,382 |
| Taxes and returns: | | | | |
| Retail - resale of goods | (1,446,129) | (1,654,296) | (1,664,489) | (1,774,803) |
| Retail - provision of services | (34,220) | (28,923) | (56,517) | (39,730) |
| Other services | - | - | (93,758) | (51,036) |
| | (1,480,349) | (1,683,219) | (1,814,764) | (1,865,569) |
| Net sales revenue | 7,136,590 | 7,529,680 | 8,762,176 | 8,252,813 |

25. Cost of goods resold and services rendered

| | Individual | | Consolidated | |
|-------------------|--------------------|-------------|--------------------|-------------|
| | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| Costs: | | | | |
| Of resold goods | (5,290,173) | (5,690,187) | (6,311,067) | (6,053,517) |
| Of other services | - | - | (19,359) | (129,194) |
| Total | (5,290,173) | (5,690,187) | (6,330,426) | (6,182,711) |

26. Information on the nature of expenses and other operating income

The Company presented the statement of profit or loss using classification of expenses based on function. Information of the nature of these expenses recognized in the statement of profit or loss is presented below:

| | Individual | | Consolidated | |
|---------------------------------------|--------------------|-------------|--------------------|-------------|
| | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| Personnel expenses | (633,483) | (598,714) | (775,918) | (677,253) |
| Expenses with service providers | (687,668) | (563,372) | (706,344) | (500,324) |
| Other | (309,592) | (102,749) | (540,889) | (186,087) |
| Total | (1,630,743) | (1,264,835) | (2,023,151) | (1,363,664) |
| Classified by function as: | | | | |
| Selling expenses | (1,332,924) | (1,308,121) | (1,589,233) | (1,420,206) |
| General and administrative expenses | (214,963) | (173,658) | (352,387) | (225,556) |
| Other operating income, net (Note 27) | (82,856) | 216,944 | (81,531) | 282,098 |
| | (1,630,743) | (1,264,835) | (2,023,151) | (1,363,664) |

Magazine Luiza S.A.

Notes to quarterly information (Continued)
 March 31, 2022
 (In thousands of reais - R\$)

26. Information on the nature of expenses and other operating income (Continued)

Freight for transportation of goods from the DCs to physical stores and delivery of the resold products to consumers are classified as selling expenses.

27. Other operating income, net

| | Individual | | Consolidated | |
|--|------------------|-----------------|------------------|-----------------|
| | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| Appropriation of deferred revenue (a) | 13,164 | 13,164 | 13,560 | 13,810 |
| Reversal of provision for tax, civil and labor contingencies (b) | (4,368) | 265,146 | (10,082) | 330,684 |
| Tax credits | 13,474 | - | 21,401 | - |
| Other income | 22,270 | 278,310 | 24,879 | 344,494 |
| Gain (loss) on disposal of property and equipment | (298) | (147) | (395) | (147) |
| Expert fees (c) | (14,119) | (47,386) | (15,136) | (49,428) |
| Preoperating expenses of stores and restructuring | (86,509) | (1,600) | (86,509) | (1,600) |
| Covid-19-related aspects and other (d) | (4,200) | (12,233) | (4,370) | (11,221) |
| Other expenses | (105,126) | (61,366) | (106,410) | (62,396) |
| Total | (82,856) | 216,944 | (81,531) | 282,098 |

(a) Refers to appropriation of deferred revenue for assignment of exploration rights, as described in Note 20.

(b) In 2021, refers mainly to the impacts of reversal of the provision related to judgment by the STF of the unconstitutionality of the payment of ICMS - Difal.

(c) Expenses related to advisory costs for acquisition of companies, as well as lawyers' success fees for the aforementioned processes.

(d) Refers substantially to expenses incurred as a result of Covid-19, such as supplies for cleaning of the Distribution Centers and administrative units, among others.

