Earnings Release
4Q20

4Q20 and 2020 Highlights

MGLU
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- **Total sales rose 66%, reaching R$14.9 billion (R$43.5 billion in 2020)**
- **E-commerce grew 121%, reaching R$9.5 billion and 64% of total sales in 4Q20**
- **Physical store sales grew 16% (11% same store sales)**
- **Adjusted EBITDA of R$524 million in 4Q20 (5.2% margin)**
- **Adjusted net profit grew 40% reaching R$232 million in 4Q20**
- **Cash flow from operations of R$2.1 billion in 4Q20 (R$3.1 billion in 2020)**

Consistent market share gains. In 4Q20, total sales (physical stores, e-commerce first-party inventory (1P) and marketplace (3P)) increased an impressive 66.1% to R$14.9 billion, reflecting growth of 120.7% in e-commerce and 15.7% in physical stores (same store sales growth of 10.9%). The great sales performance during the quarter led Magalu to reach the largest market share position for the quarter in its history, with 5.1 p.p. of growth over 4Q19, according to GFK, the leading retail analytics firm.

E-commerce continues to grow at a very fast pace. In 4Q20, formal Brazilian e-commerce grew 32.2%, according to E-bit. Magalu went even further, growing more than the market, consolidating its leadership position in formal e-commerce. During the period, the Company's total e-commerce sales increased by 120.7% and accounted for 63.8% of total sales. In 1P e-commerce, sales increased by 119.8% and the 3P marketplace contributed R$2.6 billion, growing 122.9%. The strong gain in market share was driven by the excellent performance of the app, which had 33 million monthly active users (MAU). Other contributing factors include faster delivery speeds, the growth of new categories and the continued evolution of the marketplace.

Gross margin reflects greater e-commerce participation. Even with the excellent performance of the physical stores, the strong growth in online sales led e-commerce to become a greater percentage of total sales - from 48.0% in 4Q19 to 63.8% in 4Q20 - and, consequently, the adjusted gross margin decreased from 28.6% in 4Q19 to 24.7% in 4Q20.

Expenses reach historically low percentage. With strong sales growth, the percentage of adjusted operating expenses in relation to net revenue reached 19.7% in 4Q20, one of the lowest historical levels. Adjusted operating expenses decreased 1.4 pp compared to 4Q19. This result highlights the importance of Magalu's multichannel strategy and how it contributes to the efficiency of the Company's business model.

EBITDA and net profit. In 4Q20, sales growth and the dilution of operating expenses were essential to the growth of adjusted EBITDA, which reached R$523.8 million in 4Q20. On the other hand, investments in service levels impacted the adjusted EBITDA margin, which went from 7.8% in 4Q19 to 5.2% in 4Q20. In 4Q20, adjusted net income reached R$232.1 million, an increase of 39.8% compared to 4Q19.

Strong cash flow from operations. Cash flow from operations, adjusted for receivables, reached a significant R$2.1 billion in 4Q20. In the last 12 months, adjusted cash generation was R$3.1 billion, increasing 104%. The positive results and the variation in working capital, due to an emphasis on inventory management, contributed significantly to this cash generation.

Net cash position and solid capital structure. In the last 12 months, the adjusted net cash position increased by R$1.0 billion, from R$6.3 billion in Dec/19 to R$7.3 billion in Dez/20. The Company ended 4Q20 with a total cash position of R$9.0 billion, considering cash and financial instruments of R$2.9 billion and available credit card receivables of R$6.1 billion.

MGLU3: R$ 23.10 per share
Total Shares: 6,498,926,848
Market Cap: R$ 150.1 billion

Videoconference
March 09,2021 (Tuesday)
09:00 AM in US (EST): +1 412 717 9627
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MESSAGE FROM THE EXECUTIVE DIRECTORS

What happened and what lies ahead

At Magalu, we pride ourselves on our ability to change. Throughout our 63 year history, we have never succumbed to complacency or fallen victim to a comfort zone. Early on, we learned that there will always be difficulties and with each successive challenge, our library of collective experiences has grown, making us wiser and stronger. In our more than six decades of operation, we have experienced many challenges. But nothing compared to the scenario of March 2020.

The worst pandemic in more than a century put us to the test, forcing us to live many years in one. In this message, which is normally dedicated to taking stock of the previous year and outlining our plans for the next, we want to look back at everything that our more than 40,000 employees accomplished in a challenging environment that has yet to normalize.

2020 was an epic year with extraordinary results, but above all a year of profound and fundamental changes in the market and in our business model. Changes implemented during this period will serve as the basis for the future of Magalu's multichannel digital strategy and the enormous opportunities that it will enable.

March 20, 2020

On March 20, 2020, Magalu declared war on COVID-19. For the first time in more than six decades, all of the company's physical stores were closed and almost all of our employees were sent home. Three priorities were immediately identified: the health and safety of all of our employees, the continuity of operations and the retention of jobs. Each priority was inexorably linked to the others. We knew that if we failed at one, we would fail at the others.

Starting in March, we began a complex choreography of actions, carrying out in months movements that would have normally taken years. To ensure that no employee was fired, Magalu convinced all employees to take voluntary pay cuts and renegotiated rental and service contracts. Cash, which was already R$7 billion, was quickly reinforced with a R$800 million debenture issuance.

"THE PANDEMIC AND THE RISE OF THE DIGITAL ECOSYSTEM"

Magalu's goal of digitalizing Brazil has never been more pertinent. With physical stores closed, digitalization was the only way to reactivate business, preserve jobs and contribute to the fight against inequality, which was deepened by the pandemic. We believe that, in an increasingly connected world, there is no mass socioeconomic mobility without digital inclusion.

In April, we launched Partner Magalu, an intuitive app designed to help analog companies, which had to close their doors due to the pandemic, sell online. In less than a year - from April 2020 to today - 14,000 partners have joined the Magalu ecosystem. That means 14,000 stores remained open. Without Partner Magalu, many of these businesses would have closed permanently. This is a movement that the pandemic catalyzed, but which will accelerate even as COVID-19 subsides.

To ensure that our customers would be able to buy essential items from the safety of their homes, we strengthened our #TemNoMagalu (#TheyHaveItAtMagalu) campaign, adding thousands of new items, with an emphasis on grocery items, specifically, non-perishable food, hygiene and cleaning products, delivered free of charge. Today, the grocery category represents more than 40% of items sold on Magalu's e-commerce platform.

In 2020, Magalu's multichannel digital format, coupled with the rapid expansion of our last-mile delivery system (Logbee), enabled the growth of ship-from-store. This was a decisive move, enabling Magalu to guarantee faster delivery, anywhere in the country. As part of the initiative, Magalu's physical stores were transformed into dark stores in which e-commerce items, identified as popular by our machine learning algorithms, were prepositioned in the local physical stores. When consumers purchased the items via the Magalu SuperApp the products would only have to travel a short distance to reach customers' homes. In the fourth quarter of 2020, 45% of all e-commerce deliveries were made within 24 hours.

These coordinated actions generated tangible results. In the second quarter, Magalu's total sales grew 49% and e-commerce increased 182%. The third quarter witnessed the biggest growth in the company's history, 81%, driven by the strength of our digital initiatives and the reopening of part of our physical stores. After months of playing defense, the moment to switch to offense arrived and we began expanding our ecosystem once again.

"IN 2020, MAGALU'S TOTAL SALES GREW 60%. DURING THE FOURTH QUARTER E-COMMERCE ADVANCED 120%."

In just six months - from July to December – we acquired ten companies that fit perfectly with our strategic imperatives. (Magalu had previously purchased another company, virtual book seller Estante Virtual, in February, strengthening the #TemNoMagalu pillar by adding a catalog of millions of new and used books.)

HubSales enabled factories to sell directly to consumers via the Magalu marketplace. Canaltech's multimedia content production and InLoco's ad platform accelerated the launch of MagaluAds. AiQFome, gave Magalu entre to the food delivery market, increasing our purchase frequency. GFL reinforced our last mile logistics platform, growing the size of our last-mile delivery platform, Logbee, by 50%. Stoq enabled us to extend our tendrils into the offline world via their robust point of sale solutions for medium-sized retailers. ComSchool helped us attract sellers to our marketplace platform by creating superior content designed to educate new and existing sellers at scale. And we accelerated our efforts to enter the payments market by acquiring the leading banking-as-a-service platform, Hub Fintech.

Even with the full reopening of physical stores during the last quarter, e-commerce continued to grow at an accelerated pace, more than doubling in size compared to the previous year (120% growth over an increase of 93% during the same period in 2019). Despite a 50% reduction in the size of Corona virus aid checks, same store sales increased 11% in the last three months of the year. Magalu generated R$2 billion in cash during the period (R$3 billion during the year) and we increased net profit by 40%.

The economic and health emergency brought on by the COVID-19 pandemic meant that, for investors around the world, 2020 was also a year marked by three letters: ESG. Concerns about the environment, the well-being of society and governance standards quickly became imperative for companies. The tragedy that has claimed millions of lives - more than 260,000 in Brazil alone, to date - emphasized the need for companies to strive to deliver long-term value for all of their stakeholders, not just shareholders. Though occasionally burdensome, we believe that by embracing sustainable, value-accretive strategies we will ultimately be able to generate higher returns for our shareholders. The weight of this responsibility became apparent in March of last year when the crisis struck. In the face of a leadership vacuum, Magalu quickly filled the gap, publicly sharing health and safety best practices to protect employees and customers and vocally promising not to fire employees during the pandemic, setting the example for other Brazilian companies.

During this period, we focused mainly on the social (S) component of ESG, retaining employees during the critical first few months of the pandemic; onboarding thousands of analog entrepreneurs to our digital platform via the Partner Magalu app and launching initiatives to tackle some of the collateral effects of the COVID-19 crisis. In order to combat the increase in domestic violence, for example, we embedded a button inside the SuperApp enabling victims to connect directly to an emergency chat service run by the Ministry of Women, Family and Human Rights.

The founding families also made significant donations. In August, the Trajano and Garcia families, controllers of Magalu, and the company donated R$40 million to combat the effects of the pandemic. This was in addition to a R$10 million contribution that the controlling families made at the beginning of the crisis.

Increasingly, social also means being diverse, reflecting within our four walls the reality of the country in which we are based. Recently, after analyzing the makeup of our workforce, we came to the conclusion that we had a problem. People of African descent make up more than 50% of our total workforce, but only 14% of our leadership team. In recent years, we tried to remedy the situation by opening the doors of our trainee program, which fast-tracks people for careers in management, to men and women of African descent, however we were unable to attract qualified candidates. Sadly, we realized that young people of this demographic did not even apply.

Therefore, in 2020, we decided to open a trainee program exclusively for people of African descent. Our intention was never to serve as an example for other companies. We never had the arrogance to think that Magalu could singlehandedly solve the equal access to opportunity problem in Brazil. Our intention was to solve our own problem. The results were a tremendous success. The initiative attracted more than 22,000 young people from across the country giving Magalu the most comprehensive database of candidates of African descent in Brazil. Ultimately, nineteen talented applicants were accepted into the trainee program. They are highly qualified professionals - people for whom only one open door was missing. That was the first step. Our mission will only be complete when these young people begin to assume leadership roles at Magalu.

