

**2Q22: Total cash position R\$9 billion. Operating cash flow R\$ 1.3 billion.  
Marketplace grows to 200,000 sellers.**

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**MGLU**  
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Magalu ended the quarter with a **total cash position of R\$9 billion, around R\$500 million higher** than in March this year, due to cash generation during the quarter.

During the quarter, **operating cash flow reached R\$1.3 billion**, mainly reflecting the evolution of working capital, with a sequential reduction in inventory levels and an increase in supplier balance.

During the second quarter, the Magalu marketplace reached the mark of **200,000 sellers and 73 million offers** available for sale. In one year, more than 118,000 new sellers entered the platform, most of them connected via Partner Magalu, which is being turbocharged by **Caravan Magalu**.

A truly multi-channel Marketplace. More than **18,000 sellers are already using Agency Magalu** to drop-off their items. **17% of Marketplace orders are being picked up at one of Magalu's more than 1,100 pick-up enabled stores.**

**40% of 3P deliveries** were made within 48 hours. **Magalu launched its fulfillment operation, fully integrated with its first-party (1P) operation, leveraging its existing logistics infrastructure.** Marketplace sellers will be able to accelerate the speed of their deliveries, combining a high level of service with lower costs.

**Magalu's total sales reached R\$14 billion in 2Q22**, a growth of 1% compared to 2021. **Over the last three years -- excluding pandemic-related oscillations to the comparison base-- the average annual growth rate was 34%.**

**E-commerce reached more than R\$10 billion in sales** during the quarter, increasing by 2%, with an **average annual growth rate of 61% over the last three years.**

**Marketplace sales totaled around R\$3.6 billion during the quarter, a growth of 22%** compared to the same period last year, and represented **36% of online sales.** Over the last three years, the **Magalu Marketplace has shown an average annual growth rate of 84%.**

**The expansion of the marketplace is even more impressive when measured by new categories.** During the second quarter of 2022, sales of items in new categories, such as fashion, home, garden, sports, beauty, and automotive accessories, grew more than double the rate of the traditional categories. In the marketplace, the **Fashion and Beauty categories grew 88% and 75% respectively, during the quarter.**

**In physical stores, sales were R\$4 billion during the quarter**, stable versus 2Q21, yielding an average annual growth rate of 5% over the last three years.

**There was also significant strengthening of operating margins during the quarter. The adjusted EBITDA margin was 5.7%**, representing an increase of 0.7 p.p. compared to the same quarter the previous year and 3.2 p.p. higher than in the fourth quarter of 2021. **This is the highest quarterly EBITDA margin since 2020.**

During the second quarter, **Magalu Ads revenue doubled compared to the same period in 2021.** Other highlights include the launch of new features such as **self-service campaign creation** and the **display of sponsored product ads during search queries** on the SuperApp.

**Magalu's Fintech operation grew 67% during the quarter to R\$22 billion in TPV.** One highlight was the 42% growth in credit card TPV, which reached the **highest quarterly revenue level in the Company's history with around R\$14 billion in 2Q22.** There are now over 7 million credit cards issued and the credit portfolio is approximately R\$20 billion.

## 2Q22 in numbers

Principal consolidated numbers from the Magalu Ecosystem

**R\$14 billion**

Total sales

+1% compared to 2Q21

+34% three-year CAGR

**R\$10 billion**

E-commerce sales

+2% compared to 2Q21

+61% three-year CAGR

**7.3 million**

Credit Cards

Luiza Card and Magalu Card

**38 million MAU**

(Monthly Active Users)

**R\$ 1.3 billion**

Operating Cash Generation

(Adjusted)

**R\$22 billion**

TPV

+67% compared to 2Q21

**37 million**

Active customers

**1,429 Physical Stores**

in 21 Brazilian states

**269 DCs and Cross-Docking Stations**

## Marketplace: We passed the 200,000 seller mark

**R\$3.6 billion marketplace sales**

+22% compared to 2Q21

+84% three-year CAGR

**200k sellers**

More than **100k** of whom were  
**originated by the local physical  
store teams**

**80% of marketplace orders pass  
through Magalu Entregas**

40% delivered in up to 48 hours

**36% of total online sales**

More Sellers, greater assortment,  
faster delivery



**Caravan Magalu:** In each city that we visited, thousands of local entrepreneurs were introduced to a complete solution, designed specifically for their needs, that opens the door to the digital world through Magalu's marketplace platform.



**MGLU3:** R\$ 3.04 per share  
**Total Shares:** 6,748,926,848  
**Market Cap:** R\$ 20.5 billion



### Conference Call

Aug 12, 2022 (Friday)  
09:00 AM in US (EST)/ 10:00 AM in Brazil  
[Conference Call Access](#)



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## | LETTER TO SHAREHOLDERS

During the second quarter of 2022, Magalu surpassed the mark of 200,000 formal sellers connected to the marketplace. More important than the number of sellers is the speed with which we have been adding new sellers. A little less than a year ago, we celebrated the 100,000 seller mark. Now, in less than a year, the seller base of the marketplace has doubled.

This pace has only been possible due to the Partner Magalu strategy which enables us to grow while helping analog retailers become digital. The role of the local physical stores in attracting new, analog sellers has been extraordinary. To date, around 100,000 sellers, representing half of our total seller base, were connected to the platform through hunting carried out by the local physical store teams.

One of Magalu's most important new initiatives is Caravan Magalu. For the last three months, the company's top management has been crisscrossing the country, attracting, integrating and promoting the digitalization of thousands of analog retailers. Recent stops have included the cities of Sorocaba; Piracicaba; Limeira; São José dos Campos, Maceió and João Pessoa. Magalu arrived in these regions armed with a sense of purpose and all of the tools necessary to help these entrepreneurs digitalize their businesses. The response surpassed our wildest expectations. In each of the cities where the Caravan passed, within one month of the event, the number of new sellers integrated into the marketplace grew by an average of 500%.

Caravan Magalu has turbocharged the Partner Magalu initiative, yielding a higher seller base, greater geographic diversification and a wider assortment. Today, 25% of our total seller base is located in the Northeast, North and Midwest regions of Brazil, up from only 11% two years ago.

We believe that the future lies in using technology to match local buyers with local sellers within the shortest possible distance. This is what we refer to as hyperlocal, a feature of our model that contributes critically to reducing costs; accelerating delivery speeds and increasing customer satisfaction, and that will eventually enable the delivery of low-ticket items in an economically feasible way.

None of this would be possible without the ability to leverage Magalu's local physical stores. It is this multichannel model which permits Magalu's marketplace to offer the highest level of service at the lowest cost. 463 of the Company's physical stores and 35 of the Company's cross-docking stations already operate as postal agencies, receiving and shipping products sold by more than 18,000 sellers. They are also convenient pick-up points for consumers. Currently, 17% of orders placed on the marketplace are picked up by consumers at their local Magalu store, up from only 4% during the same period in 2021.

Magalu Entregas is increasingly becoming the logistics option of choice for sellers in our marketplace: 80% of 3P orders currently pass through our platform. This percentage includes all 3P collection and delivery modalities offered by Magalu, including Agência Magalu, cross-docking, ship-from-seller and the recently launched fulfillment and collection of heavy products initiatives.

Of the total marketplace orders delivered by Magalu Entregas, 40% reach the customer within 48 hours (a year ago, it was only 19%). Expanding our logistics services is the key to increasing the competitiveness and sales conversion of our platform, whether for small sellers, with hyperlocality, or for larger sellers, with fulfillment.