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

28. Finance income (costs)

| | Individual | | Consolidated | |
|---|------------------|------------|------------------|------------|
| | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2022 |
| Finance income: | | | | |
| Interest from sales of extended warranty | 29,334 | 2,899 | 29,334 | 2,899 |
| Yield from short-term investments and marketable securities | 22,342 | 6,702 | 35,008 | 2,821 |
| Interest for late payments | 6,142 | 3,619 | 6,160 | 3,622 |
| Monetary restatement receivable | 123,384 | 17,725 | 126,611 | 19,405 |
| Other | 262 | 132 | 7,581 | 4,844 |
| | 181,464 | 31,077 | 204,694 | 33,591 |
| Finance costs: | | | | |
| Interest on loans and financing | (170,714) | (15,057) | (182,517) | (15,101) |
| Interest on lease | (67,149) | (45,888) | (68,258) | (46,387) |
| Charges on credit card advances | (206,965) | (97,919) | (280,329) | (113,342) |
| Provision for loss on interest from extended warranty | (8,773) | (2,240) | (8,773) | (2,240) |
| Taxes on finance income | (5,237) | (1,855) | (6,445) | (2,275) |
| Monetary restatement payable | (41,265) | (8,147) | (43,776) | (12,358) |
| Other | (33,862) | (10,632) | (36,706) | (12,216) |
| | (533,965) | (181,738) | (626,804) | (203,919) |
| Finance income (costs), net | (352,501) | (150,661) | (422,110) | (170,328) |

29. Segment information

For financial and operational management purposes, the Company classified its businesses into Retail, Financial Operations, Insurance Operations and Other Services. These divisions are considered the primary segments for information disclosure. The main characteristics of each of the divisions are:

- Retail - substantially resale of goods and services in the Company's stores, electronic commerce (traditional e-commerce and marketplace), and food delivery management platform. In the marketplace context, this segment includes information related to Magalu Pagamentos;
- Financial operations - through the jointly-controlled entity Luizacred, whose main purpose is to provide credit to the Company's customers for the purchase of products;
- Insurance operations - through the jointly-owned entity Luizaseg, whose main purpose is to offer extended warranties to products purchased by the Company's customers;

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

29. Segment information (Continued)

- (d) Other services - sum of the provision of consortium management services through the subsidiary LAC, whose main purpose is the management of consortia for the Company's customers, for the acquisition of products; product delivery management services - through the subsidiary Magalog, and software development services through the subsidiary Luizalabs.

The Company's sales are entirely carried out in the national territory and, considering retail operations, there is no concentration of customers, as well as of products and services offered.

Statements of profit or loss

| | 03/31/2022 | | | | | Consolidated |
|---|---------------|-------------------------|-------------------------|-------------------|---------------------|--------------|
| | Retail (a) | Financial operations | Insurance operations | Other services | Eliminations (b) | |
| Gross revenue | 10,460,824 | 487,487 | 82,879 | 116,116 | (570,366) | 10,576,940 |
| Deductions from revenue | (1,721,004) | - | - | (93,760) | - | (1,814,764) |
| Net revenue of the segment | 8,739,820 | 487,487 | 82,879 | 22,356 | (570,366) | 8,762,176 |
| Costs | (6,319,040) | (53,371) | (12,773) | (11,386) | 66,144 | (6,330,426) |
| Gross profit | 2,420,780 | 434,116 | 70,106 | 10,970 | (504,222) | 2,431,750 |
| Selling expenses | (1,585,986) | (135,667) | (57,058) | (3,247) | 192,725 | (1,589,233) |
| General and administrative expenses | (337,303) | (1,983) | (7,772) | (15,084) | 9,755 | (352,387) |
| Gains (losses) on allowance for doubtful accounts | (60,139) | (299,194) | - | (1,000) | 299,194 | (61,139) |
| Depreciation and amortization | (261,113) | (1,497) | (1,504) | (3,946) | 3,001 | (265,059) |
| Equity pickup | (17,828) | - | - | - | 9,875 | (7,953) |
| Other operating income | (83,337) | (17,992) | 141 | 1,806 | 17,851 | (81,531) |
| Finance income | 201,661 | - | 6,818 | 3,033 | (6,818) | 204,694 |
| Finance costs | (623,265) | - | (15) | (3,539) | 15 | (626,804) |
| Income and social contribution taxes | 185,231 | 8,837 | (5,289) | 1,132 | (3,548) | 186,363 |
| Net income (loss) for the period | (161,299) | (13,380) | 5,427 | (9,875) | 17,828 | (161,299) |

Reconciliation of equity pickup

Equity pickup – Other services (Note 12)

(9,875)

Equity pickup – Luizacred (Note 13)

(13,380)

Equity pickup – Luizaseg (Note 13)

5,427

(=) Equity pickup of the retail segment

(17,828)

(-) Effect of elimination – Other services

9,875

(=) Consolidated equity pickup

(7,953)