Our efforts did not go unnoticed. According to research conducted by a leading global brand consulting firm, Interbrand, Magalu became the ninth most valuable brand in Brazil, demonstrating the highest growth among all participants in the survey. And in multiple other surveys Magalu ranked among the brands that best dealt with the pandemic.

2020 was a year of enormous achievments, but we still have a long way to go

Through the heroic actions of our team, we weathered the storm, overcoming the significant challenges of 2020. But, overcoming challenges, is not enough. If we want to succeed, we also need to take actions to prepare for the future.

Accordingly, 2020 was also a year of planting seeds for our future growth. To accomplish this we focused on four main areas, linked together around the central theme of the digitalization of Brazil, each of which represents an enormous total addressable market or TAM.

1. **NEW CATEGORIES.** Today Magalu has 26 million items from a broad array of categories available on its platform, either via its own inventory (1P) or via sellers in its marketplace (3P). We grew exponentially. And yet there is still a market of R$1.2 trillion in retail sales and R$200 billion in food sales that remains outside the purview of our platform. In addition to continuing to grow within our traditional categories, we see huge opportunity in the following three categories:

   1.1. **Supermarket Products.** In the grocery category, Magalu recently acquired VipCommerce, which provides turnkey white-label e-commerce solutions for supermarkets, enabling them to rapidly create websites and móbile apps. The addition of VipCommerce into our ecosystem, will enable thousands of supermarkets across Brazil to join forces with Magalu. The combination of Magalu's existing first-party (1P) operation with the local supermarkets' third-party (3P) operations will permit Magalu to offer consumers a comprehensive selection of grocery items, including perishables, through its SuperApp. In Brazil, the FMCG ("Fast Moving Consumer Goods") category represents a market of more than R$500 billion per year and we estimate that online sales may exceed R$60 billion in the coming years.

   1.2. **Food Delivery.** In early September, Magalu acquired AiQFome, a food delivery app focused on cities with less than 300,000 inhabitants, which is present in 450 cities in 21 Brazilian states. Even from this limited geographical area, AiQFome generates an annualized GMV of approximately R$1 billion. AiQFome app users have an average purchase frequency of 36 times per year, generating 2 million orders per month. The Brazilian food delivery market had revenues of R$18 billion last year. If we take into account the entire dining outside the home market, the number rises to R$196 billion. So, there is a great deal of untapped growth.

   1.3. **Fashion and beauty.** The lifestyle category, comprised of the twin pillars of fashion and beauty is another potential source of growth. The acquisition of Netshoes (Zattini) in 2019 marked Magalu's entrance into the fashion category in a relevant way. And the acquisition of Época Cosméticos in 2013, and its subsequent growth, has made Época a leader in the online beauty category. With the acquisition of HubSales (2020), Magalu will be able to digitalize industrial fashion hubs, connecting factories directly to consumers through our marketplace. Despite the fact that they have annual sales of R$223 billion, the fashion and beauty categories remain extremely analog and fragmented. We estimate that the e-commerce opportunity in these categories could reach R$67 billion per year in the near future.

2. **RETAIL TECH – MaaS.** The goal of MaaS is to become the operating system for retail in Brazil. Through the efforts of our in-house technology development arm, Luizalabs, Magalu has demonstrated a proven track record of developing solutions tailor-made to the specific problems of Brazilian retailers. With initiatives such as Partner Magalu, Magalu Payments, Magalu Deliveries and the Point of Sale (POS) technology from the recently acquired Stoq, Magalu will bring technology solutions to millions of marketplace sellers, analog retailers, restaurants and others who have not yet embraced digitalization. Today there are 5.7 million formal retailers in Brazil, only 47,000 of whom sell online through our marketplace platform. In the restaurant sector, there are more than 1.6 million establishments in Brazil, only 20,000 of whom currently connect to AiQFome. So, there is plenty of room for growth.

3. **FINTECH.** In 2020, R$2 trillion worth of electronic transactions including credit, debit and prepaid card payments were processed in Brazil. Of this amount, around R$41 billion in total payment volume or TPV was transacted through the Magalu ecosystem during the last year - a small fraction compared to the company's potential. As part of our fintech initiatives, we launched Magalu Pay, our digital account which is fully multichannel and integrated with the SuperApp. Since then, 2.7 million accounts have been created. In December, Magalu acquired Hub Fintech, the most comprehensive platform of services for digital accounts and prepaid cards in Brazil. Hub already has 4 million accounts and cards that handled around R$7 billion in 2020. From now on, Magalu Pay, Hub and our existing credit card operation, Luizacred, will be connected, ushering in a new era of digital financial services - - prepaid cards, credit cards, loans to individuals and companies, insurance and cashback - for our customers, marketplace sellers and ecosystem partners, including restaurants connected to AiQFome. This will all be done through the same channel: our SuperApp.

4. **DIGITAL ADVERTISING.** According to data from eMarketer, in 2020 the Brazilian advertising market was R$48 billion, more than one third of which was invested in digital advertising. Digital ads, which rely on algorithms to reach consumers in the right place (smartphone or website) at the right time (the moment that they are making the purchase decision) have already surpassed 40% of all forms of advertising, including television media, and the market is still in its infancy.

   Magalu has advertisers (sellers and suppliers) and an audience (33 million monthly active users). In order to strengthen our advertising initiative, Magalu Ads, we acquired Canaltech, a content creation startup, and Inloco Media, an online advertising platform. The Magalu Ads platform will enable thousands of sellers and suppliers to accelerate their sales via digital ads, while providing Magalu with an additional way of monetizing its audience.

New Multichannel Marketplace Format

Magalu is in a unique position. We have a rapidly growing marketplace with 47,000 sellers and a thriving multi-channel operation with over 1,300 physical stores. Today we are taking a new leap forward, integrating our marketplace with our physical stores. In 2021, we will begin to transform part of our physical stores into spaces for the exhibition, sale, drop-off and delivery of various categories of marketplace items. The brick and mortar store that serves our first-party or 1P business so well will now put all of its services - display of the most popular items, inventory, drop-off and delivery - at the disposal of our marketplace or 3P business. Our stores will also act as a point of discovery and experience for consumers to interact with sellers' products, expanding the platform exponentially.

Year of Logistics

In order to strengthen the entire ecosystem, 2021 will also be the year of logistics. The year of #PiscouChegou (#YouBlinkedItArrived). We will significantly accelerate investments to convert our more than 1,300 stores into logistical support points for sellers; dramatically increase the number of CDs and cross docking stations - 63 units at the end of 2020, and automate our infrastructure. The goal is to make the distribution and delivery experience of our marketplace partners perfectly mirror that of our own first-party business.

We started the year at a fast pace, with e-commerce growing in the low triple-digits[1] during the first two months of 2021. But Brazil is currently experiencing a second wave of COVID-19 lockdowns. The stringent social isolation measures - which were implemented again in the beginning of March - will have a direct impact on the stores' performance in the short term. With our physical locations closed[2], we can no longer count on the contribution of store sales to cover the costs of the fixed expenses. Consequently, our profitability could be affected as long as social isolation measures remain in effect. On the other hand, sales on our digital channels should tend to remain strong, which is beneficial since our online operations are now even greater than our offline operations.

Despite the challenges, we remain confident about our prospects. Our capital structure is even stronger than last year, our teams are better prepared to deal with isolation measures and our business model has proven to be remarkably resilient to the pandemic. We are excited about the future, the four main areas of growth described above and other opportunities that we believe will generate significant value for our shareholders over the long term.

We are deeply grateful to our collaborators, who have gone through the most turbulent days with us. And to all of our investors, suppliers and partners. Special thanks to our millions of customers, throughout Brazil, for believing that we could, especially when it was most necessary, be a part of their lives.

EXECUTIVE MANAGEMENT TEAM

[1] Preliminary information, unaudited or reviewed by our independent auditors.
[2] 823 out of 1,301 as of today.

R$ million (except when otherwise indicated)	4Q20	4Q19	% Chg	12M20	12M19	% Chg
Total Sales[1] (including marketplace)	14,932.2	8,988.1	66.1%	43,516.7	27,270.7	59.6%
Gross Revenue	12,463.7	7,868.3	58.4%	36,116.0	24,377.1	48.2%
Net Revenue	10,065.8	6,385.0	57.6%	29,177.1	19.886.3	46.7%
Gross Income	2,485.6	1,825.4	36.2%	7,520.0	5,554.0	35.4%
Gross Margin	24.7%	28.6%	-390 bps	25.8%	27.9%	-210 bps
EBITDA	504.7	499.1	1.1%	1,527.1	1,775.5	-14.0%
EBITDA Margin	5.0%	7.8%	-280 bps	5.2%	8.9%	-370 bps
Net Income	219.5	168.0	30.6%	391.7	921.8	-57.5%
Net Margin	2.2%	2.6%	-40 bps	1.3%	4.6%	-330 bps
Adjusted - Gross Income	2,485.6	1,825.4	36.2%	7,520.0	5,790.0	29.9%
Adjusted - Gross Margin	24.7%	28.6%	-390 bps	25.8%	29.1%	-330 bps
Adjusted - EBITDA	523.8	496.2	5.6%	1,506.0	1,659.7	-9.3%
Adjusted - EBITDA Margin	5.2%	7.8%	-260 bps	5.2%	8.3%	-310 bps
Adjusted - Net Income	232.1	166.1	39.8%	377.8	504.2	-25.1%
Adjusted - Net Margin	2.3%	2.6%	-30 bps	1.3%	2.5%	-120 bps
Same Physical Store Sales Growth	10.9%	12.6%	-	-7.4%	7.8%	-
Total Physical Store Sales Growth	15.7%	26.1%	-	0.6%	17.9%	-
Internet Sales Growth (1P)	119.8%	68.6%	-	122.6%	51.4%	-
Total E-commerce Sales Growth	120.7%	92.8%	-	130.7%	76.0%	-
E-commerce Share in Total Sale	63.8%	48.0%	15.8 pp	65.6%	45.3%	20.2 pp
Number of Stores - End of Period	1,301	1,112	189 stores	1,301	1,112	189 stores
Sales Area - End of Period (M2)	666,089	648,227	2.8%	666,089	648,227	2.8%

[1] Total Sales include gross revenue from physical stores and 1P e-commerce plus 3P marketplace sales and Aiqfome.

| NON-RECURRING EVENTS

For ease of comparability with 4Q19, 4Q20 results are also being presented in an adjusted view, without the effects other non-recurring provisions and expenses.