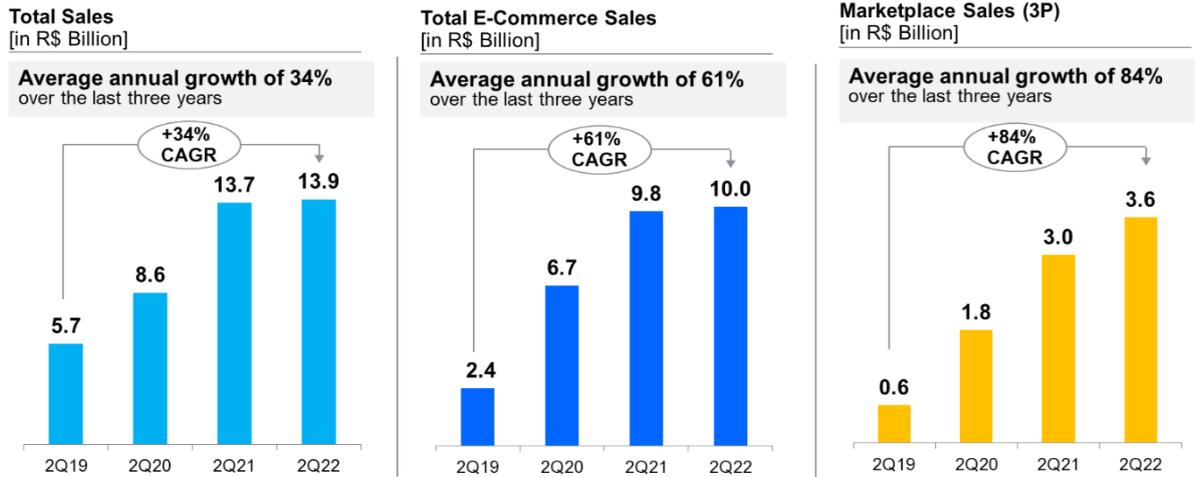
Fulfillment Magalu is also multichannel and already has more than 100 participating sellers on the platform. All of our economies of scale are now shared with our marketplace partners thanks to the full integration of our 3P fulfillment operation with our 1P business and existing logistics infrastructure. This applies to both sellers who sell light items or heavy products, a segment in which Magalu has great expertise in storage and delivery.

### **The second quarter was marked by growth in marketplace sales, driven by the expansion of new categories**

Sales during the quarter totaled R\$14 billion, R\$10 billion from e-commerce and R\$4 billion from the physical stores. Compared to the same period in 2021, Magalu's total sales grew 1%. Taken from the perspective of the last three years, Magalu's total sales grew an average of 34% per year.

Even with a strong comparison base, Magalu's e-commerce business grew 2% during the second quarter, compared to a 3% decline in the size of the e-commerce market as a whole, according to Neotrust. Among other things, this reflects the fact that Magalu continues to gain market share. Over the last three years, Magalu's e-commerce business grew an average of 61% per year and the Company's market share online has grown by 11 percentage points.

Marketplace sales grew 22% compared to the same period last year, reaching R\$3.6 billion. Over the last three years, the average annual growth rate of the Magalu marketplace was an astonishing 84%.



The expansion of the marketplace is even more impressive when measured by new category growth. During the second quarter of 2022, sales of items in new categories, such as fashion, home, garden, sports, beauty, and automotive accessories, grew more than double the rate of the traditional categories. In the marketplace, the Fashion and Beauty categories grew 88% and 75% respectively, during the quarter.

#### Strong generation of cash and growth of operating margins

The company's main objective during the first half of 2022 was to increase its operating margins, without prejudicing market share and customer service. We did this while continuing to invest in new ways to help analogue retailers digitalize their businesses. During the second quarter in particular, Magalu accelerated the work of expanding margins that had already begun during the previous quarter.

Various cost cutting measures were implemented, including efforts to pass along costs related to higher inflation and interest rates. But this was just one of the steps taken to ensure healthy margins. In recent months, Magalu has also worked tirelessly to reduce expenses. It renegotiated contracts, optimized investments in marketing and logistics routes and adapted the capacity of its operation. These efforts were complemented by a growth in service revenues and the overall growth of the marketplace which improved the Company's financial margins.

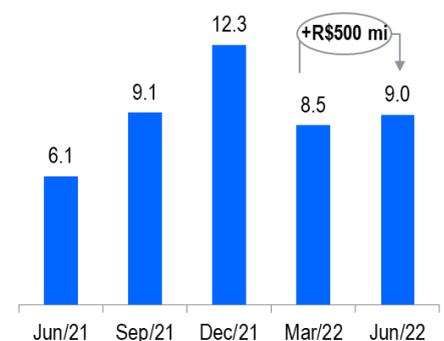
Thus, we reached the end of the second quarter with an adjusted EBITDA margin of 5.7%, an increase of 0.7 p.p. compared to the previous quarter and 3.2 p.p. higher than the margin reported during the fourth quarter of 2021. This is the highest quarterly EBITDA margin since 2020, a step towards resuming pre-pandemic operating margin levels.

One of the most important highlights of the quarter was the strong generation of operating cash, which reached R\$1.3 billion between April and June this year. This is, in large part, the result of an improvement in working capital, driven by reducing inventory levels and increasing the supplier balance. In June, Magalu's inventory position was already below the level of a year ago.

Operating cash flow in the second quarter strengthened an already solid capital structure. At the end of June, the company's total cash position was R\$9 billion – almost R\$500 million higher than the balance recorded in March of this year.

#### Total cash position (adjusted) [in R\$ Billion]

**Strong Cash Flow Generation:**  
R\$500 million increase in total cash position during the quarter



#### Magalu Ecosystem: Significant progress in the diversification of revenue sources

The Magalu Ecosystem is the engine powering our revenue diversification strategy and providing new sources of monetization. The companies that have joined forces with us in recent years have grown consistently, with positive results.

Netshoes, for example, sold more than R\$1 billion during the quarter, with R\$30 million in profits and strong cash generation. Sporting goods growth remains at the double-digit level and we increased our share of the online market in this category by 2.5 p.p. compared to the second quarter of 2021. In the fashion category, sales at Magalu and Zattini grew 37% during the quarter, with a gain of 2.8 p.p. in online market share, reaching R\$1.6 billion reais in annualized terms. Época Cosméticos was ranked #1 in the EBIT Top of Mind survey in online cosmetics and perfumery, and continues to grow with positive results. Newcomer Kabum generated more than R\$150 million in cash during the quarter. AiQFome is now present in 815 cities, with an annualized GMV of R\$1.4 billion during the second quarter of this year, presenting double digit growth with positive results.

In the fintech business, TPV reached R\$22 billion during the second quarter. This was another quarter of important deliveries, with solutions that are ready to scale. MagaluPay reached the mark of 5.7 million open accounts and is now totally integrated with Hub Fintech's proprietary technology. In addition, MagaluPay took an important step towards its goal of powering the ecosystem, and is now available for use with the AiQFome mini-app. Other important deliveries which occurred during the quarter include: the launch of personal loans via our digital account (available to millions of SuperApp users) and a credit card for marketplace sellers, using Bit55's proprietary technology.