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

29. Segment information (Continued)

Statements of profit or loss

| | 03/31/2021 | | | | | Consolidated |
|---|---------------|-------------------------|-------------------------|-------------------|---------------------|--------------|
| | Retail (a) | Financial operations | Insurance operations | Other services | Eliminations (b) | |
| Gross revenue | 10,030,320 | 303,742 | 85,478 | 229,256 | (530,414) | 10,118,382 |
| Deductions from revenue | (1,814,533) | - | - | (51,036) | - | (1,865,569) |
| Net revenue of the segment | 8,215,787 | 303,742 | 85,478 | 178,220 | (530,414) | 8,252,813 |
| Costs | (6,053,517) | (8,976) | (8,845) | (132,728) | 21,355 | (6,182,711) |
| Gross profit | 2,162,270 | 294,766 | 76,633 | 45,492 | (509,059) | 2,070,102 |
| Selling expenses | (1,520,136) | (118,232) | (62,950) | (37,730) | 318,842 | (1,420,206) |
| General and administrative expenses | (212,806) | (1,623) | (7,885) | (12,750) | 9,508 | (225,556) |
| Gains (losses) on allowance for doubtful accounts | (33,795) | (135,125) | - | (12) | 135,125 | (33,807) |
| Depreciation and amortization | (176,319) | (1,473) | (1,307) | (2,007) | 2,780 | (178,326) |
| Equity pickup | 14,323 | - | - | - | 8,635 | 22,958 |
| Other operating income | 281,615 | (8,364) | 293 | 483 | 8,071 | 282,098 |
| Finance income | 32,815 | - | 6,429 | 776 | (6,429) | 33,591 |
| Finance costs | (199,435) | - | (10) | (4,484) | 10 | (203,919) |
| Income and social contribution taxes | (89,892) | (12,074) | (6,120) | 1,597 | 18,194 | (88,295) |
| Net income (loss) for the period | 258,640 | 17,875 | 5,083 | (8,635) | (14,323) | 258,640 |

Reconciliation of equity pickup

Equity pickup – Other services (Note 12)

(8,635)

Equity pickup – Luizacred (Note 13)

17,875

Equity pickup – Luizaseg (Note 13)

5,083

(=) Equity pickup of the retail segment

14,323

(-) Effect of elimination – Other services

8,635

(=) Consolidated equity pickup

22,958

- (a) The retail segment is represented by the consolidated amounts that include the results of Magazine Luiza S.A. Época Cosméticos, Netshoes, KaBuM, Magalu Pagamentos, and Aiqfome. In the retail segment, the equity pickup line includes the net results of financial operations, insurance operations and other services, since this amount is contained in the profit or loss of the segment used by the key operations manager.
- (b) The eliminations are mainly represented by the effects of the financial operations and insurance operations segments, which are presented proportionally above, but are included in a single equity pickup line in the Company's consolidated financial statements.
- (c) Transfers of net revenue between operating segments are less than 10% of the combined net revenue of all segments and are not regularly reviewed by the Company's key operations manager.

Magazine Luiza S.A.

Notes to quarterly information (Continued)
 March 31, 2022
 (In thousands of reais - R\$)

29. Segment information (Continued)

Statement of financial position

| | 03/31/2022 | | | |
|--|---------------|-------------------------|-------------------------|-------------------|
| | Retail (*) | Financial operations | Insurance operations | Other services |
| Assets | | | | |
| Cash and cash equivalents | 1,236,544 | 17,268 | 191 | 170,660 |
| Marketable securities | 584,427 | 7,716 | 296,496 | - |
| Accounts receivable | 4,699,804 | 8,539,515 | - | 115,433 |
| Inventories | 8,077,115 | - | - | 140 |
| Investments | 937,349 | - | - | - |
| Property and equipment, intangible assets and right of use | 9,172,107 | 45,478 | 20,951 | 488,856 |
| Other | 8,708,484 | 419,120 | 41,983 | 208,122 |
| | 33,415,830 | 9,029,097 | 359,621 | 983,211 |
| Liabilities | | | | |
| Trade accounts payable | 6,235,870 | - | 810 | 12,608 |
| Transfers and other deposits | 1,488,933 | - | - | - |
| Loans and financing | 6,909,620 | - | - | 1,904 |
| Lease | 3,509,028 | - | 30 | - |
| Interbank deposits | - | 2,525,278 | - | - |
| Credit card operations | - | 4,517,942 | - | - |
| Insurance reserves | - | - | 348,560 | - |
| Provision for tax, civil and labor contingencies | 1,037,311 | 35,887 | 1,684 | 69,161 |
| Deferred revenue | 281,696 | - | - | - |
| Other | 2,835,128 | 1,536,948 | 44,047 | 381,386 |
| | 22,297,586 | 8,616,055 | 395,131 | 465,059 |
| Equity | 11,118,244 | 413,042 | (35,510) | 518,152 |
| <u>Investment reconciliation</u> | | | | |
| Subsidiaries (Note 12) | | | | |
| Consórcio Luiza | 64,803 | | | |
| Magalog | 263,833 | | | |
| Luizalabs | 231,186 | | | |
| Magalu Pagamentos | 591,813 | | | |
| | 1,151,635 | | | |
| Jointly-controlled entities (Note 13) | | | | |
| Luizacred | 413,042 | | | |
| Luizaseg | (35,510) | | | |
| | 377,532 | | | |
| Total investments | 1,529,167 | | | |
| (-) Effect of elimination | (1,151,635) | | | |
| (=) Consolidated income (losses) on investments | 377,532 | | | |