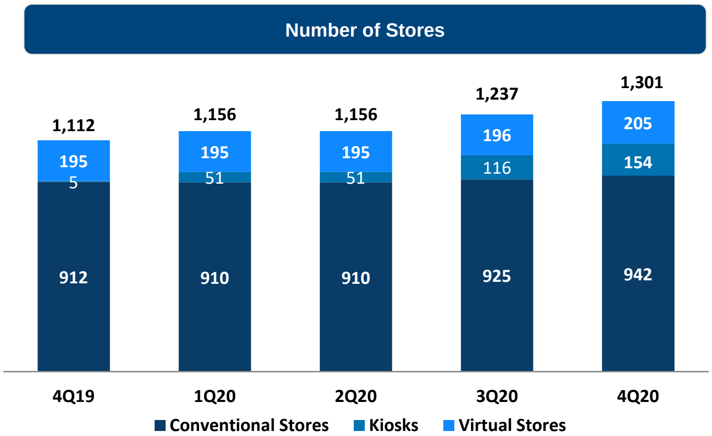
CONCILIATION ADJUSTED INCOME STATEMENT (R$ million)	4Q20 Adjusted	V.A.	Non-recurring	4Q20	V.A.
Gross Revenue	12,463.7	123.8%	-	12,463.7	123.8%
Taxes and Deductions	(2,397.9)	-23.8%	-	(2,397.9)	-23.8%
Net Revenue	10,065.8	100.0%	-	10,065.8	100.0%
Total Costs	(7,580.2)	-75.3%	-	(7,580.2)	-75.3%
Gross Income	2,485.6	24.7%	-	2,485.6	24.7%
Selling Expenses	(1,675.4)	-16.6%	-	(1,675.4)	-16.6%
General and Administrative Expenses	(289.5)	-2.9%	-	(289.5)	-2.9%
Provisions for Loan Losses	(33.7)	-0.3%	-	(33.7)	-0.3%
Other Operating Revenues, Net	12.7	0.1%	(19.1)	(6.4)	-0.1%
Equity in Subsidiaries	24.1	0.2%	-	24.1	0.2%
Total Operating Expenses	(1,961.8)	-19.5%	(19.1)	(1,980.9)	-19.7%
EBITDA	523.8	5.2%	(19.1)	504.7	5.0%
Depreciation and Amortization	(186.2)	-1.9%	-	(186.2)	-1.9%
EBIT	337.5	3.4%	(19.1)	318.4	3.2%
Financial Results	(118.8)	-1.2%	-	(118.8)	-1.2%
Operating Income	218.7	2.2%	(19.1)	199.6	2.0%
Income Tax and Social Contribution	13.4	0.1%	6.5	19.9	0.2%
Net Income	232.1	2.3%	(12.6)	219.5	2.2%

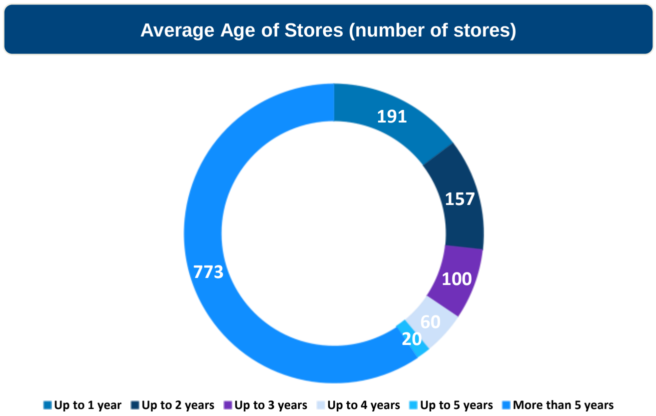
| Adjustments – Non – Recurring Events

Adjustments	4Q20	12M20
Tax Credits	(0.2)	56.5
Tax Provisions	1.7	35.4
Expert Fees	(8.0)	(27.8)
Pre-operating Store Expenses	(2.4)	(9.5)
Other Non-recurring Expenses	(10.2)	(33.4)
EBITDA Adjustments	**(19.1)**	**21.1**
Income Tax and Social Contribution	6.5	(7.2)
Net Income Adjustments	**(12.6)**	**13.9**

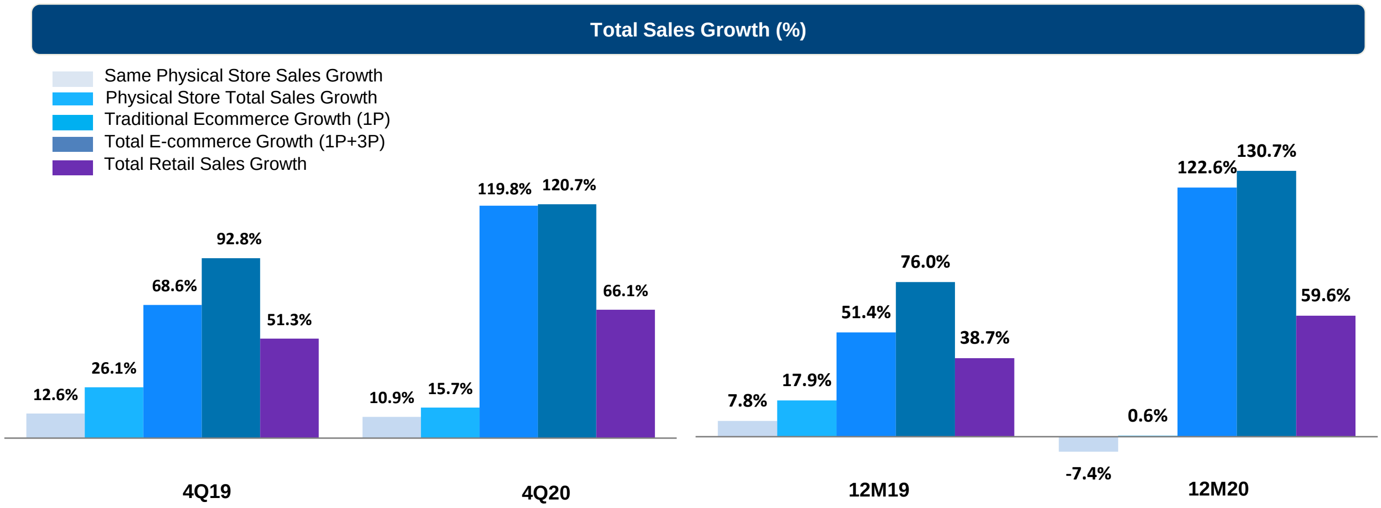
| OPERATING AND FINANCIAL PERFORMANCE

Magalu ended 4Q20 with 1,301 stores (942 conventional, 205 virtual and 154 kiosks via the partnership with Lojas Marisa) and an e-commerce operation. In 4Q20, the Company inaugurated 64 stores. In the last 12 months, the Company opened 191 new stores (32 in the South, 97 in the Southeast, 26 in the Midwest, 30 in the Northeast and 6 in the North). Forty-one percent of our total number of stores are not yet mature.

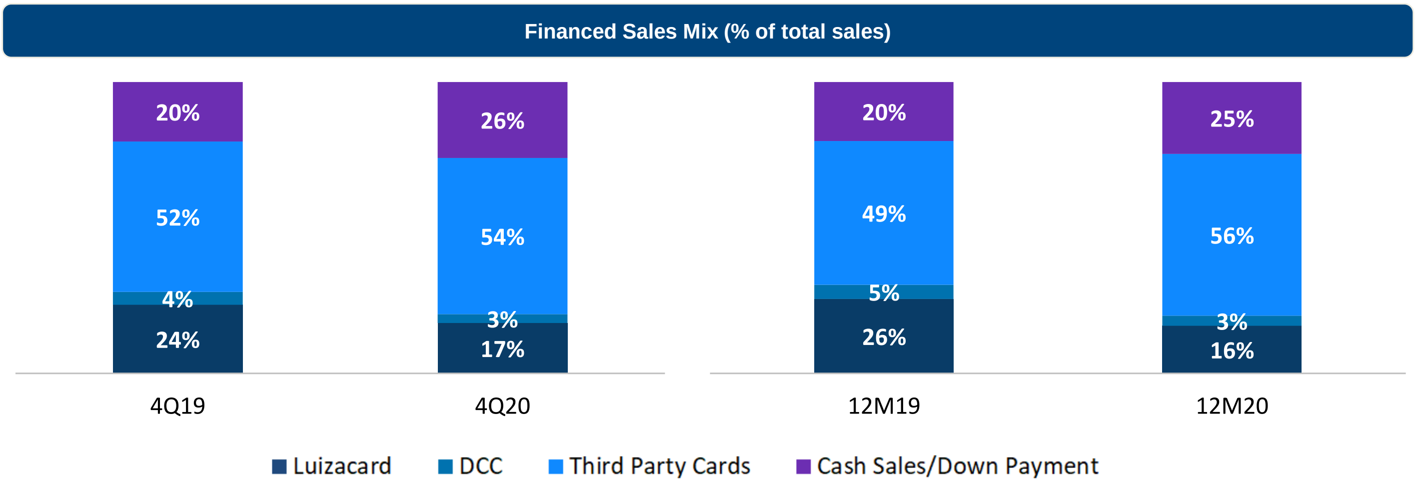




Total Retail sales were up 66.1% in 4Q20 as a result of a 120.7% increase in e-commerce sales and an 15.7% increase in brick-and-mortar store sales. In 12M20, total sales grew 59.6%.



Luiza Card's share decreased from 24% to 17% in 4Q20 compared to the same period in 2019 due to the greater share of e-commerce in total sales.



| Gross Revenues

(in R$ million)	4Q20	4Q19	% Chg	12M20	12M19	% Chg
Gross Revenue - Retail - Merchandise Sales	11,796.8	7,488.8	57.5%	34,176.9	23,141.0	47.7%
Gross Revenue - Retail - Services	550.4	362.5	51.8%	1,638.5	1,132.1	44.7%
Gross Revenue - Retail	**12,347.3**	**7,851.3**	**57.3%**	**35,815.4**	**24,273.1**	**47.6%**
Gross Revenue - Other Services	230.9	51.8	346.1%	516.8	159.1	224.8%
Inter-Company Eliminations	(114.5)	(34.7)	229.5%	(216.2)	(55.1)	292.5%
Gross Revenue - Total	**12,463.7**	**7,868.3**	**58.4%**	**36,116.0**	**24,377.1**	**48.2%**

In 4Q20, total gross revenue grew 58.4% to R$12.5 billion. The accelerated growth of e-commerce and the excellent performance of physical stores during the quarter contributed to the evolution of gross revenue. Service revenue increased 51.8% in 4Q20, mainly due to the growth of Marketplace and Magalu Payments. In 12M20, gross revenue grew 48.2% to R$36.1 billion.

| Net Revenues

(in R$ million)	4Q20	4Q19	% Chg	12M20	12M19	% Chg
Net Revenue - Retail - Merchandise Sales	9,476.8	6,049.5	56.7%	27,453.4	18,786.2	46.1%
Net Revenue - Retail - Services	502.0	324.3	54.8%	1,491.4	1,012.5	47.3%
Net Revenue - Retail	**9,978.8**	**6,373.8**	**56.6%**	**28,944.8**	**19,798.7**	**46.2%**
Net Revenue - Other Services	201.5	46.0	338.4%	448.5	142.7	214.2%
Inter-Company Eliminations	(114.5)	(34.7)	229.5%	(216.2)	(55.1)	292.5%
Net Revenue - Total	**10,065.8**	**6,385.0**	**57.6%**	**29,177.1**	**19,886.3**	**46.7%**

In 4Q20, total net revenue increased 57.6% to R$10.1 billion, in line with the variation in total gross revenue. In 12M20, net revenue grew 46.7% to R$29.2 billion.