Credit card TPV continues to grow rapidly. In the period from April to June, TPV rose 42% to R\$13 billion and the credit portfolio is now R\$20 billion. Credit delinquency indicators also remain below historical levels. Non-performing loans (over 90 days) were just 7.7% at the end of the quarter. Luizacred's historically conservative credit approval model and the participation of physical stores in the collection process played a fundamental role in maintaining delinquency at below market rates.

In June, our cardholder base reached 7.3 million accounts, one of the largest in Brazil. Our credit card operation—Luiza Card and Magalu Card—continues to be our principal focus with an emphasis on people who are already in the Magalu and Itaú databases, have good credit profiles and are already pre-approved. Using this strategy, we were able to profitably expand the share of our proprietary means of credit, increasing sales with less default risk. In addition, we launched a new payroll-deductible loan program and an FGTS (social security) withdrawal initiative in the physical stores.

In Ads, we doubled our revenue during the second quarter compared to the same period in 2021. Magalu Ads launched a sponsored product service, offering Magalu marketplace sellers the opportunity to create their own sponsored product campaigns, displaying ads to SuperApp customers while they are conducting searches, via a self-service platform.

This week Magalu's virtual influencer, Lu, appeared on an electronic billboard in Times Square in an advertising campaign developed by Magalu Ads for Samsung. Lu also won a Golden Lion award at the 2022 Cannes Film Festival, surpassing Barbie to become the world's most popular virtual influencer, with 31.2 million fans on social media. In addition to being a brand ambassador, Lu helps establish a relationship of empathy with consumers, bringing much needed human warmth to the digital realm, and offering myriad monetization opportunities.

The second half of 2022 is distinct from the first half in the sense that the comparison base for annual sales for the durables category will be much smaller than the comparison base of previous quarters. The second half of 2022 is also distinguished by the presence of three key events which may influence retail sales: the Soccer World Cup, Black Friday, and the launch of 5G operations in Brazil.

Magalu is a broadcast sponsor of the 2022 World Cup. As such, the Company is entitled to thousands of ads on broadcast and cable television during the games as well as the Globo Network's digital channels. The goal is to bring Magalu's brands and offers to the screens of millions of Brazilians; highlight the Company's ecosystem and educate consumers on the breadth of Magalu's offerings from televisions and smart phones to sports, grocery and fashion items. This will be the #TemNoMagalu (#TheyHaveItAtMagalu) Cup!

We are confident about the second half of 2022. The measures that we implemented to combat the unfavorable macroeconomic environment are showing signs of success and we are redoubling our emphasis on discipline and rationality. We believe in the superiority of our hyperlocal, multichannel model; the continuous growth of our marketplace and the gradual resumption of sales in our traditional categories and are excited for the future!

Once again, we would like to thank our customers, employees, suppliers, sellers and investors for their continued trust and support.

**EXECUTIVE MANAGEMENT TEAM**

## | 2Q22 Financial Highlights



**Sales growth on top of high comparison basis.** In 2Q22, total sales - including physical stores, e-commerce first-party inventory (1P) and marketplace (3P) - increased 1.3% to R\$13.9 billion, reflecting growth of 1.9% in e-commerce (61.4% three-year CAGR) and a 0.3% decrease in physical store sales (5.0% three-year CAGR).



**Marketplace continues to grow at a fast pace.** In 2Q22, Brazilian e-commerce fell 3%, according to Neotrust. Magalu's e-commerce sales grew more than the market during the period, increasing by 1.9% to reach R\$10.0 billion. In 1P e-commerce, sales decreased by 6.8%, while 3P marketplace sales increased by 22%, reaching R\$3.6 billion in 2Q22. The gain in market share was driven by the performance of the SuperApp, which reached 37.8 million monthly active users (MAU). Other contributing factors include faster delivery speeds for 1P and 3P, the growth of new categories and evolution of the seller base.



**Rise of gross margin driven by a better balance between sales and profitability.** In 2Q22, adjusted gross margin was 28.6%, an increase of 300 bps from the same period in 2021 (25.6% in 2Q21). This increase reflects the growth of service revenues, principally, those related to the marketplace. In addition, repassing the costs of rising inflation and interest rates to consumers contributed to the increase in merchandise gross margin.



**Operating expenses.** The percentage of adjusted operating expenses in relation to net revenues was 22.9% in 2Q22. The 230 bps increase over 2Q21 was attributable to a lower dilution of physical store expenses and to the impressive marketplace growth.



**EBITDA and net profit.** Sales growth, especially in the marketplace, together with an increase in gross margin, contributed to adjusted EBITDA which reached R\$492.1 million during 2Q22. The adjusted EBITDA margin was 5.7% in 2Q22, rising 60 bps. compared to 2Q21. The adjusted net result was negative by R\$112.1 million in 2Q22, influenced primarily by a rise in interest rates during the period.



**Strong cash generation and capital structure.**

In 2Q22, cash flow from operations was R\$1.3 billion, driven by the positive variation in working capital, with a sequential reduction in inventory levels and an increase in the supplier balance. In Jun/22, the adjusted net cash position was R\$2.1 billion, a rise of R\$554.2 million during the quarter. The total adjusted cash position was R\$9 billion, including cash and financial instruments of R\$1.9 billion and available credit card receivables of R\$7.1 billion.



**Fintech.** Total payment volume (TPV) reached R\$22 billion in 2Q22, growing 66.6%. In Jun/22, the cardholder base reached 7.3 million credit cards, growing 22.9% compared to Jun/21. Credit card billing grew an impressive 42.3% in 2Q22, reaching R\$13.6 billion during the period, the highest quarterly revenue in the Company's history. The credit card portfolio reached R\$19.9 billion at the end of the quarter. In June 2022, MagaluPay reached 5.7 million open accounts.

R\$ million (except when otherwise indicated)	2Q22	2Q21	% Chg	1H22	1H21	% Chg
Total Sales <sup>1</sup> (including marketplace)	13,922.7	13,746.4	1.3%	28,046.9	26,219.1	7.0%
Gross Revenue	10,367.2	10,912.8	-5.0%	20,944.1	21,031.2	-0.4%
Net Revenue	8,562.4	9,013.3	-5.0%	17,324.6	17,266.1	0.3%
Gross Income	2,452.8	2,308.3	6.3%	4,884.5	4,378.4	11.6%
Gross Margin	28.6%	25.6%	300 bps	28.2%	25.4%	280 bps
EBITDA	457.4	465.1	-1.7%	796.9	1,160.7	-31.3%
EBITDA Margin	5.3%	5.2%	10 bps	4.6%	6.7%	-210 bps
Net Income	(135.0)	95.5	-	(296.3)	354.2	-
Net Margin	-1.6%	1.1%	-270 bps	-1.7%	2.1%	-380 bps
Adjusted - EBITDA	492.1	455.4	8.0%	926.3	882.6	5.0%
Adjusted - EBITDA Margin	5.7%	5.1%	60 bps	5.3%	5.1%	20 bps
Adjusted - Net Income	(112.1)	89.1	-	(210.9)	170.6	-
Adjusted - Net Margin	-1.3%	1.0%	-230 bps	-1.2%	1.0%	-220 bps
Same Physical Store Sales Growth	-8.2%	102.2%	-	-5.5%	34.5%	-
Total Physical Store Sales Growth	-0.3%	111.6%	-	2.8%	40.5%	-
E-commerce Sales Growth (1P)	-6.8%	40.1%	-	-2.0%	70.1%	-
Marketplace Sales Growth (3P)	22.0%	63.3%	-	34.5%	77.2%	-
Total E-commerce Sales Growth	1.9%	46.4%	-	8.7%	72.1%	-
E-commerce Share of Total Sales	72.1%	71.6%	50 bps	72.1%	71.0%	110 bps
Number of Stores - End of Period	1,429	1,339	90 stores	1,429	1,339	90 stores
Sales Area - End of Period (M <sup>2</sup> )	716,745	674,815	6.2%	716,745	674,815	6.2%

<sup>1</sup> Total Sales include gross revenue from physical stores, 1P e-commerce sales and 3P marketplace sales.