Magazine Luiza S.A.

Notes to quarterly information (Continued)
 March 31, 2022
 (In thousands of reais - R\$)

29. Segment information (Continued)

Statement of financial position

| | 12/31/2021 | | | |
|--|--------------------|-------------------------|-------------------------|-------------------|
| | Retail (*) | Financial operations | Insurance operations | Other services |
| Assets | | | | |
| Cash and cash equivalents | 2,452,950 | 19,085 | 110 | 113,268 |
| Marketable securities and other financial assets | 1,556,211 | 7,990 | 316,117 | 160 |
| Accounts receivable | 5,582,053 | 8,121,521 | - | 87,301 |
| Inventories | 9,112,101 | - | - | 113 |
| Investments | 929,496 | - | - | - |
| Property and equipment, intangible assets and right of use | 9,077,477 | 46,968 | 22,454 | 483,773 |
| Other | 9,324,082 | 362,365 | 43,109 | 239,601 |
| | <u>38,034,370</u> | <u>8,557,929</u> | <u>381,790</u> | <u>924,216</u> |
| Liabilities | | | | |
| Trade accounts payable | 10,067,199 | - | 1,458 | 31,745 |
| Transfers and other deposits | 1,418,897 | - | - | - |
| Loans and financing and other financial liabilities | 6,790,828 | - | - | 2,044 |
| Lease | 3,454,678 | - | 33 | - |
| Interbank deposits | - | 1,900,576 | - | - |
| Credit card operations | - | 4,196,935 | - | - |
| Insurance reserves | - | - | 352,871 | - |
| Provision for tax, civil and labor contingencies | 1,078,800 | 33,860 | 1,581 | 69,842 |
| Deferred revenue | 295,587 | 13,128 | - | - |
| Other | 3,667,172 | 1,987,008 | 44,489 | 341,065 |
| | <u>26,773,161</u> | <u>8,131,507</u> | <u>400,432</u> | <u>444,696</u> |
| Equity | <u>11,261,209</u> | <u>426,422</u> | <u>(18,642)</u> | <u>479,520</u> |
| <u>Investment reconciliation</u> | | | | |
| <u>Subsidiaries (Note 12)</u> | | | | |
| Consórcio Luiza | 60,817 | | | |
| Magalog | 238,986 | | | |
| Luizalabs | 221,912 | | | |
| Magalu Pagamentos | 563,283 | | | |
| | <u>1,084,998</u> | | | |
| <u>Jointly-controlled entities (Note 13)</u> | | | | |
| Luizacred | 426,422 | | | |
| Luizaseg | (18,642) | | | |
| | <u>407,780</u> | | | |
| Total investments | <u>1,492,778</u> | | | |
| (-) Effect of elimination | <u>(1,084,998)</u> | | | |
| (=) Consolidated income (losses) on investments | <u>407,780</u> | | | |

Magazine Luiza S.A.

Notes to quarterly information (Continued)
March 31, 2022
(In thousands of reais - R\$)

30. Financial instruments

Accounting policy

i) *Initial classification and subsequent measurement*

Upon initial recognition, financial assets are classified as measured at amortized cost, at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL). A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- It is held within a business model whose objective is to hold financial assets for the purpose of receiving contractual cash flows; and
- Its contractual terms generate, on specific dates, cash flows that are related solely to the payment of principal and interest on the outstanding principal amount.