| Gross Profit

(in R$ million)	4Q20	4Q19	% Chg	12M20	12M19	% Chg
Gross Profit - Retail - Merchandise Sales	2,043.6	1,515.0	34.9%	6,141.0	4,762.4	28.9%
Gross Profit - Retail - Services	502.0	324.3	54.8%	1,491.4	1,012.5	47.3%
Gross Profit - Retail	**2,545.6**	**1,839.3**	**38.4%**	**7,632.4**	**5,774.9**	**32.2%**
Gross Profit - Other Services	49.5	17.2	187.9%	92.9	55.3	67.8%
Inter-Company Eliminations	(109.6)	(31.1)	252.4%	(205.3)	(40.3)	409.1%
Gross Profit - Total	**2,485.6**	**1,825.4**	**36.2%**	**7,520.0**	**5,790.0**	**29.9%**
Gross Margin - Total	**24.7%**	**28.6%**	**-390 bps**	**25.8%**	**29.1%**	**-330 bps**

In 4Q20, gross profit grew 36.2% to R$2.5 billion, equivalent to a gross margin of 24.7%. The variation in gross margin was mainly due to the greater share of traditional e-commerce (1P) in sales. In 12M20, gross profit grew 29.9% to R$7.5 billion, equivalent to a gross margin of 25.8%.

| Operating Expenses

(in R$ million)	4Q20 Adjusted	% NR	4Q19 Adjusted	% NR	% Chg	12M20 Adjusted	% NR	12M19 Adjusted	% NR	% Chg
Selling Expenses	(1,675.4)	-16.6%	(1,135.0)	-17.8%	47.6%	(5,162.6)	-17.7%	(3,444.1)	-17.3%	49.9%
General and Administrative Expenses	(289.5)	-2.9%	(203.4)	-3.2%	42.4%	(906.8)	-3.1%	(701.6)	-3.5%	29.2%
General and Administrative Expenses	**(1,964.9)**	**-19.5%**	**(1,338.3)**	**-21.0%**	**46.8%**	**(6,069.4)**	**-20.8%**	**(4,145.7)**	**-20.8%**	**46.4%**
Provisions for Loan Losses	(33.7)	-0.3%	(30.2)	-0.5%	11.6%	(118.1)	-0.4%	(76.0)	-0.4%	55.4%
Other Operating Revenues, Net	12.7	0.1%	20.9	0.3%	-39.2%	53.7	0.2%	64.8	0.3%	-17.2%
Total Operating Expenses	**(1,985.9)**	**-19.7%**	**(1,347.6)**	**-21.1%**	**47.4%**	**(6,133.8)**	**-21.0%**	**(4,156.8)**	**-20.9%**	**47.6%**

| Selling Expenses

In 4Q20, selling expenses totaled R$1,675.4 million, equivalent to 16.6% of net revenue, 1.2 pp less than in 4Q19, mainly due to strong sales growth. It is worth mentioning that the Company was able to dilute selling expenses even while investing in improving service levels in areas such as customer service and logistics.

In 12M20, selling expenses totaled R$ 5.162,6 million, equivalent to 17.7% of net revenue (+0.4 p.p. versus 12M19).

| General and Administrative Expenses

In 4Q20, general and administrative expenses totaled R$289.5 million, equivalent to 2.9% of net revenues, a decrease of 0.3 pp compared to 4Q19, mainly due to strong sales growth.

In 12M20, general and administrative expenses totaled R$906.8 million, equivalent to 3.1% of net revenue (-0.4 p.p. versus 12M19).

| Provisions for Loan Losses

Provisions for loan losses totaled R$33.7 million in 4Q20 and R$118.1 in 12M20.

| Other Operating Revenues and Expenses, Net

(in R$ million)	4Q20	% NR	4Q19	% NR	% Chg	12M20	% NR	12M19	% NR	% Chg
Gain on Sale of Assets	(1.4)	0.0%	2.8	0.0%	-151.0%	(3.3)	0.0%	7.2	0.0%	-146.2%
Deferred Revenue Recorded	14.1	0.1%	13.6	0.2%	3.9%	57.0	0.2%	53.1	0.3%	7.4%
Others	-	0.0%	4.5	0.1%	-	-	0.0%	4.5	0.0%	-
Subtotal - Adjusted	**12.7**	**0.1%**	**20.9**	**0.3%**	**-39.2%**	**53.7**	**0.2%**	**64.8**	**0.3%**	**-17.2%**
Tax Credits	(0.2)	0.0%	-	0.0%	-	56.4	0.2%	812.0	4.1%	-93.0%
Tax Provisions	1.7	0.0%	6.0	0.1%	-71.1%	35.4	0.1%	(240.7)	-1.2%	-114.7%
Expert Fees	(8.0)	-0.1%	(5.6)	-0.1%	43.2%	(27.8)	-0.1%	(149.6)	-0.8%	-81.4%
Pre-operating Store Expenses	(2.4)	0.0%	(0.9)	0.0%	156.7%	(9.5)	0.0%	(21.2)	-0.1%	-55.2%
Others Non Recurring Expenses	(10.2)	-0.1%	3.5	0.1%	-393.7%	(33.4)	-0.1%	(48.6)	-0.2%	-31.2%
Subtotal - Non Recurring	**(19.1)**	**-0.2%**	**2.9**	**0.0%**	**-759.6%**	**21.1**	**0.1%**	**351.8**	**1.8%**	**-94%**
Total	**(6.4)**	**-0.1%**	**23.8**	**0.4%**	**-127.1%**	**74.7**	**0.3%**	**416.7**	**2.1%**	**-82.1%**

In 4Q20, other adjusted net operating revenues totaled R$12.7 million, mainly influenced by the recognition of deferred revenues in the amount of R$14.1 million. In 12M20, other adjusted net operating revenues totaled R$53.7 million.

| Equity Income

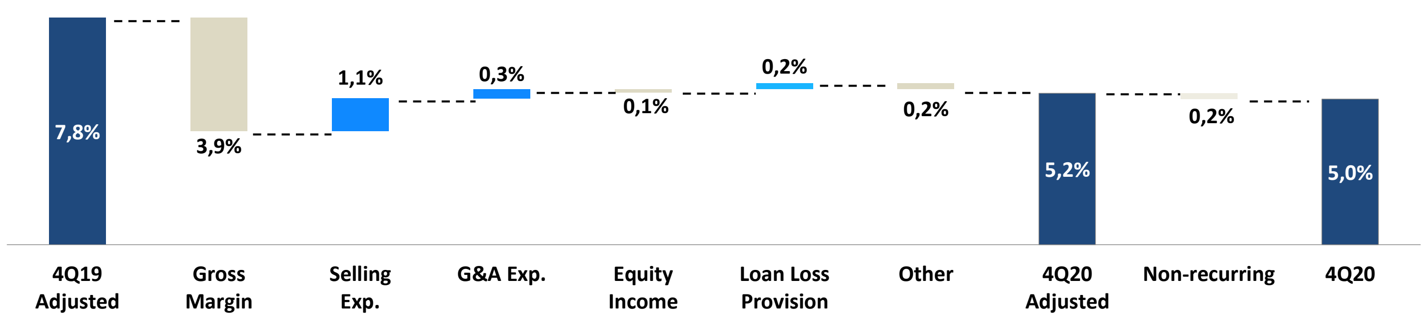
In 4Q20, equity income was R$24.1 million. Luizacred was responsible for R$26.4 million and Luizaseg, was responsible for a loss of R$2.3 million. In 12M20, equity income was R$119.9 million.

| EBITDA

In 4Q20, adjusted EBITDA reached R$523.8 million. The high growth in total sales, including physical stores, e-commerce (1P) and the marketplace (3P), contributed to the evolution of EBITDA. However, investments in improving service levels impacted the adjusted EBITDA margin, which went from 7.8% in 4Q19 to 5.2% in 4Q20.

In 12M20, adjusted EBITDA reached R$1,506.0 million, equivalent to a 5.2% margin.

EBITDA performance (% of net revenue)



| Financial Results

R$ million	4Q20	% NR	4Q19	% NR	% Chg	12M20	% NR	12M19	% NR	% Chg
Financial Expenses	(111.9)	-1.1%	(147.1)	-2.3%	-23.9%	(414.4)	-1.4%	(592.4)	-3.0%	-30.0%
Interest on loans and financing	(9.6)	-0.1%	(15.5)	-0.2%	-37.8%	(46.6)	-0.2%	(56.4)	-0.3%	-17.4%
Interest on prepayment of receivables – third party card	(50.2)	-0.5%	(26.3)	-0.4%	90.7%	(124.5)	-0.4%	(139.5)	-0.7%	-10.8%
Interest on prepayment of receivables – Luiza Card	(28.2)	-0.3%	(66.7)	-1.0%	-57.7%	(115.4)	-0.4%	(262.8)	-1.3%	-56.1%
Other expenses	(23.8)	-0.2%	(38.6)	-0.6%	-38.2%	(128.0)	-0.4%	(133.7)	-0.7%	-4.3%
Financial Revenues	38.8	0.4%	38.4	0.6%	0.8%	183.4	0.6%	674.4	3.4%	-72.8%
Gains on marketable securities	5.6	0.1%	3.7	0.1%	51.6%	19.0	0.1%	8.5	0.0%	121.8%
Other financial revenues	33.2	0.3%	34.8	0.5%	-4.5%	164.4	0.6%	665.8	3.3%	-75.3%
Subtotal: Net Financial Results	(73.2)	-0.7%	(108.7)	-1.7%	-32.7%	(231.1)	-0.8%	81.9	0.4%	-382.0%
Interest on lease	(45.6)	-0.5%	(79.3)	-1.2%	-42.5%	(179.4)	-0.6%	(152.4)	-0.8%	17.8%
Total Net Financial Results	(118.8)	-1.2%	(188.0)	-2.9%	-36.8%	(410.5)	-1.4%	(70.4)	-0.4%	483.0%
(-) Update - Tax Credits	-	-	-	0.0%	-	-	-	522.5	2.6%	-
(-) Taxes and Expenses / Non recurring	-	-	-	0.0%	-	-	-	(61.9)	-0.3%	-
Total Financial Results - Adjusted	(118.8)	-1.2%	(188.0)	-2.9%	-36.8%	(410.5)	-1.4%	(531.1)	-2.7%	-22.7%

In 4Q20, net financial expenses totaled R$118.8 million, equivalent to 1.2% of net revenue. In relation to net revenue, financial expenses improved 1.7 pp compared to the adjusted 4Q19, mainly due to the reduction in interest rates and the improved capital structure. Disregarding the effects of leasing interest, the net financial result was R$73.2 million in 4Q20, equivalent to 0.7% of net revenue.