## | NON-RECURRING EVENTS

For ease of comparability with 2Q21, 2Q22 results are also being presented in an adjusted view, without the effects of non-recurring provisions and expenses.

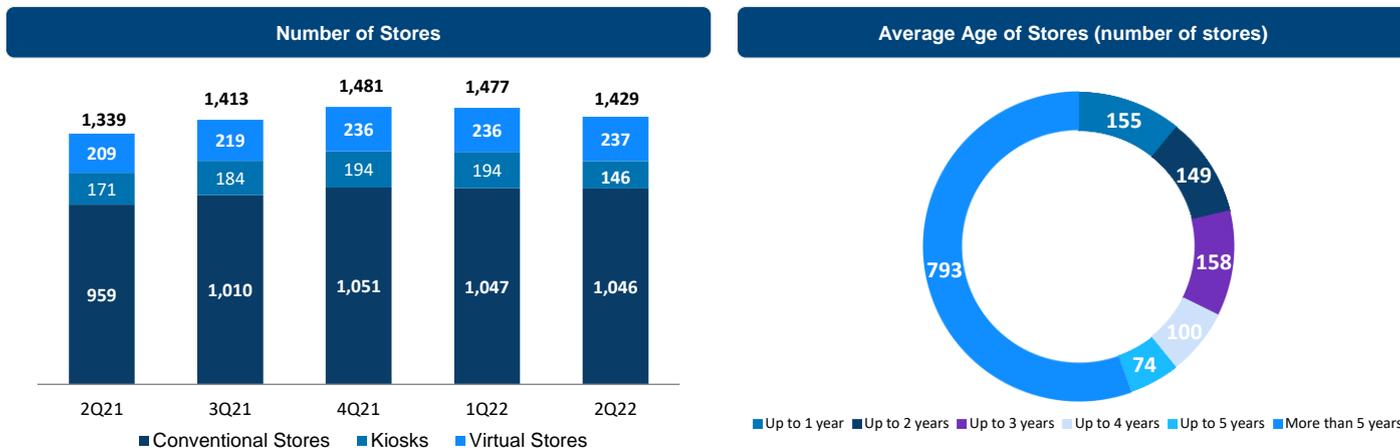
CONCILIATION ADJUSTED INCOME STATEMENT (R\$ million)	2Q22 Adjusted	V.A.	Non-recurring	2Q22	V.A.
<b>Gross Revenue</b>	10,367.2	121.1%	-	10,367.2	121.1%
Taxes and Deductions	(1,804.8)	-21.1%	-	(1,804.8)	-21.1%
<b>Net Revenue</b>	8,562.4	100.0%	-	8,562.4	100.0%
Total Costs	(6,109.6)	-71.4%	-	(6,109.6)	-71.4%
<b>Gross Income</b>	2,452.8	28.6%	-	2,452.8	28.6%
Selling Expenses	(1,569.7)	-18.3%	-	(1,569.7)	-18.3%
General and Administrative Expenses	(337.7)	-3.9%	-	(337.7)	-3.9%
Provisions for Loan Losses	(59.0)	-0.7%	-	(59.0)	-0.7%
Other Operating Revenues, Net	13.3	0.2%	(34.6)	(21.3)	-0.2%
Equity in Subsidiaries	(7.6)	-0.1%	-	(7.6)	-0.1%
Total Operating Expenses	(1,960.7)	-22.9%	(34.6)	(1,995.3)	-23.3%
<b>EBITDA</b>	492.1	5.7%	(34.6)	457.4	5.3%
Depreciation and Amortization	(270.8)	-3.2%	-	(270.8)	-3.2%
<b>EBIT</b>	221.3	2.6%	(34.6)	186.6	2.2%
Financial Results	(493.8)	-5.8%	-	(493.8)	-5.8%
<b>Operating Income</b>	(272.6)	-3.2%	(34.6)	(307.2)	-3.6%
Income Tax and Social Contribution	160.4	1.9%	11.8	172.2	2.0%
<b>Net Income</b>	(112.1)	-1.3%	(22.9)	(135.0)	-1.6%

## | Adjustments – Non – Recurring Events

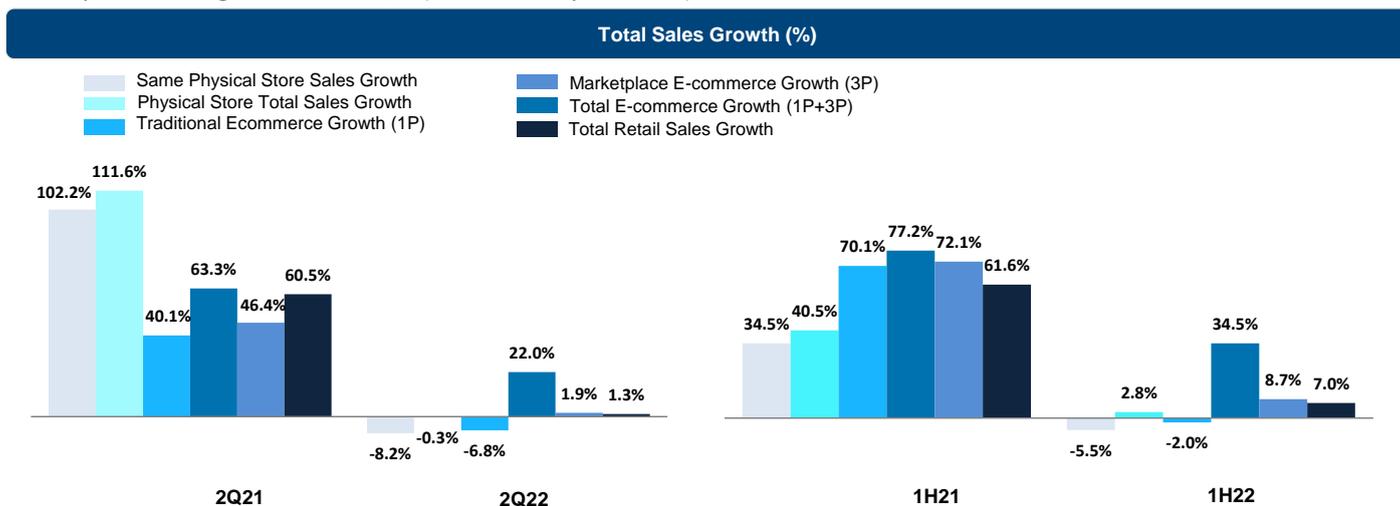
Adjustments	2Q22
Tax Provisions	(8.6)
Expert Fees	(3.8)
Non Recurring Expenses	(22.1)
Other Expenses	(0.2)
<b>EBITDA Adjustments</b>	<b>(34.6)</b>
Income Tax and Social Contribution	11.8
<b>Net Income Adjustments</b>	<b>(22.9)</b>