A debt instrument is measured at FVTOCI if it meets both of the following conditions and is not designated as measured at FVTPL:

- It is held within a business model whose objective is achieved both by receiving contractual cash flows and by selling financial assets; and
- Its contractual terms generate, on specific dates, cash flows that are related solely to the payment of principal and interest on the outstanding principal amount.

All financial assets not classified as measured at amortized cost or at FVTOCI, as described above, are classified as at FVTPL. A financial asset (other than trade accounts receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value, plus, for an item not measured at FVTPL, the transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to subsequent measurement of financial assets:

- Financial assets measured at FVTPL: These assets are subsequently measured at FVTPL. Net gains (losses), including interest, is recognized in P&L.
- Financial assets at amortized cost: These assets are subsequently measured at amortized cost, using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, possible exchange gains and losses, and impairment are recognized in P&L. Any gain or loss upon derecognition is also stated in P&L.

Magazine Luiza S.A.

Notes to quarterly information (Continued)
March 31, 2022
(In thousands of reais - R\$)

30. Financial instruments (Continued)

Accounting policy (Continued)

i) *Initial classification and subsequent measurement* (Continued)

- Financial assets measured at FVTOCI: These assets are subsequently measured at FVTOCI. Upon derecognition, accumulated gains (losses) in OCI are reclassified to P&L.

Financial liabilities are classified as measured at amortized cost or at FVTPL. A financial liability is classified as measured at fair value through profit or loss if it is classified as held for trading, is a derivative, or is designated as such upon initial recognition. Financial liabilities measured at FVTPL are measured at fair value and net gains (losses), including interest, are recognized in P&L. Other financial liabilities are subsequently measured at amortized cost, using the effective interest method. Interest expense and exchange gains and losses are recognized in P&L. Any gain or loss upon derecognition is also stated in P&L.

ii) *Derecognition and offset*

The Company derecognizes a financial asset when its contractual rights to cash flows of the asset expire, or when it transfers the contractual rights to receive cash flows of a financial asset in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred.

The Company derecognizes a financial liability when the contractual obligation is discharged or canceled or expires. Upon derecognition of a financial liability, the difference between the extinguished book value and the consideration paid (including transferred assets that do not flow through cash or liabilities assumed) is recognized in P&L.

Financial assets or liabilities are offset and the net amount is stated in the statement of financial position when, and only when, the Company has a currently enforceable legal right to offset the amounts and intends to settle on a net basis or realize the asset and settle the liability simultaneously.

Magazine Luiza S.A.

Notes to quarterly information (Continued)
March 31, 2022
(In thousands of reais - R\$)

30. Financial instruments (Continued)

Accounting policy (Continued)

iii) *Impairment of financial assets*

The Company elected to measure allowance for losses on accounts receivable and other receivables and contractual assets in an amount equal to the lifetime expected credit loss. In determining whether the credit risk of a financial asset has significantly increased since initial recognition and in estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analyses, based on the Company's experience, on credit assessment, and considering forward looking information, such as macroeconomic assumptions for inflation and sales growth. The Company considers a financial asset to be in default when: - It is unlikely that the creditor will pay its credit obligations in full, without resorting to actions such as realization of the guarantee (if any); or the financial asset is overdue for more than 30 days.

Measurement of expected credit losses

Expected credit losses are estimates weighted by the probability of credit losses. Credit losses are measured at present value based on all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Financial assets with credit recovery issues

At each reporting date, the Company assesses whether the financial assets recorded at amortized cost and those measured at FVTOCI are experiencing recovery issues. A financial asset has "credit recovery issues" when one or more events occur that adversely impact the financial asset's estimated future cash flows.

Magazine Luiza S.A.

Notes to quarterly information (Continued)
 March 31, 2022
 (In thousands of reais - R\$)