In 12M20, net financial expense was R$410.5 million, equivalent to 1.4% of net revenue (+1.3 p.p. versus adjusted 12M19).

| Net Income

Considering the growth in EBITDA and the dilution of financial expenses, adjusted net income reached R$232.1 million in 4Q20, with a margin of 2.3%, an increase of 39.8% compared to 4Q19. In 12M20, adjusted net income totaled R$377.8 million.

| Adjusted Working Capital

(R$ million)	LTM	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
(+) Accounts Receivables (without Credit Card)	120.5	914.6	706.3	680.8	781.3	794.0
(+) Inventories	2,125.5	5,927.2	5,005.9	4,198.2	4,075.5	3,801.8
(+) Related Parties (without Luiza Card)	(19.9)	80.6	71.3	80.4	77.1	100.6
(+) Recoverable Taxes	(148.0)	716.1	932.0	748.9	877.4	864.1
(+) Other Assets	24.5	160.8	88.5	100.2	143.5	136.3
(+) Current Operating Assets	2,102.6	7,799.3	6,804.0	5,808.6	5,954.8	5,696.8
(-) Suppliers	2,566.5	8,501.4	6,104.3	5,334.0	4,132.7	5,934.9
(-) Transfers and other deposits	718.5	718.5	627.3	639.3	235.9	-
(-) Payroll. Vacation and Related Charges	5.0	359.7	444.7	329.0	263.3	354.7
(-) Taxes Payable	49.3	401.3	299.6	206.4	176.9	352.0
(-) Related Parties	(21.8)	130.3	109.8	103.4	52.8	152.1
(-) Deferred Revenue	(0.0)	43.0	43.0	43.1	43.0	43.0
(-) Other Accounts Payable	501.9	1,203.7	1,084.1	806.2	547.0	701.7
(-) Current Operating Liabilities	3,819.4	11,357.9	8,712.7	7,461.3	5,451.6	7,538.5
(=) Working Capital Adjusted	(1,716.8)	(3,558.5)	(1,908.7)	(1,652.7)	503.2	(1,841.7)
% of Gross Revenue (LTM)	-2.3%	-9.9%	-6.1%	-6.1%	2.0%	-7.6%

In Dec/20, the adjusted working capital need was negative by R$3,558.5 million, contributing significantly to the strong cash generation during the quarter. This was due, in large part, to an emphasis on inventory turnover, which improved from 75 days to 70 days. During the same period, payment terms changed from 98 days to 90 days, maintaining inventory coverage.

In the last 12 months, the variation in adjusted working capital contributed R$1,716.8 million to the generation of operating cash flow.

| Capex

(in R$ million)	4Q20	%	4Q19	%	%Chg	12M20	%	12M19	%	%Chg
New Stores	24.1	11%	57.2	44%	-58%	93.1	17%	179.2	34%	-48%
Remodeling	18.7	9%	9.1	7%	105%	33.3	6%	47.3	9%	-29%
Technology	49.7	23%	34.4	26%	45%	197.4	36%	118.8	23%	66%
Logistics	76.1	35%	23.9	18%	218%	138.1	25%	131.3	25%	5%
Other	46.2	22%	6.2	5%	648%	81.9	15%	45.0	9%	82%
Total	214.8	100%	130.8	100%	64%	543.9	100%	521.5	100%	4%

In 4Q20, investments totaled R$214.8 million, including new store openings, investments in technology and logistics. In 4Q20, the Company opened 64 new stores and kiosks (inside Lojas Marisa).

| Capital Structure

(R$ million)	LTM	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
(-) Current Loans and Financing	(1,657.2)	(1,667.2)	(1,659.0)	(1,650.8)	(6.5)	(10.0)
(-) Non-current Loans and Financing	819.3	(19.6)	(16.6)	(14.0)	(847.4)	(838.9)
(=) Gross Debt	(837.9)	(1,686.8)	(1,675.6)	(1,664.8)	(853.8)	(848.8)
(+) Cash and Cash Equivalents	1,375.6	1,681.4	1,190.4	1,103.5	388.9	305.7
(+) Current Securities	(3,226.4)	1,221.8	1,725.6	1,878.8	2,231.3	4,448.2
(+) Non-current Securities	(0.2)	-	-	-	-	0.2
(+) Total Cash	(1,851.0)	2,903.2	2,916.0	2,982.3	2,620.2	4,754.1
(=) Net Cash	(2,688.9)	1,216.4	1,240.4	1,317.5	1,766.3	3,905.3
(+) Credit Card - Third Party Card	1,726.3	3,847.3	3,327.6	3,705.3	1,365.7	2,121.0
(+) Credit Card - Luiza Card	1,979.5	2,249.0	1,308.3	782.6	649.2	269.5
(+) Total Credit Card	3,705.8	6,096.3	4,635.9	4,487.9	2,014.9	2,390.5
(=) Adjusted Net Cash	1,016.9	7,312.7	5,876.3	5,805.4	3,781.2	6,295.8
Short Term Debt / Total	98%	99%	99%	99%	1%	1%
Long Term Debt / Total	-98%	1%	1%	1%	99%	99%
Adjusted EBITDA (LTM)	(153.7)	1,506.0	1,478.4	1,314.7	1,548.0	1,659.7
Adjusted Net Cash / Adjusted EBITDA	1.1 x	4.9 x	4.0 x	4.4 x	2.4 x	3.8 x
Cash. Securities and Credit Cards	1,854.9	8,999.5	7,551.9	7,470.2	4,635.1	7,144.6

In the last 12 months, the Company improved its adjusted net cash position by R$1.0 billion, from an adjusted net cash position of R$6.3 billion in Dec/19 to R$7.3 billion in Dec/20. This improvement was driven by strong cash generation of R$3.1 billion, investments and acquisitions.

The Company ended 4Q20 with a total cash position of R$9.0 billion, with cash and securities worth R$2.9 billion and R$6.1 billion worth of credit card receivables.

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ANNEX I
FINANCIAL STATEMENTS – CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT (R$ million)	4Q20	V.A.	4Q19	V.A.	% Chg	12M20	V.A.	12M19	V.A.	% Chg
Gross Revenue	12,463.7	123.8%	7,868.3	123.2%	58.4%	36,116.0	123.8%	24,377.1	122.6%	48.2%
Taxes and Deductions	(2,397.9)	-23.8%	(1,483.3)	-23.2%	61.7%	(6,938.9)	-23.8%	(4,490.8)	-22.6%	54.5%
Net Revenue	10,065.8	100.0%	6,385.0	100.0%	57.6%	29,177.1	100.0%	19,886.3	100.0%	46.7%
Total Costs	(7,580.2)	-75.3%	(4,559.6)	-71.4%	66.2%	(21,657.2)	-74.2%	(14,332.3)	-72.1%	51.1%
Gross Income	2,485.6	24.7%	1,825.4	28.6%	36.2%	7,520.0	25.8%	5,554.0	27.9%	35.4%
Selling Expenses	(1,675.4)	-16.6%	(1,135.0)	-17.8%	47.6%	(5,162.6)	-17.7%	(3,444.1)	-17.3%	49.9%
General and Administrative Expenses	(289.5)	-2.9%	(203.4)	-3.2%	42.4%	(906.8)	-3.1%	(701.6)	-3.5%	29.2%
Provisions for Loan Losses	(33.7)	-0.3%	(30.2)	-0.5%	11.6%	(118.1)	-0.4%	(76.0)	-0.4%	55.4%
Other Operating Revenues, Net	(6.4)	-0.1%	23.8	0.4%	-127.1%	74.7	0.3%	416.7	2.1%	-82.1%
Equity in Subsidiaries	24.1	0.2%	18.4	0.3%	31.1%	119.9	0.4%	26.6	0.1%	350.7%
Total Operating Expenses	(1,980.9)	-19.7%	(1,326.3)	-20.8%	49.4%	(5,992.9)	-20.5%	(3,778.4)	-19.0%	58.6%
EBITDA	504.7	5.0%	499.1	7.8%	1.1%	1.527.1	5.2%	1.775.5	8.9%	-14.0%
Depreciation and Amortization	(186.2)	-1.9%	(122.3)	-1.9%	52.3%	(702.5)	-2.4%	(487.0)	-2.4%	44.3%
EBIT	318.4	3.2%	376.8	5.9%	-15.5%	824.6	2.8%	1,288.6	6.5%	-36.0%
Financial Results	(118.8)	-1.2%	(188.0)	-2.9%	-36.8%	(410.5)	-1.4%	(70.4)	-0.4%	483.0%
Operating Income	199.6	2.0%	188.8	3.0%	5.7%	414.1	1.4%	1,218.2	6.1%	-66.0%
Income Tax and Social Contribution	19.9	0.2%	(20.8)	-0.3%	-195.7%	(22.4)	-0.1%	(296.3)	-1.5%	-92.5%
Net Income	219.5	2.2%	168.0	2.6%	30.6%	391.7	1.3%	921.8	4.6%	-57.5%

Calculation of EBITDA

Net Income	219.5	2.2%	168.0	2.6%	30.6%	391.7	1.3%	921.8	4.6%	-57.5%
(+/-) Income Tax and Social Contribution	(19.9)	-0.2%	20.8	0.3%	-	22.4	0.1%	296.3	1.5%	-92.5%
(+/-) Financial Results	118.8	1.2%	188.0	2.9%	-36.8%	410.5	1.4%	70.4	0.4%	483.0%
(+) Depreciation and Amortization	186.2	1.9%	122.3	1.9%	52.3%	702.5	2.4%	487.0	2.4%	44.3%
EBITDA	504.7	5.0%	499.1	7.8%	1.1%	1,527.1	5.2%	1,775.5	8.9%	-14.0%

Reconciliation of EBITDA for non-recurring expenses

EBITDA	504.7	5.0%	499.1	7.8%	1.1%	1,527.1	5.2%	1,775.5	8.9%	-14.0%
Non-recurring Result	19.1	0.2%	(2.9)	0.0%	-	(21.1)	-0.1%	(115.8)	-0.6%	-81.8%
Adjusted EBITDA	523.8	5.2%	496.2	7.8%	5.6%	1,506.0	5.2%	1,659.7	8.3%	-9.3%
Net Income	219.5	2.2%	168.0	2.6%	30.6%	391.7	1.3%	921.8	4.6%	-57.5%
Non-recurring Result	12.6	0.0%	(1.9)	0.0%	-	(13.9)	0.0%	(417.7)	-2.1%	-96.7%
Adjusted Net Income	232.1	2.3%	166.1	2.6%	39.8%	377.8	1.3%	504.2	2.5%	-25.1%

* EBITDA (EBITDA - Earnings before Interest, Income Taxes including Social Contribution on Net Income, Depreciation and Amortization) is a non-GAAP measurement prepared by the Company, in accordance with CVM Instruction No. 527 of April 04 October 2012. EBITDA consists of the Company's net income, plus net financial income, income tax and social contribution, and depreciation and amortization costs and expenses. Adjusted EBITDA consists of adjusted EBITDA for extraordinary expenses and IFRS 16 effects. In the case of the adjustment identified above, this result refers to tax credits, the Netshoes acquisition and other provisions and non-recurring expenses. The Company understands that the disclosure of Adjusted EBITDA is necessary to understand the actual impact on cash generation, excluding extraordinary events. Adjusted EBITDA is not a performance metric adopted by IFRS. The Company's adjusted EBITDA definition may not be comparable to similar measures provided by other companies.