**| OPERATING AND FINANCIAL PERFORMANCE**

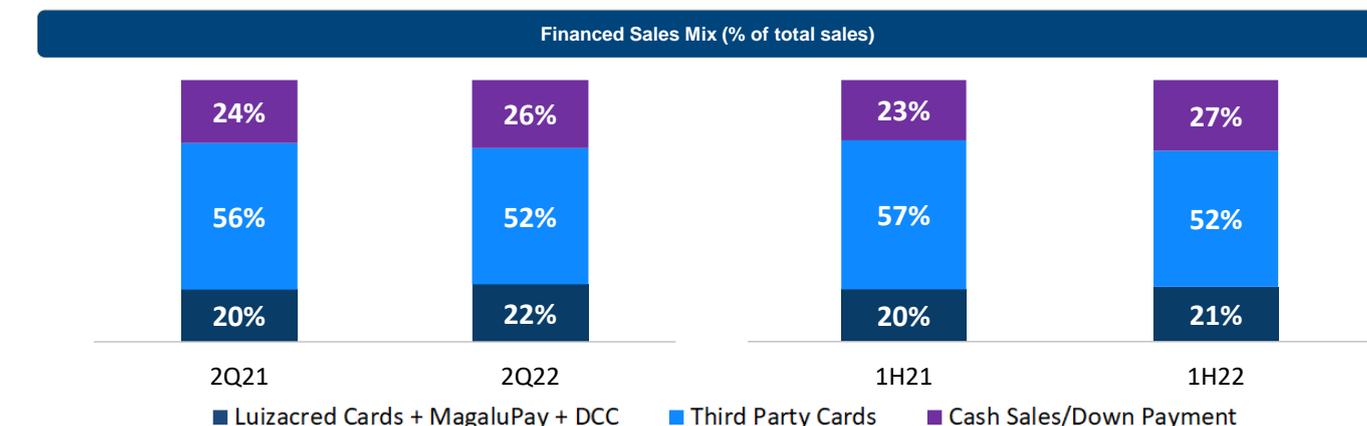
Magalu ended 2Q22 with 1,429 physical stores (1,046 conventional, 237 virtual and 146 kiosks via the partnerships with Lojas Marisa and the Semar supermarket chain). In 2Q22, the Company inaugurated 9 stores and closed 57, of which 48 were kiosks and 9 were conventional Magalu stores. Over the last 12 months, the Company opened 155 new stores (25 in the South, 106 in the Southeast, 6 in the Midwest, 15 in the Northeast and 3 in the North). Forty-five percent of our total number of stores are not yet mature.



In 2Q22, total sales grew 1.3% (34.3% three-year CAGR), as a result of a 1.9% increase in e-commerce sales (61.4% three-year CAGR) and a 0.3% decrease in physical store sales (5.0% three-year CAGR). It is worth highlighting the stellar performance of the marketplace which grew 22% in 2Q22 (84.3% three-year CAGR).



In 2Q22, Luiza Card, Magalu Card, MagaluPay and Direct Credit to Consumer (DCC) use increased from 20% to 22% compared to the same period in 2021. This was due, in large part, to the growth of the Luiza Card base as well as the success of the Magalu Card and MagaluPay. The increase in cash sales was driven by widespread PIX adoption, especially at KaBuM!.



## | Gross Revenues

(in R\$ million)	2Q22	2Q21	% Chg	1H22	1H21	% Chg
Retail - Merchandise Sales	9,580.2	10,207.6	-6.1%	19,397.2	19,774.9	-1.9%
Retail - Services	684.5	544.1	25.8%	1,328.3	1,007.1	31.9%
Other Services	102.5	161.1	-36.4%	218.6	249.2	-12.3%
<b>Gross Revenue - Total</b>	<b>10,367.2</b>	<b>10,912.8</b>	<b>-5.0%</b>	<b>20,944.1</b>	<b>21,031.2</b>	<b>-0.4%</b>

In 2Q22, total gross revenue was R\$10.4 billion, a 5.0% decrease compared to the same period in 2021, impacted by the lower sales volume in the durable goods categories. Retail service revenue increased 25.8% during the period, mainly due to the growth of the Marketplace and Magalu Payments. In 1H22, gross revenue was R\$20.9 billion.

## | Net Revenues

(in R\$ million)	2Q22	2Q21	% Chg	1H22	1H21	% Chg
Retail - Merchandise Sales	7,915.0	8,416.4	-6.0%	16,067.5	16,208.9	-0.9%
Retail - Services	630.6	498.3	26.5%	1,217.9	921.6	32.1%
Other Services	16.8	98.6	-82.9%	39.2	135.6	-71.1%
<b>Net Revenue - Total</b>	<b>8,562.4</b>	<b>9,013.3</b>	<b>-5.0%</b>	<b>17,324.6</b>	<b>17,266.1</b>	<b>0.3%</b>

In 2Q22, total net revenue was R\$8.6 billion, a reduction in line with the variation in total gross revenue. In 1H22, net revenue rose 0.3% to R\$17.3 billion.

## | Gross Profit

(in R\$ million)	2Q22	2Q21	% Chg	1H22	1H21	% Chg
Merchandise Sales	1,824.2	1,891.5	-3.6%	3,665.6	3,630.5	1.0%
Services	628.6	416.7	50.8%	1,218.9	747.8	63.0%
<b>Gross Profit - Total</b>	<b>2,452.8</b>	<b>2,308.3</b>	<b>6.3%</b>	<b>4,884.5</b>	<b>4,378.4</b>	<b>11.6%</b>
<b>Gross Margin - Total</b>	<b>28.6%</b>	<b>25.6%</b>	<b>300 bps</b>	<b>28.2%</b>	<b>25.4%</b>	<b>280 bps</b>

In 2Q22, gross profit increased 6.3% to R\$2.5 billion. During the quarter, gross margin was 28.6%, an increase of 300 bps compared to the same period in 2021. This increase reflects the growth in service revenue, especially from the marketplace. In addition, the gradual repassing of inflation costs and interest rate increases to consumers contributed to the increase in the gross margin of goods. In 1H22, gross profit increased 11.6% to R\$4.9 billion, equivalent to a gross margin of 28.2%.

## | Operating Expenses

(in R\$ million)	2Q22		2Q21		% Chg	1H22		1H21		% Chg
	Adjusted	% NR	Adjusted	% NR		Adjusted	% NR	Adjusted	% NR	
Selling Expenses	(1,569.7)	-18.3%	(1,611.4)	-17.9%	-2.6%	(3,159.0)	-18.2%	(3,031.6)	-17.6%	4.2%
General and Administrative Expenses	(337.7)	-3.9%	(255.6)	-2.8%	32.1%	(690.1)	-4.0%	(481.2)	-2.8%	43.4%
<b>General and Administrative Expenses</b>	<b>(1,907.4)</b>	<b>-22.3%</b>	<b>(1,867.1)</b>	<b>-20.7%</b>	<b>2.2%</b>	<b>(3,849.0)</b>	<b>-22.2%</b>	<b>(3,512.8)</b>	<b>-20.3%</b>	<b>9.6%</b>
Provisions for Loan Losses	(59.0)	-0.7%	(32.8)	-0.4%	80.0%	(120.2)	-0.7%	(66.6)	-0.4%	80.4%
Other Operating Revenues, Net	13.3	0.2%	16.2	0.2%	-17.9%	26.5	0.2%	29.9	0.2%	-11.4%
<b>Total Operating Expenses</b>	<b>(1,953.1)</b>	<b>-22.8%</b>	<b>(1,883.6)</b>	<b>-20.9%</b>	<b>3.7%</b>	<b>(3,942.7)</b>	<b>-22.8%</b>	<b>(3,549.5)</b>	<b>-20.6%</b>	<b>11.1%</b>

## | Selling Expenses

In 2Q22, selling expenses totaled R\$1.6 billion, equivalent to 18.3% of net revenue, 40 bps higher than the same period in 2021, mainly due to a lower dilution of physical store expenses and due to marketplace growth. In 1H22, selling expenses totaled R\$3.2 billion, equivalent to 18.2% of net revenue.