30. Financial instruments (Continued)

Financial instruments by category

| Financial instruments by category | Classification | Fair value measurement | Individual | | | | Consolidated | | | |
|--|----------------|------------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|
| | | | 03/31/2022 | | 12/31/2021 | | 03/31/2022 | | 12/31/2021 | |
| | | | Book value | Fair value | Book value | Fair value | Book value | Fair value | Book value | Fair value |
| Cash and banks | Amortized cost | Level 2 | 142,713 | 142,713 | 111,142 | 111,142 | 621,880 | 621,880 | 789,225 | 789,225 |
| Accounts receivable – Credit and debit cards | Amortized cost | Level 2 | 1,879,110 | 1,879,110 | 3,120,761 | 3,120,761 | 3,695,031 | 3,695,031 | 4,632,410 | 4,632,410 |
| Accounts receivable – Other trade accounts receivable and receivables from commercial agreements | Amortized cost | Level 2 | 883,468 | 883,468 | 825,121 | 825,121 | 1,120,206 | 1,120,206 | 1,035,700 | 1,035,700 |
| Accounts receivable from related parties | Amortized cost | Level 2 | 642,698 | 642,698 | 609,299 | 609,299 | 68,678 | 68,678 | 114,841 | 114,841 |
| Accounts receivable from related parties – Credit card | Amortized cost | Level 2 | 2,818,374 | 2,818,374 | 3,592,443 | 3,592,443 | 2,818,374 | 2,818,374 | 3,592,443 | 3,592,443 |
| Cash equivalents - Bills | FVTPL | Level 2 | 5,887 | 5,887 | 5,887 | 5,887 | 5,887 | 5,887 | 5,887 | 5,887 |
| Cash equivalents - CDBs | Amortized cost | Level 2 | 430,933 | 430,933 | 1,341,725 | 1,341,725 | 741,865 | 741,865 | 1,736,274 | 1,736,274 |
| Marketable securities | Amortized cost | Level 2 | 13,143 | 13,143 | 12,734 | 12,734 | 13,143 | 13,143 | 12,734 | 12,734 |
| Marketable securities | FVTPL | Level 2 | 571,284 | 571,284 | 1,543,477 | 1,543,477 | 571,284 | 571,284 | 1,543,637 | 1,543,637 |
| Total financial assets | | | 7,387,610 | 7,387,610 | 11,162,589 | 11,162,589 | 9,656,348 | 9,656,348 | 13,463,151 | 13,463,151 |

| Financial instruments by category | Classification | Fair value measurement | Individual | | | | Consolidated | | | |
|-------------------------------------|----------------|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | 03/31/2022 | | 12/31/2021 | | 03/31/2022 | | 12/31/2021 | |
| | | | Book value | Fair value |
| Trade accounts payable | Amortized cost | Level 2 | 5,473,332 | 5,473,332 | 9,108,542 | 9,108,542 | 6,248,478 | 6,248,478 | 10,098,944 | 10,098,944 |
| Transfers and other deposits | Amortized cost | Level 2 | - | - | - | - | 1,488,933 | 1,488,933 | 1,418,897 | 1,418,897 |
| Loans and financing | Amortized cost | Level 2 | 6,556,553 | 6,820,130 | 6,412,705 | 7,149,049 | 6,911,524 | 7,175,101 | 6,792,872 | 7,529,216 |
| Lease | Amortized cost | Level 2 | 3,467,797 | 3,467,797 | 3,412,288 | 3,412,288 | 3,509,028 | 3,509,028 | 3,454,678 | 3,454,678 |
| Accounts payable to related parties | Amortized cost | Level 2 | 173,045 | 173,045 | 195,894 | 195,894 | 114,746 | 114,746 | 125,302 | 125,302 |
| Other payables – former members | Amortized cost | Level 2 | 922,854 | 922,854 | 1,427,750 | 1,427,750 | 888,050 | 888,050 | 1,565,413 | 1,565,413 |
| Total financial liabilities | | | 16,593,581 | 16,857,158 | 20,557,179 | 21,293,523 | 19,160,759 | 19,424,336 | 23,456,106 | 24,192,450 |

Magazine Luiza S.A.

Notes to quarterly information (Continued)
March 31, 2022
(In thousands of reais - R\$)

30. Financial instruments (Continued)

Fair value measurement

All assets and liabilities that are measured or disclosed at fair value in the financial statements are classified within the fair value hierarchy, as described below, based on the lowest level input that is significant to the overall fair value measurement:

- (a) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is either directly or indirectly observable. The Company uses the discounted cash flow technique for its measurements;
- (c) Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is not available.

Valuation techniques and significant non-observable inputs

Specific valuation techniques used to value financial instruments under Level 2 rules include:

- Quoted market prices or quotes from financial institutions or brokers for similar instruments.
- Discounted cash flows, which consider the present value of expected future payments, discounted at a risk-adjusted rate for the remaining financial instruments.

Capital risk management

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern in order to offer return to shareholders and benefits to stakeholders, maintaining an adequate capital structure to reduce cost and maximize the resources to be applied in opening and modernization of stores, new technologies, process improvements, and advanced management methods.