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ANNEX II – PRO FORMA
FINANCIAL STATEMENTS – CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT (R$ million)	4Q20 Adjusted	V.A.	4Q19 Adjusted	V.A.	% Chg	12M20 Adjusted	V.A.	12M19 Adjusted	V.A.	% Chg
Gross Revenue	12,463.7	123.8%	7,868.3	123.2%	58.4%	36,116.0	123.8%	24,377.1	122.6%	48.2%
Taxes and Deductions	(2,397.9)	-23.8%	(1,483.3)	-23.2%	61.7%	(6,938.9)	-23.8%	(4,490.8)	-22.6%	54.5%
Net Revenue	10,065.8	100.0%	6,385.0	100.0%	57.6%	29,177.1	100.0%	19,886.3	100.0%	46.7%
Total Costs	(7,580.2)	-75.3%	(4,559.6)	-71.4%	66.2%	(21,657.2)	-74.2%	(14,096.3)	-70.9%	53.6%
Gross Income	2,485.6	24.7%	1,825.4	28.6%	36.2%	7,520.0	25.8%	5,790.0	29.1%	29.9%
Selling Expenses	(1,675.4)	-16.6%	(1,135.0)	-17.8%	47.6%	(5,162.6)	-17.7%	(3,444.1)	-17.3%	49.9%
General and Administrative Expenses	(289.5)	-2.9%	(203.4)	-3.2%	42.4%	(906.8)	-3.1%	(701.6)	-3.5%	29.2%
Provisions for Loan Losses	(33.7)	-0.3%	(30.2)	-0.5%	11.6%	(118.1)	-0.4%	(76.0)	-0.4%	55.4%
Other Operating Revenues. Net	12.7	0.1%	20.9	0.3%	-39.2%	53.7	0.2%	64.8	0.3%	-17.2%
Equity in Subsidiaries	24.1	0.2%	18.4	0.3%	31.1%	119.9	0.4%	26.6	0.1%	350.7%
Total Operating Expenses	(1,961.8)	-19.5%	(1,329.2)	-20.8%	47.6%	(6,013.9)	-20.6%	(4,130.2)	-20.8%	45.6%
EBITDA	523.8	5.2%	496.2	7.8%	5.6%	1,506.0	5.2%	1,659.7	8.3%	-9.3%
Depreciation and Amortization	(186.2)	-1.9%	(122.3)	-1.9%	52.3%	(702.5)	-2.4%	(487.0)	-2.4%	44.3%
EBIT	337.5	3.4%	373.9	5.9%	-9.7%	803.5	2.8%	1,172.7	5.9%	-31.5%
Financial Results	(118.8)	-1.2%	(188.0)	-2.9%	-36.8%	(410.5)	-1.4%	(531.1)	-2.7%	-22.7%
Operating Income	218.7	2.2%	185.9	2.9%	17.7%	393.0	1.3%	641.6	3.2%	-38.7%
Income Tax and Social Contribution	13.4	0.1%	(19.8)	-0.3%	-167.6%	(15.2)	-0.1%	(137.5)	-0.7%	-88.9%
Net Income	232.1	2.3%	166.1	2.6%	39.8%	377.8	1.3%	504.2	2.5%	-25.1%

ANNEX III

FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R$ million)	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
CURRENT ASSETS					
Cash and Cash Equivalents	1,681.4	1,190.4	1,103.5	388.9	305.7
Securities	1,221.8	1,725.6	1,878.8	2,231.3	4,448.2
Accounts Receivable - Credit Card	3,847.3	3,327.6	3,705.3	1.365.7	2,121.0
Accounts Receivable - Others	914.6	706.3	680.8	781.3	794.0
Inventories	5,927.2	5,005.9	4,198.2	4,075.5	3,801.8
Related Parties - Credit Card	2,249.0	1,308.3	782.6	649.2	269.5
Related Parties - Others	80.6	71.3	80.4	77.1	100.6
Taxes Recoverable	716.1	932.0	748.9	877.4	864.1
Other Assets	160.8	88.5	100.2	143.5	136.3
Total Current Assets	16,798.8	14,355.9	13,278.8	10,589.9	12,841.2
NON-CURRENT ASSETS					
Securities	-	-	-	-	0.2
Accounts Receivable	16.1	13.4	10.6	14.2	16.8
Recoverable Taxes	787.9	765.5	1,185.6	1,217.5	1,137.8
Deferred Income Tax and Social Contribution	196.7	119.2	73.1	18.9	12.7
Judicial Deposits	843.9	760.5	656.5	599.4	570.1
Other Assets	6.3	13.5	12.1	11.3	11.0
Investments in Subsidiaries	386.7	382.9	318.6	288.0	305.1
Right of use	2,465.5	2,381.2	2,362.1	2,292.4	2,273.8
Fixed Assets	1,258.2	1,152.7	1,099.5	1,103.2	1,076.7
Intangible Assets	1,887.0	1,869.8	1,561.7	1,575.5	1,545.6
Total Non-current Assets	7,848.4	7,458.9	7,279.9	7,120.2	6,949.9
TOTAL ASSETS	24,647.2	21,814.8	20,558.6	17,710.1	19,791.1

LIABILITIES (R$ million)	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19
CURRENT LIABILITIES					
Suppliers	8,501.4	6,104.3	5,334.0	4,132.7	5,934.9
Onlendings and other deposits	718.5	627.3	639.3		
Loans and Financing	1,667.2	1,659.0	1,650.8	6.5	10.0
Payroll. Vacation and Related Charges	359.7	444.7	329.0	263.3	354.7
Taxes Payable	401.3	299.6	206.4	176.9	352.0
Related Parties	130.3	109.8	103.4	52.8	152.1
Lease	351.2	348.0	333.8	330.6	330.6
Deferred Revenue	43.0	43.0	43.1	43.0	43.0
Dividends Payable	40.0	0.1	123.6	123.6	123.6
Other Accounts Payable	1,203.7	1,084.1	806.2	547.0	701.7
Total Current Liabilities	13,416.1	10,719.8	9,569.4	5,912.2	8,002.6
NON-CURRENT LIABILITIES					
Loans and Financing	19.6	16.6	14.0	847.4	838.9
Lease	2,175.2	2,082.4	2,063.7	1,981.2	1,949.8
Deferred Income Tax and Social Contribution	24.8	28.1	26.4	32.6	39.0
Provision for Tax. Civil and Labor Risks	1,379.9	1,274.0	1,112.3	1,065.7	1,037.1
Deferred Revenue	301.3	315.2	328.9	342.9	356.8
Other Accounts Payable	5.0	2.0	-	-	2.0
Total Non-current Liabilities	3,905.8	3,718.4	3,545.4	4,269.8	4,223.5
TOTAL LIABILITIES	17,321.9	14,438.2	13,114.8	10,182.0	12,226.1
SHAREHOLDERS' EQUITY					
Capital Stock	5,952.3	5,952.3	5,952.3	5,952.3	5,952.3
Capital Reserve	390.6	348.2	257.4	304.5	323.3
Treasury Shares	(603.7)	(299.9)	(129.1)	(175.9)	(124.5)
Legal Reserve	123.0	109.0	109.0	109.0	109.0
Profit Retention Reserve	1,451.9	1,102.7	1,301.8	1,301.8	1,301.8
Other Comprehensive Income	11.2	(7.9)	(13.7)	5.6	3.2
Retained Earnings	-	172.2	(33.7)	30.8	-
Total Shareholders' Equity	7,325.3	7,376.6	7,443.8	7,528.1	7,564.9
TOTAL	24,647.2	21,814.8	20,558.6	17,710.1	19,791.1

ANNEX IV
FINANCIAL STATEMENTS – ADJUSTED CONSOLIDATED STATEMENT OF CASH FLOWS

ADJUSTED CASH FLOW STATEMENTS (R$ million)	4Q20	4Q19	12M20	12M19
Net Income	**219.5**	**168.0**	**391.7**	**921.8**
Effect of Income Tax and Social Contribution Net of Payment	(71.5)	20.8	(96.0)	244.2
Depreciation and Amortization	186.2	122.3	702.5	487.0
Interest Accrued on Loans	57.8	87.2	228.5	203.7
Equity Income	(24.1)	(18.4)	(119.9)	(26.6)
Dividends Received	-	-	27.4	21.2
Provision for Losses on Inventories and Receivables	58.5	35.4	67.0	331.9
Provision for Tax. Civil and Labor Contingencies	100.8	57.2	282.5	452.1
Gain on Sale of Fixed Assets	-	(0.8)	1.9	(5.0)
Recognition of Deferred Income	(13.9)	(13.3)	(56.6)	(53.3)
Stock Option Expenses	39.6	28.6	110.6	84.4
Adjusted Net Income	**552.8**	**487.0**	**1,539.6**	**2,661.5**
Trade Accounts Receivable	(215.2)	(101.6)	(210.5)	(256.8)
Inventories	(950.4)	(916.0)	(2,065.5)	(1,026.6)
Taxes Recoverable	193.5	19.3	475.2	(1,467.1)
Deposit in Court	(273.7)	(220.9)	(273.7)	(220.9)
Other Receivables	156.8	192.6	35.2	88.2
Changes in Operating Assets	**(1,089.0)**	**(1,026.6)**	**(2,039.4)**	**(2.883.3)**
Trade Accounts Payable	2,399.7	2,132.1	2,563.6	1,409.9
Other Payables	267.0	152.1	1,019.2	312.8
Change in Operating Liabilities	**2,666.7**	**2,284.2**	**3,582.8**	**1,722.7**
Cash Flow from Operating Activities	**2,130.5**	**1,744.5**	**3,083.1**	**1,501.0**
Additions of Fixed and Intangible Assets	(214.8)	(130.8)	(543.8)	(521.5)
Investment in Subsidiary	(36.2)	(6.1)	(107.6)	(407.1)
Cash Flow from Investing Activities	**(251.0)**	**(136.9)**	**(651.4)**	**(928.6)**
Loans and Financing	1.1	(3.8)	801.1	798.9
Repayment of Loans and Financing	(2.0)	(297.3)	(22.6)	(607.0)
Payment of Interest on Loans and Financing	(0.1)	(4.6)	(0.8)	(52.3)
Payment of Lease	(75.6)	(26.5)	(290.2)	(214.3)
Payment of Interest on Lease	(50.6)	(79.2)	(197.6)	(152.4)
Payment of Dividends	-	-	(299.4)	(182.0)
Treasury Shares	(304.8)	(44.2)	(567.4)	141.4
Proceeds from the Secondary Equity Offering	-	4,300.0	-	4.300.0
Payment of expenses with the Secondary Equity Offering	-	(67.6)	-	(67.6)
Cash Flow from Financing Activities	**(431.9)**	**3,776.8**	**(576.8)**	**3,964.8**
Cash, Cash Equivalents and Securities at Beginning of Period	7,551.9	1,760.2	7,144.6	2,607.4
Cash, Cash Equivalents and Securities at end of Period	8,999.5	7,144.6	8,999.5	7,144.6
Change in Cash and Cash equivalents	**1,447.6**	**5,384.4**	**1,854.9**	**4,537.2**

Note: The difference between the Statement of Cash Flows and the Adjusted Statement of Cash Flows derives from:
(i) the accounting treatment of marketable securities as cash and cash equivalents.
(ii) the accounting treatment of credit card receivables as cash and cash equivalents.