## | General and Administrative Expenses

In 2Q22, general and administrative expenses totaled R\$337.7 million, equivalent to 3.9% of net revenue, including the consolidation of expenses from companies acquired over the last 12 months. In 1H22, general and administrative expenses totaled R\$690.1 million, equivalent to 4.0% of net revenue.

## | Provisions for Loan Losses

Provisions for loan losses totaled R\$59 million in 2Q22 and R\$120.2 million in 1H22.

## | Other Operating Revenues and Expenses, Net

(in R\$ million)	2Q22		2Q21		% Chg	1H22		1H21		% Chg
	Adjusted	% NR	Adjusted	% NR		Adjusted	% NR	Adjusted	% NR	
Gain on Sale of Assets	(0.4)	0.0%	0.8	0.0%	-	(0.8)	0.0%	0.7	0.0%	-
Deferred Revenue Recorded	13.7	0.2%	15.4	0.2%	-10.9%	27.3	0.2%	29.2	0.2%	-6.6%
<b>Subtotal - Adjusted</b>	<b>13.3</b>	<b>0.2%</b>	<b>16.2</b>	<b>0.2%</b>	<b>-17.9%</b>	<b>26.5</b>	<b>0.2%</b>	<b>29.9</b>	<b>0.2%</b>	<b>-11.4%</b>
Tax Credits	-	0.0%	7.5	0.1%	-	21.4	0.1%	7.5	0.0%	185.3%
Tax Provisions	(8.6)	-0.1%	28.2	0.3%	-	(20.4)	-0.1%	358.9	2.1%	-
Expert fees	(3.8)	0.0%	(3.5)	0.0%	7.6%	(18.9)	-0.1%	(52.9)	-0.3%	-64.3%
Non Recurring Expenses	(22.1)	-0.3%	(17.9)	-0.2%	23.1%	(108.6)	-0.6%	(19.5)	-0.1%	456.3%
Other Expenses	(0.2)	0.0%	(4.6)	-0.1%	-94.8%	(2.9)	0.0%	(15.8)	-0.1%	-82.0%
<b>Subtotal - Non Recurring</b>	<b>(34.6)</b>	<b>-0.4%</b>	<b>9.7</b>	<b>0.1%</b>	<b>-</b>	<b>(129.3)</b>	<b>-0.7%</b>	<b>278.1</b>	<b>1.6%</b>	<b>-</b>
<b>Total</b>	<b>(21.3)</b>	<b>-0.2%</b>	<b>25.9</b>	<b>0.3%</b>	<b>-</b>	<b>(102.8)</b>	<b>-0.6%</b>	<b>308.0</b>	<b>1.8%</b>	<b>-</b>

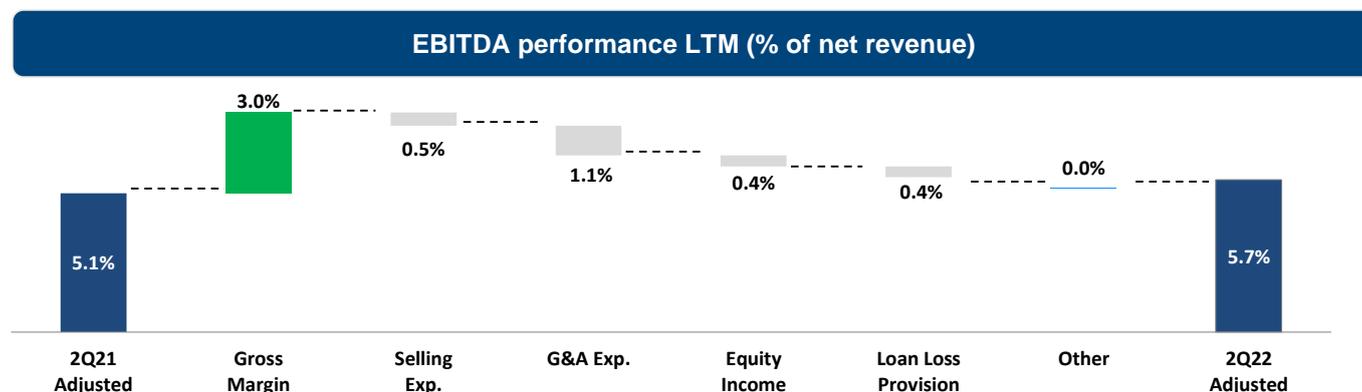
In 2Q22, other adjusted net operating revenues totaled R\$13.3 million, mainly impacted by the recognition of deferred revenues in the amount of R\$13.7 million. In 1H22, other adjusted net operating revenues totaled R\$26.5 million.

## | Equity Income

In 2Q22, equity income was negative R\$7.6 million. Luizacred was responsible for negative R\$14.4 million and Luizaseg was responsible for R\$6.8 million. In 1H22, equity income was negative R\$15.5 million.

## | EBITDA

In 2Q22, adjusted EBITDA reached R\$492.1 million, driven by sales growth, especially in the marketplace, and also an increase in the gross margin. The adjusted EBITDA margin was 5.7% in 1Q22, an increase of 60 bps compared to the same period last year. In 1H22, adjusted EBITDA reached R\$926.3 million, a margin of 5.3%.



## | Financial Results

R\$ million	2Q22	% NR	2Q21	% NR	% Chg	1H22	% NR	1H21	% NR	% Chg
<b>Financial Expenses</b>	(583.4)	-6.8%	(221.8)	-2.5%	163.0%	(1,141.9)	-6.6%	(379.3)	-2.2%	201.0%
Interest on loans and financing	(213.7)	-2.5%	(26.7)	-0.3%	701.2%	(396.2)	-2.3%	(41.8)	-0.2%	848.5%
Interest on prepayment of receivables – third party card	(150.3)	-1.8%	(89.8)	-1.0%	67.4%	(336.4)	-1.9%	(160.8)	-0.9%	109.1%
Interest on prepayment of receivables – Luiza Card	(86.7)	-1.0%	(59.7)	-0.7%	45.1%	(180.9)	-1.0%	(102.0)	-0.6%	77.3%
Other expenses	(132.7)	-1.5%	(45.6)	-0.5%	190.8%	(228.4)	-1.3%	(74.7)	-0.4%	205.7%
<b>Financial Revenues</b>	155.6	1.8%	52.1	0.6%	198.8%	360.3	2.1%	85.7	0.5%	320.6%
Gains on marketable securities	32.6	0.4%	2.7	0.0%	1110.1%	67.6	0.4%	5.5	0.0%	1125.9%
Other financial revenues	123.0	1.4%	49.4	0.5%	149.0%	292.6	1.7%	80.1	0.5%	265.1%
<b>Subtotal: Net Financial Results</b>	(427.8)	-5.0%	(169.7)	-1.9%	152.0%	(781.6)	-4.5%	(293.7)	-1.7%	166.2%
Interest on lease	(66.0)	-0.8%	(59.9)	-0.7%	10.2%	(134.3)	-0.8%	(106.3)	-0.6%	26.3%
<b>Total Net Financial Results</b>	(493.8)	-5.8%	(229.7)	-2.5%	115.0%	(915.9)	-5.3%	(400.0)	-2.3%	129.0%

In 2Q22, net financial expenses totaled R\$493.8 million, equivalent to 5.8% of net revenue. In relation to the same period the previous year, expenses were 330 bps higher due to the increase in interest rates in Brazil - the SELIC rate increased from 2.75% p.a. at the beginning of April 2021 to 13.25% p.a. at the end of June 2022.