The Company's capital structure comprises financial liabilities, cash and cash equivalents and marketable securities. From time to time, management reviews the capital structure and its ability to settle liabilities, as well as monitors, on a timely basis, the days purchase outstanding in relation to the average term of inventory turnover. Necessary actions are promptly taken in the event of significant imbalances.

Magazine Luiza S.A.

Notes to quarterly information (Continued)

March 31, 2022

(In thousands of reais - R\$)

30. Financial instruments (Continued)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Company's Finance Board, which prepares an appropriate liquidity risk management model to manage funding needs and liquidity management in the short, medium and long terms. The Company manages liquidity risk by continuously monitoring expected and actual cash flows, combining the maturity profiles of financial assets and liabilities, and maintaining close relationships with financial institutions, with frequent disclosure of information to support credit decisions should external resources be required.

The table below details the remaining contractual maturity of the Company's financial liabilities and contractual repayment terms. The table was prepared in accordance with the undiscounted cash flows of financial liabilities.

Contractual maturity is based on the earliest date on which the Company is required to settle the respective obligations.

Position at 03/31/2022

| Individual | Book balance | Up to 1 year | 1 to 3 years | More than 3 years | Total |
|---|-------------------------|-------------------------|-------------------------|------------------------------|--------------|
| Trade accounts payable | 5,473,332 | 5,473,332 | - | - | 5,473,332 |
| Lease | 3,467,797 | 671,372 | 1,717,735 | 2,589,885 | 4,978,992 |
| Loans and financing | 6,556,553 | 96,854 | 2,386,016 | 4,000,001 | 6,482,871 |
| Transactions with related parties | 173,045 | 173,045 | - | - | 173,045 |
| Other payables to former members/shareholders | 922,854 | 562,513 | 322,376 | 97,198 | 982,087 |
| Consolidated | Book balance | Up to 1 year | 1 to 3 years | More than 3 years | Total |
| Trade accounts payable | 6,248,478 | 6,248,478 | - | - | 6,248,478 |
| Lease | 3,509,028 | 676,932 | 1,731,960 | 2,611,332 | 5,020,224 |
| Loans and financing | 6,911,524 | 451,825 | 2,386,016 | 4,000,001 | 6,837,842 |
| Transactions with related parties | 114,746 | 114,746 | - | - | 114,746 |
| Other payables to former members/shareholders | 888,050 | 581,254 | 350,639 | 30,024 | 961,917 |

Considerations about other financial risks

The Company's business is mostly comprised of the retail trade of consumer goods and insurance, financial and other services, as described in Note 29, segment information. The main market risk factors that affect the Company's business are summarized below:

Magazine Luiza S.A.

Notes to quarterly information (Continued)
March 31, 2022
(In thousands of reais - R\$)

30. Financial instruments (Continued)

Considerations about other financial risks (Continued)

Credit risk: the credit risk arises from the possibility that the Company may incur losses resulting from the non-receipt of amounts billed to its customers, the consolidated balance of which as of March 31, 2022 was R\$4,967,040 (R\$5,812,946 as of December 31, 2021). A significant portion of the Company's sales are made using the credit card as payment method, which is substantially securitized with the credit card companies. For other accounts receivable, the Company also assesses the risk as low, in view of the natural dispersion of sales due to the large number of customers, but there are no real guarantees of receipt of the total balance of accounts receivable given the nature of the business. Even so, the risk is managed through periodic analysis of the level of default (with consistent criteria to support the requirements of IFRS 9), as well as adoption of more effective forms of collection. As of March 31, 2022, the Company recorded accounts receivable balances that would be overdue or lost, whose terms were renegotiated, in the amount of R\$52,809 (R\$49,123 as of December 31, 2021), which are included in the analysis on the need to set up a provision for expected credit losses. Note 7 provides further information on accounts receivable.

The Company's policy for investing in debt securities (financial investments) is to invest in securities that are assessed by the main credit rating agencies and that have a rating equal to or higher than the sovereign rating (on a global scale). As of March 31, 2022, almost all of the investments held by the Company have such a rating level, reaching the amount of R\$1,021,247 (R\$2,903,823 as of December 31, 2021), individual, and R\$1,369,751 (R\$3,333,364 as of December 31, 2021), consolidated.