ANNEX V
RETURN ON INVESTED CAPITAL (ROIC) AND ON EQUITY (ROE)

INVESTED CAPITAL (R$ million)	dec-20	sep-20	jun-20	mar-20	dec-19
Working Capital	2,186.6	2,379.2	2,501.4	2,187.5	218.2
(+) Accounts Receivable	16.1	13.4	10.6	14.2	16.8
(+) Income Tax and Social Contribution deferred	196.7	119.2	73.1	18.9	12.7
(+) Taxes Recoverable	787.9	765.5	1,185.6	1,217.5	1,137.8
(+) Judicial Deposits	843.9	760.5	656.5	599.4	570.1
(+) Other Assets	6.3	13.5	12.1	11.3	11.0
(+) Investment In Joint Subsidiaries	386.7	382.9	318.6	288.0	305.1
(+) Right of use	2,465.5	2,381.2	2,362.1	2,292.4	2,273.8
(+) Fixed Assets	1,258.2	1,152.7	1,099.5	1,103.2	1,076.7
(+) Intangible Assets	1,887.0	1,869.8	1,561.7	1,575.5	1,545.6
(+) Non Current Assets	7,848.4	7,458.9	7,279.9	7,120.2	6,949.7
(-) Provision for Contingencies	1,379.9	1,274.0	1,112.3	1,065.7	1,037.1
(-) Lease	2,175.2	2,082.4	2,063.7	1,981.2	1,949.8
(-) Deferred Revenue	301.3	315.2	328.9	342.9	356.8
(-) Income Tax and Social Contribution deferred	24.8	28.1	26.4	32.6	39.0
(-) Other Accounts Payable	5.0	2.0	-	-	2.0
(-) Non-Current operating liabilities	3,886.2	3,701.8	3,531.4	3,422.4	3,384.7
(=) Fixed Capital	3,962.2	3,757.1	3,748.5	3,697.8	3,565.0
(=) Total Invested Capital	6,148.8	6,136.3	6,249.9	5,885.3	3,783.2
(+) Net Debt	(1,216.4)	(1,240.4)	(1,317.5)	(1,766.3)	(3,905.3)
(+) Dividends Payable	40.0	0.1	123.6	123.6	123.6
(+) Shareholders Equity	7,325.3	7,376.6	7,443.8	7,528.1	7,564.9
(=) Total Financing	6,148.8	6,136.3	6,249.9	5,885.3	3,783.2

FINANCIAL EXPENSES RECONCILIATION (R$MM)	4Q20	4Q19	1Q20	1Q20	4Q19
Financial Income	38.8	56.1	45.6	42.9	22.9
Financial Expenses	(157.6)	(158.8)	(140.2)	(137.3)	(210.9)
Net Financial Expenses	(118.8)	(102.7)	(94.6)	(94.4)	(188.0)
Interest on prepayment of receivables: Luiza Card and third party card	78.5	47.1	53.9	60.4	93.0
Adjusted Financial Expenses	(40.4)	(55.6)	(40.6)	(34.1)	(95.0)
Taxes on Adjusted Financial Expenses	13.7	18.9	13.8	11.6	32.3
Net Adjusted Financial Expenses	(26.6)	(36.7)	(26.8)	(22.5)	(62.7)

NOPLAT AND ROIC/ROE RECONCILIATION(R$MM)	4Q20	4Q19	1Q20	1Q20	4Q19
EBITDA	504.7	546.1	143.7	332.6	499.1
Interest on prepayment of receivables: Luiza Card and third party card	(78.5)	(47.1)	(53.9)	(60.4)	(93.0)
Depreciation	(186.2)	(169.2)	(172.3)	(174.8)	(122.3)
Current and deferred taxes	19.9	(68.2)	58.5	(32.6)	(20.8)
Taxes on Adjusted Financial Expenses	(13.7)	(18.9)	(13.8)	(11.6)	(32.3)
Net Operating Income (NOPLAT)	246.1	242.7	(37.7)	53.3	230.7
Invested Capital	6,148.8	6,136.3	6,249.9	5,885.3	3,783.2
ROIC Annualized	16%	16%	-2%	4%	24%
Net Income	219.5	206.0	(64.5)	30.8	168.0
Shareholders Equity	7,325.3	7,376.6	7,443.8	7,528.1	7,564.9
ROE Annualized	12%	11%	-3%	2%	9%

ANNEX VI
BREAKDOWN OF TOTAL SALES[3] AND NUMBER OF STORES PER CHANNEL

Breakdown of Total Sales (R$ million)	4Q20	V.A.	4Q19	V.A.	Growth Total
Virtual Stores	389.3	2.6%	350.1	3.9%	11.2%
Conventional Stores	5,014.3	33.6%	4,319.6	48.1%	16.1%
Subtotal - Physical Stores	5,403.6	36.2%	4,669.7	52.0%	15.7%
Traditional E-commerce (1P)	6,946.8	46.5%	3,160.3	35.2%	119.8%
Marketplace (3P)	2,581.9	17.3%	1,158.1	12.9%	122.9%
Subtotal - Total E-commerce	9,528.6	63.8%	4,318.4	48.0%	120.7%
Total Sales	14,932.2	100.0%	8,988.1	100.0%	66.1%

Breakdown of Total Sales (R$ million)	12M20	V.A.	12M19	V.A.	Growth Total
Virtual Stores	1,131.2	2.6%	1,119.2	4.1%	1.1%
Conventional Stores	13,859.9	31.8%	13,785.8	50.6%	0.5%
Subtotal - Physical Stores	14,991.1	34.4%	14,905.0	54.7%	0.6%
Traditional E-commerce (1P)	20,786.2	47.8%	9,338.7	34.2%	122.6%
Marketplace (3P)	7,739.4	17.8%	3,027.0	11.1%	155.7%
Subtotal - Total E-commerce	28,525.6	65.6%	12,365.7	45.3%	130.7%
Total Sales	43,516.7	100.0%	27,270.7	100.0%	59.6%

Number of stores per channel – End of the period	dec/20	Part(%)	dec/19	Part(%)	Growth Total
Virtual Stores	205	15.8%	195	17.5%	10
Conventional Stores	942	72.4%	912	82.0%	30
Kiosk	154	11.8%	5	0.4%	149
Subtotal - Physical Stores	1,301	100.0%	1,112	100.0%	189
Total Sales Area (m²)	666,089	100.0%	648,227	100.0%	2.8%

[3] The value of processed sales in the marketplace and on the AiQFome platform (managed by the Company or by licensees) from October 1 to December 31, 2020 in the amount of R $ 2,581.9 million, which are added to the total sales presented in this report, was subject to Independent Limited Assurance by our external auditors and is available on our website. The other components of the quarter's total sales are in the scope of the review of the quarterly information by our independent auditors.

ANNEX VII
LUIZACRED

| Operating Indicators

Luizacred is a joint venture between Magalu and Itaú Unibanco, responsible for financing a substantial percentage of the Company's credit sales. Magalu´s main roles and responsibilities include sales, employee management and customer service, while Itaú Unibanco is responsible for funding Luizacred, drafting the credit and collections policies and managing back office activities, such as accounting and treasury.

In Dec/20, Luizacred's total card base reached 5.3 million cards issued (+1.8% *versus* Dec/19). In-store sales to Luiza Card customers, distinguished by their loyalty and higher purchase frequency, increased 6.1% in 4Q20 and reached R$2.2 billion.

Luizacred's credit portfolio, including credit card, DCC and individual loans, reached R$12.1 billion at the end of 4Q20, an increase of 4.7% over 4Q19. Luiza Card's portfolio grew 5.7% to R$12.1 billion, while the DCC portfolio decreased to R$18 million, in line with Luizacred's strategy to focus on the Luiza Card.

LUIZACRED – Key Indicators (R$ million)	4Q20	4Q19	% Chg	12M20	12M19	% Chg
Total Card Base (thousand)	**5,315**	**5,220**	**1.8%**	**5,315**	**5,220**	**1.8%**
Luiza Card Sales – In-store	2,208	2,082	6.1%	6,164	6,708	-8.1%
Luiza Card Sales – Outside Magalu	6,844	6,028	13.5%	23,183	20,390	13.7%
Subtotal - Luiza Card	**9,052**	**8,109**	**11.6%**	**29,347**	**27,098**	**8,3%**
DCC Sales	0	7	-100.0%	3	115	-97.7%
Consumer Loans Sales	2	6	-63.4%	12	37	-68.4%
Luizacred Sales - Total	**9,055**	**8,123**	**11.5%**	**29,361**	**27,250**	**7.7%**
Card Portfolio	12,068	11,414	5.7%	12,068	11,414	5.7%
DCC Portfolio	18	118	-84.6%	18	118	-84.6%
Consumer Loans Portfolio	6	17	-66.0%	6	17	-66.0%
Portfolio	**12,092**	**11,549**	**4.7%**	**12,092**	**11,549**	**4.7%**

The granting of credit at Luizacred follows strict criteria established by Itaú Unibanco's Credit Modeling and Policies area which uses proprietary statistics models based on the Risk Adjusted Return on Capital (RAROC) model.

| Income Statement in IFRS

LUIZACRED – Income (R$ million)	4Q20	V.A.	4Q19	V.A.	% Chg	12M20	V.A.	12M19	V.A.	% Chg
Financial Intermediation Revenue	252.4	100.0%	416.4	100.0%	-39.4%	1,296.1	100.0%	1,600.7	100.0%	-19.0%
Cards	249.1	98.7%	394.6	94.8%	-36.9%	1,265.8	97.7%	1,477.4	92.3%	-14.3%
DCC	1.7	0.7%	16.1	3.9%	-89.7%	19.1	1.5%	94.1	5.9%	-79.7%
Consumer Loans	1.6	0.7%	5.6	1.3%	-70.6%	11.1	0.9%	29.2	1.8%	-61.8%
Financial Intermediation Expenses	(151.8)	-60.1%	(331.4)	-79.6%	-54.2%	(876.2)	-67.6%	(1,411.9)	-88.2%	-37.9%
Market Funding Operations	(17.2)	-6.8%	(59.4)	-14.3%	-71.0%	(126.8)	-9.8%	(254.3)	-15.9%	-50.1%
Provision for Loan Losses	(134.6)	-53.3%	(272.0)	-65.3%	-50.5%	(749.4)	-57.8%	(1,157.6)	-72.3%	-35.3%
Gross Financial Intermediation Income	**100.6**	**39.9%**	**84.9**	**20.4%**	**18.5%**	**419.9**	**32.4%**	**188.8**	**11.8%**	**122.4%**
Other Operating Revenues (Expenses)	(12.2)	-4.8%	(25.7)	-6.2%	-52.5%	(76.8)	-5.9%	(119.4)	-7.5%	-35.7%
Service Revenue	241.6	95.7%	239.6	57.5%	0.8%	900.8	69.5%	851.5	53.2%	5.8%
Personnel Expenses	(1.9)	-0.7%	(8.7)	-2.1%	-78.2%	(17.0)	-1.3%	(33.8)	-2.1%	-49.8%
Other Administrative Expenses	(198.4)	-78.6%	(195.3)	-46.9%	1.6%	(766.0)	-59.1%	(723.8)	-45.2%	5.8%
Depreciation and Amortization	(3.0)	-1.2%	(3.0)	-0.7%	-0.2%	(12.0)	-0.9%	(11.9)	-0.7%	0.5%
Tax Expenses	(31.6)	-12.5%	(37.2)	-8.9%	-15.2%	(132.2)	-10.2%	(135.7)	-8.5%	-2.6%
Other Operating Revenues (Expenses)	(18.9)	-7.5%	(21.1)	-5.1%	-10.4%	(50.5)	-3.9%	(65.6)	-4.1%	-23.1%
Income Before Tax	**88.4**	**35.0%**	**59.2**	**14.2%**	**49.3%**	**343.0**	**26.5%**	**69.4**	**4.3%**	**394.4%**
Income Tax and Social Contribution	(35.7)	-14.1%	(24.4)	-5.9%	46.1%	(138.2)	-10.7%	(29.1)	-1.8%	375.5%
Net Income	**52.7**	**20.9%**	**34.8**	**8.4%**	**51.5%**	**204.9**	**15.8%**	**40.3**	**2.5%**	**408.0%**

| Income Statement in compliance with accounting practices established by the Brazilian Central Bank