Setting aside the effects of leasing interest, the net financial result was R\$427.8 million in 2Q22, equivalent to 5.0% of net revenue.

In 1H22, net financial results came to R\$915.9 million or 5.3% of net revenue.

## | Net Income

In 2Q22, the Company experienced a net loss of R\$135.0 million, mainly driven by the increase in financial expenses during the period. Setting aside non-recurring items, adjusted net income was a loss of R\$112.1 million. In 1H22, adjusted net income was a net loss of R\$210.9 million.

## | Adjusted Working Capital

CONSOLIDATED (R\$ million)	LTM	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21
(+) Accounts Receivables (without Credit Card)	(92.9)	1,076.1	1,124.6	1,032.7	1,240.6	1,169.0
(+) Inventories	468.8	7,965.7	8,077.3	9,112.2	8,126.3	7,496.9
(+) Related Parties (without Luiza Card)	38.8	57.0	68.7	114.8	4.8	18.2
(+) Recoverable Taxes	486.4	1,431.4	1,316.8	1,279.3	1,100.1	944.9
(+) Income Tax and Recoverable Social Contribution	234.2	265.6	250.1	234.9	48.1	31.5
(+) Other Assets	57.4	294.1	267.4	402.8	241.7	236.7
<b>(+) Current Operating Assets</b>	<b>1,192.8</b>	<b>11,090.0</b>	<b>11,104.8</b>	<b>12,176.8</b>	<b>10,761.5</b>	<b>9,897.2</b>
(-) Suppliers	(861.0)	7,380.8	6,248.5	10,098.9	9,177.5	8,241.8
(-) Transfers and Other Deposits	484.2	1,362.9	1,488.9	1,418.9	1,577.7	878.7
(-) Payroll, Vacation and Related Charges	36.8	409.2	376.4	370.2	437.7	372.4
(-) Taxes Payable	42.9	212.1	198.6	239.6	144.3	169.2
(-) Related Parties	53.3	116.1	114.7	125.3	56.8	62.8
(-) Deferred Revenue	7.4	50.5	50.4	50.3	50.3	43.1
(-) Other Accounts Payable	192.0	1,426.5	1,429.7	1,557.3	1,476.3	1,234.5
<b>(-) Current Operating Liabilities</b>	<b>(44.4)</b>	<b>10,958.1</b>	<b>9,907.3</b>	<b>13,860.5</b>	<b>12,920.7</b>	<b>11,002.5</b>
<b>(=) Working Capital Adjusted</b>	<b>1,237.1</b>	<b>131.9</b>	<b>1,197.5</b>	<b>(1,683.8)</b>	<b>(2,159.1)</b>	<b>(1,105.3)</b>
<b>% of Gross Revenue (LTM)</b>	<b>2.8%</b>	<b>0.3%</b>	<b>2.8%</b>	<b>-3.9%</b>	<b>-4.9%</b>	<b>-2.5%</b>

In June 2022, the adjusted working capital need was R\$131.9 million, improving R\$1.1 billion in 2Q22 and strongly contributing to the cash generation seen during the quarter. The improvement in working capital was influenced by the consistent reduction of inventory levels and by the increase in the supplier balance. It is worth noting that, excluding the consolidation of Kabum's numbers, current inventories are lower than those observed in Jun/21.

## | Capex

CAPEX (in R\$ million)	1Q22	%	1Q21	%	%Chg	1H22	%	1H21	%	%Chg
New Stores	14.8	8%	72.3	24%	-80%	33.3	9%	101.2	22%	-67%
Remodeling	8.1	4%	15.9	5%	-49%	15.9	4%	32.3	7%	-51%
Technology	116.7	63%	100.7	33%	16%	202.0	56%	172.4	37%	17%
Logistics	30.3	16%	116.0	38%	-74%	75.6	21%	135.1	29%	-44%
Other	14.4	8%	1.2	0%	1147%	32.0	9%	25.8	6%	24%
<b>Total</b>	<b>184.2</b>	<b>100%</b>	<b>306.1</b>	<b>100%</b>	<b>-40%</b>	<b>358.8</b>	<b>100%</b>	<b>466.7</b>	<b>100%</b>	<b>-23%</b>

In 2Q22, investments totaled R\$184.2 million. Investments included new store openings as well as investments in technology and logistics.

## Capital Structure

CONSOLIDATED (R\$ million)	LTM	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21
(-) Current Loans and Financing	(365.7)	(377.7)	(494.4)	(408.0)	(12.4)	(12.0)
(-) Non-current Loans and Financing	(4,149.0)	(6,468.9)	(6,417.1)	(6,384.9)	(2,339.6)	(2,319.9)
<b>(=) Gross Debt</b>	<b>(4,514.7)</b>	<b>(6,846.6)</b>	<b>(6,911.5)</b>	<b>(6,792.9)</b>	<b>(2,352.0)</b>	<b>(2,331.9)</b>
(+) Cash and Cash Equivalents	422.4	1,710.7	1,407.2	2,566.2	751.2	1,288.3
(+) Current Securities	(257.2)	211.3	584.4	1,556.4	1,354.2	468.5
<b>(+) Total Cash</b>	<b>165.2</b>	<b>1,922.0</b>	<b>1,991.6</b>	<b>4,122.6</b>	<b>2,105.4</b>	<b>1,756.8</b>
<b>(=) Net Cash</b>	<b>(4,349.5)</b>	<b>(4,924.6)</b>	<b>(4,919.9)</b>	<b>(2,670.3)</b>	<b>(246.6)</b>	<b>(575.1)</b>
(+) Credit Card - Third Party Card	1,935.5	4,545.6	3,676.5	4,618.0	4,187.3	2,610.1
(+) Credit Card - Luiza Card	779.0	2,508.1	2,818.4	3,592.4	2,819.8	1,729.0
<b>(+) Total Credit Card</b>	<b>2,714.6</b>	<b>7,053.6</b>	<b>6,494.8</b>	<b>8,210.5</b>	<b>7,007.1</b>	<b>4,339.1</b>
<b>(=) Adjusted Net Cash</b>	<b>(1,634.9)</b>	<b>2,129.1</b>	<b>1,574.9</b>	<b>5,540.2</b>	<b>6,760.5</b>	<b>3,764.0</b>
Short Term Debt / Total	5%	6%	7%	6%	1%	1%
Long Term Debt / Total	-5%	94%	93%	94%	99%	99%
Adjusted EBITDA (LTM)	(446.7)	1,520.8	1,484.2	1,477.1	1,757.4	1,967.5
<b>Adjusted Net Cash / Adjusted EBITDA</b>	<b>-0.5 x</b>	<b>1.4 x</b>	<b>1.1 x</b>	<b>3.8 x</b>	<b>3.8 x</b>	<b>1.9 x</b>
<b>Cash, Securities and Credit Cards</b>	<b>2,879.8</b>	<b>8,975.7</b>	<b>8,486.5</b>	<b>12,333.0</b>	<b>9,112.5</b>	<b>6,095.9</b>

The Company ended the quarter with an adjusted net cash position of R\$2.1 billion and a total cash position of R\$9.0 billion. This includes cash and securities worth R\$1.9 billion and credit card receivables worth R\$7.1 billion. The R\$554.2 million increase in the 2Q22 net cash position (driven by strong cash generation during the period) is also worth highlighting.