Market risk: arises from the possible downturn in retail in the country's economic scenario. Management of the risks involved in these operations is carried out through the establishment of operational and commercial policies, determination of limits for transactions with derivatives, and constant monitoring of the positions assumed. The key related risks include fluctuations of the interest, inflation and exchange rates.

Currency risk: on the date of this quarterly information, the Company did not have significant directly traded foreign exchange transactions. However, many products sold by the Company, especially technology items, are manufactured locally but have various imported components, so their costs may vary with the exchange rate differences. Therefore, management of "indirect" currency risk is closely related to commercial management, price and margin of products and is carried out together with the suppliers, with the objective of not transferring large fluctuations to end customers.

Magazine Luiza S.A.

Notes to quarterly information (Continued)
 March 31, 2022
 (In thousands of reais - R\$)

30. Financial instruments (Continued)

Considerations about other financial risks (Continued)

Interest rate risk: the Company is exposed to floating interest rates linked to the Interbank Deposit Certificate (CDI), related to financial investments, loans and financing in reais, for which a sensitivity analysis was carried out, as described below.

As of March 31, 2022, management performed a sensitivity analysis considering a probable scenario and scenarios with decreases and increases of 25% and 50% in expected interest rates. The probable scenario, of decrease and increase in interest rates, was measured using future interest rates published by BM&F BOVESPA and/or BACEN, considering a base rate of CDI at 13.15% p.a.

The expected effects of finance costs on loans and financing, net of income from financial investments, for the next three months are as follows:

| | Individual | Consolidated |
|---|--------------------|---------------------|
| | 03/31/2022 | 03/31/2022 |
| Bank Deposit Certificates (Note 5) | 436,820 | 1,188,673 |
| Non-boutique investment funds (Note 5) | - | 37,572 |
| Cash equivalents | 436,820 | 1,226,245 |
| Marketable securities (Note 6) | 584,427 | 584,427 |
| Total cash equivalents and marketable securities | 1,021,247 | 1,810,672 |
| Loans and financing (Note 19) | (6,556,553) | (6,911,524) |
| Net exposure | (5,535,306) | (5,100,852) |
| Finance cost related to interest - exposure to CDI | 13.15% | 13.15% |
| Impact on finance income (costs), net of taxes: | | |
| Base scenario – rate of 13.15% p.a. | (174,183) | (185,877) |
| Scenario of 25% increase – rate of 16.44% p.a. | (217,729) | (232,346) |
| Scenario of 50% increase – rate of 19.73% p.a. | (261,275) | (278,815) |
| Scenario of 25% decrease – rate of 9.86% p.a. | (130,637) | (139,408) |
| Scenario of 50% decrease – rate of 6.58% p.a. | (87,092) | (92,938) |

Magazine Luiza S.A.

Notes to quarterly information (Continued)
March 31, 2022
(In thousands of reais - R\$)

31. Statements of cash flows

Changes in statement of financial position accounts that did not impact the Company's cash flows are as follows:

| | Individual | | Consolidated | |
|--|------------------|------------|------------------|------------|
| | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 |
| Offset of taxes recoverable | (245,528) | (214,507) | (245,528) | (214,507) |
| Additions – IFRS 16 – Right of use and lease | 203,815 | 96,633 | 208,526 | 96,802 |
| Stock option plan - Netshoes | (7,419) | (1,330) | - | - |
| Accounts payable to former members | - | (30,750) | - | (30,750) |
| Dividends proposed by subsidiaries and jointly-controlled entities | - | 14,809 | - | 14,809 |
| Dividends or IOE declared and not paid in the year | - | (39,955) | - | (39,955) |
| Treasury shares payable | - | (159,037) | - | (159,037) |

32. Insurance coverage

The Company has insurance contracts with coverage determined by expert advice, taking into account the nature and degree of risk, at amounts considered sufficient to cover possible losses on its assets and/or liabilities.

Insurance coverage at March 31, 2022 and December 31, 2021 is as follows:

| | Individual | | Consolidated | |
|------------------------------------|------------------|------------|------------------|------------|
| | 03/31/2022 | 12/31/2021 | 03/31/2022 | 12/31/2021 |
| Civil liability D&O | 100,000 | 100,000 | 194,025 | 194,025 |
| Sundry risks – inventories and P&E | 6,093,575 | 6,779,389 | 7,290,322 | 7,756,705 |
| Vehicles | 34,711 | 25,228 | 34,711 | 25,228 |
| Total | 6,228,286 | 6,904,617 | 7,519,058 | 7,975,958 |