LUIZACRED – Income (R$ million)	4Q20	V.A.	4Q19	V.A.	% Chg	12M20	V.A.	12M19	V.A.	% Chg
Financial Intermediation Revenue	252.4	100.0%	416.4	100.0%	-39.4%	1,296.1	100.0%	1,600.7	100.0%	-19.0%
Cards	249.1	98.7%	394.6	94.8%	-36.9%	1,265.8	97.7%	1,476.5	92.2%	-14.3%
DCC	1.7	0.7%	16.1	3.9%	-89.7%	19.1	1.5%	94.1	5.9%	-79.7%
Consumer Loans	1.6	0.7%	5.6	1.3%	-70.6%	11.1	0.9%	30.1	1.9%	-63.0%
Financial Intermediation Expenses	(126.7)	-50.2%	(339.2)	-81.5%	-62.6%	(1,035.9)	-79.9%	(1,297.3)	-81.0%	-20.1%
Market Funding Operations	(17.2)	-6.8%	(59.4)	-14.3%	-71.0%	(126.8)	-9.8%	(254.3)	-15.9%	-50.1%
Provision for Loan Losses	(109.5)	-43.4%	(279.8)	-67.2%	-60.9%	(909.1)	-70.1%	(1,043.0)	-65.2%	-12.8%
Gross Financial Intermediation Income	**125.7**	**49.8%**	**77.2**	**18.5%**	**62.9%**	**260.2**	**20.1%**	**303.4**	**19.0%**	**-14.2%**
Other Operating Revenues (Expenses)	(12.2)	-4.8%	(25.7)	-6.2%	-52.5%	(76.8)	-5.9%	(119.4)	-7.5%	-35.7%
Service Revenue	241.6	95.7%	239.6	57.5%	0.8%	900.8	69.5%	851.5	53.2%	5.8%
Personnel Expenses	(1.9)	-0.7%	(8.7)	-2.1%	-78.2%	(17.0)	-1.3%	(33.8)	-2.1%	-49.8%
Other Administrative Expenses	(198.4)	-78.6%	(195.3)	-46.9%	1.6%	(766.0)	-59.1%	(723.8)	-45.2%	5.8%
Depreciation and Amortization	(3.0)	-1.2%	(3.0)	-0.7%	-0.2%	(12.0)	-0.9%	(11.9)	-0.7%	0.5%
Tax Expenses	(31.6)	-12.5%	(37.2)	-8.9%	-15.2%	(132.2)	-10.2%	(135.7)	-8.5%	-2.6%
Other Operating Revenues (Expenses)	(18.9)	-7.5%	(21.1)	-5.1%	-10.4%	(50.5)	-3.9%	(65.6)	-4.1%	-23.1%
Income Before Tax	**113.5**	**45.0%**	**51.5**	**12.4%**	**120.5%**	**183.4**	**14.1%**	**184.0**	**11.5%**	**-0.3%**
Income Tax and Social Contribution	(45.7)	-18.1%	(21.3)	-5.1%	114.4%	(74.3)	-5.7%	(74.9)	-4.7%	-0.8%
Net Income	**67.8**	**26.8%**	**30.1**	**7.2%**	**124.8%**	**109.0**	**8.4%**	**109.1**	**6.8%**	**0.0%**

| Revenue from Financial Intermediation

In 4Q20, revenues from financial intermediation were R$252.4 million, 39.4% lower than in 4Q19, influenced by the lower pace of growth of the Luiza Card due to the pandemic and an improvement in the health of the overdue portfolio.

| Provision for Loan Losses

The portfolio of loans overdue from 15 to 90 days (NPL 15) accounted for only 1.4% of the total portfolio in Dec/20, the lowest historic level, improving 100 bps from Dec/19 and 40bps from Sep/20 reflecting the Company's conservative credit policy and enormous collection efforts by stores and collection centers.

The portfolio overdue for more than 90 days (NPL 90) also showed a strong improvement and reached 6.5% in Dec/20, a reduction of 1.7 pp compared to Dec/19 and 2.1 pp compared to Sep/20, also reflecting the conservative credit policy and the increase in recoveries.

Provisions for bad debt expenses, net of recovery, represented 1.1% of the total portfolio in 4Q20, a sharp reduction compared to the 2.4% level in 4Q19. The overdue portfolio coverage ratio was 176% in Dec/20 compared to 170% in Dec/19.

PORTFOLIO - OVERDUE	Dec-20		Sep-20		Jun-20		Mar-20		Dec-19	
000 to 014 days	11,137	92.1%	9,743	89.6%	9,318	87.5%	10,229	88.6%	10,322	89.4%
015 to 030 days	45	0.4%	49	0.5%	48	0.4%	112	1.0%	67	0.6%
031 to 060 days	53	0.4%	56	0.5%	62	0.6%	115	1.0%	81	0.7%
061 to 090 days	74	0.6%	92	0.8%	183	1.7%	151	1.3%	128	1.1%
091 to 120 days	76	0.6%	92	0.8%	182	1.7%	122	1.1%	123	1.1%
121 to 150 days	69	0.6%	83	0.8%	151	1.4%	117	1.0%	116	1.0%
151 to 180 days	74	0.6%	140	1.3%	129	1.2%	113	1.0%	110	1.0%
180 to 360 days	565	4.7%	619	5.7%	573	5.4%	592	5.1%	602	5.2%
Portfolio (R$ million)	**12,092**	**100.0%**	**10,872**	**100.0%**	**10,646**	**100.0%**	**11,551**	**100.0%**	**11.549**	**100.0%**
Receipt expectation of loan portfolio overdue above 360 days	169		168		160		147		133	
Total Portfolio in IFRS 9 (R$ million)	**12,261**		**11,040**		**10,806**		**11,697**		**11,682**	
Overdue 15-90 days	171	1.4%	196	1.8%	292	2.7%	378	3.3%	275	2.4%
Overdue Above 90 days	784	6.5%	933	8.6%	1,036	9.7%	944	8.2%	951	8.2%
Total Overdue	**955**	7.9%	**1,130**	10.4%	**1,328**	12.5%	**1,322**	11.4%	**1,227**	10.6%
Provisions for loan losses on Portfolio	1,093		1,193		1,361		1,362		1,335	
Provisions for loan losses on available limit	284		274		302		293		280	
Total Provisions for loan losses in IFRS 9	**1,377**		**1,467**		**1,662**		**1,655**		**1,614**	
Coverage of Portfolio (%)	139%		128%		131%		144%		140%	
Coverage of Total Portfolio (%)	176%		157%		161%		175%		170%	

Note: in order to facilitate comparability and analysis of NPL performance, the Company now discloses the breakdown of the portfolio by arrears criterion, while it continues disclosing the portfolio breakdown by risk level to the Central Bank.

| Financial Intermediation Gross Results

The gross margin from financial intermediation in 4Q20 was 39.9%, representing an increase of 19.5 pp compared to 4Q19, mainly influenced by the reduction of the overdue portfolio and, consequently, a lower volume of provisions under IFRS.

| Other Operating Revenues (Expenses)

Other operating expenses totaled R$12.2 million in 4Q20, a reduction of 52.5% YoY, mainly due to service revenue.

Luizacred's operating efficiency ratio was 50% in 4Q20 even with the revenue reduction caused by the pandemic.

| Operating Income and Net Income

In 4Q20, Luizacred recorded operating income of R$88.4 million, equivalent to 35.0% of financial intermediation (+20.8 p.p. YoY). In 4Q20, Luizacred’s net profit reached R$52.7 million (ROE of 30.2%).

In compliance with accounting practices established by the Brazilian Central Bank, considering the minimum provisions of Law 2682, Luizacred’s net income totaled R$67.8 million in 4Q20.

| Shareholders´ Equity

In compliance with the same practices, Luizacred posted shareholders’ equity of R$975.2 million in Dec/20. As a result of adjustments required under IFRS, specifically additional provisions for expected losses, net of taxes, Luizacred’s shareholders’ equity for the purposes of Magazine Luiza’s financial statements came to R$769.9 million.

VIDEOCONFERENCE DETAILS

Videoconference Call in Portuguese/English (with simultaneous translation)

Tuesday, May 09th, 2021
11:00 – Brasilia time
9:00 – New York time (EST)

Videoconference access

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About Magazine Luiza
Magazine Luiza, or Magalu, is a technology and logistics company focused on the retail sector. From its humble origins as a traditional retailer providing electronics and home appliances to Brazil's rising middle class, the company has since transformed into a technology powerhouse providing a wide array of products to Brazilians of all classes. Magalu has one of the largest geographic footprints with 23 distribution centers serving a network of over 1,300 stores in 21 states. At the heart of the company's success is an omnichannel retail platform capable of reaching customers via mobile app, web and physical stores. A large part of the company's success is attributable to its in-house development team, Luizalabs, which consists of over 1,500 engineers and product development specialists. Among other things, engineers from Luizalabs use technologies such as big data and machine learning to create logistics, fintech and inventory apps which remove friction from the retail process, improving margins, delivery times and customer experience. The company has been at the forefront of e-commerce adoption in Latin America and its profitable e-commerce operation currently accounts for over 60% of total sales. Magazine Luiza has also been a logistics pioneer. The company's integrated online and offline logistics operations enable it to leverage its physical presence to radically reduce delivery times and costs in a sustainable way. The result is the fastest, lowest cost logistics network in Brazil.

EBITDA, Adjusted EBITDA and Adjusted Net Income
EBITDA (earnings before interest, income and social contribution taxes, financial income and expenses, depreciation and amortization) is not a financial performance measure under the accounting practices adopted in Brazil. Because it does not consider expenses intrinsic to the business, EBITDA has limitations that affect its use as a profitability or liquidity indicator. EBITDA should not be considered an alternative to net income or operating cash flow. In addition, EBITDA does not have a standard meaning, and our definition may not be comparable with the definitions adopted by other companies. Non-recurring results used to calculate adjusted EBITDA and adjusted net income should not be considered an alternative to EBITDA and net income in accordance with the accounting practices adopted in Brazil.