**ANNEX I**  
**FINANCIAL STATEMENTS – CONSOLIDATED INCOME STATEMENT**

CONSOLIDATED INCOME STATEMENT (R\$ million)	2Q22	V.A.	2Q21	V.A.	% Chg	1H22	V.A.	1H21	V.A.	% Chg
<b>Gross Revenue</b>	10,367.2	121.1%	10,912.8	121.1%	-5.0%	20,944.1	120.9%	21,031.2	121.8%	-0.4%
Taxes and Deductions	(1,804.8)	-21.1%	(1,899.5)	-21.1%	-5.0%	(3,619.6)	-20.9%	(3,765.1)	-21.8%	-3.9%
<b>Net Revenue</b>	8,562.4	100.0%	9,013.3	100.0%	-5.0%	17,324.6	100.0%	17,266.1	100.0%	0.3%
Total Costs	(6,109.6)	-71.4%	(6,705.0)	-74.4%	-8.9%	(12,440.0)	-71.8%	(12,887.8)	-74.6%	-3.5%
<b>Gross Income</b>	2,452.8	28.6%	2,308.3	25.6%	6.3%	4,884.5	28.2%	4,378.4	25.4%	11.6%
Selling Expenses	(1,569.7)	-18.3%	(1,611.4)	-17.9%	-2.6%	(3,159.0)	-18.2%	(3,031.6)	-17.6%	4.2%
General and Administrative Expenses	(337.7)	-3.9%	(255.6)	-2.8%	32.1%	(690.1)	-4.0%	(481.2)	-2.8%	43.4%
Provisions for Loan Losses	(59.0)	-0.7%	(32.8)	-0.4%	80.0%	(120.2)	-0.7%	(66.6)	-0.4%	80.4%
Other Operating Revenues, Net	(21.3)	-0.2%	25.9	0.3%	-	(102.8)	-0.6%	308.0	1.8%	-
Equity in Subsidiaries	(7.6)	-0.1%	30.8	0.3%	-	(15.5)	-0.1%	53.7	0.3%	-
Total Operating Expenses	(1,995.3)	-23.3%	(1,843.2)	-20.4%	8.3%	(4,087.6)	-23.6%	(3,217.7)	-18.6%	27.0%
<b>EBITDA</b>	457.4	5.3%	465.1	5.2%	-1.7%	796.9	4.6%	1,160.7	6.7%	-31.3%
Depreciation and Amortization	(270.8)	-3.2%	(204.7)	-2.3%	32.3%	(535.8)	-3.1%	(383.0)	-2.2%	39.9%
<b>EBIT</b>	186.6	2.2%	260.4	2.9%	-28.3%	261.1	1.5%	777.7	4.5%	-66.4%
Financial Results	(493.8)	-5.8%	(229.7)	-2.5%	115.0%	(915.9)	-5.3%	(400.0)	-2.3%	129.0%
<b>Operating Income</b>	(307.2)	-3.6%	30.7	0.3%	-	(654.9)	-3.8%	377.7	2.2%	-
Income Tax and Social Contribution	172.2	2.0%	64.8	0.7%	165.7%	358.6	2.1%	(23.5)	-0.1%	-
<b>Net Income</b>	(135.0)	-1.6%	95.5	1.1%	-	(296.3)	-1.7%	354.2	2.1%	-

**Calculation of EBITDA**

<b>Net Income</b>	(135.0)	-1.6%	95.5	1.1%	-	(296.3)	-1.7%	354.2	2.1%	-
(+/-) Income Tax and Social Contribution	(172.2)	-2.0%	(64.8)	-0.7%	165.7%	(358.6)	-2.1%	23.5	0.1%	-
(+/-) Financial Results	493.8	5.8%	229.7	2.5%	115.0%	915.9	5.3%	400.0	2.3%	129.0%
(+) Depreciation and Amortization	270.8	3.2%	204.7	2.3%	32.3%	535.8	3.1%	383.0	2.2%	39.9%
<b>EBITDA</b>	457.4	5.3%	465.1	5.2%	-1.7%	796.9	4.6%	1,160.7	6.7%	-31.3%

**Reconciliation of EBITDA for non-recurring expenses**

<b>EBITDA</b>	457.4	5.3%	465.1	5.2%	-1.7%	796.9	4.6%	1,160.7	6.7%	-31.3%
Non-recurring Result	34.6	0.4%	(9.7)	-0.1%	-	129.3	0.7%	(278.1)	-1.6%	-
<b>Adjusted EBITDA</b>	492.1	5.7%	455.4	5.1%	8.0%	926.3	5.3%	882.6	5.1%	5.0%

<b>Net Income</b>	(135.0)	-1.6%	95.5	1.1%	-	(296.3)	-1.7%	354.2	2.1%	-
Non-recurring Result	22.9	0.0%	(6.4)	-0.1%	-	85.4	0.5%	(183.6)	-1.1%	-
<b>Adjusted Net Income</b>	(112.1)	-1.3%	89.1	1.0%	-	(210.9)	-1.2%	170.6	1.0%	-

\* 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.

**ANNEX II – ADJUSTED  
FINANCIAL STATEMENTS – CONSOLIDATED INCOME STATEMENT**

CONSOLIDATED INCOME STATEMENT (R\$ million)	2Q22 Adjusted	V.A.	2Q21 Adjusted	V.A.	% Chg	1H22 Adjusted	V.A.	1H21 Adjusted	V.A.	% Chg
<b>Gross Revenue</b>	10,367.2	121.1%	10,912.8	121.1%	-5.0%	20,944.1	120.9%	21,031.2	121.8%	-0.4%
Taxes and Deductions	(1,804.8)	-21.1%	(1,899.5)	-21.1%	-5.0%	(3,619.6)	-20.9%	(3,765.1)	-21.8%	-3.9%
<b>Net Revenue</b>	8,562.4	100.0%	9,013.3	100.0%	-5.0%	17,324.6	100.0%	17,266.1	100.0%	0.3%
Total Costs	(6,109.6)	-71.4%	(6,705.0)	-74.4%	-8.9%	(12,440.0)	-71.8%	(12,887.8)	-74.6%	-3.5%
<b>Gross Income</b>	2,452.8	28.6%	2,308.3	25.6%	6.3%	4,884.5	28.2%	4,378.4	25.4%	11.6%
Selling Expenses	(1,569.7)	-18.3%	(1,611.4)	-17.9%	-2.6%	(3,159.0)	-18.2%	(3,031.6)	-17.6%	4.2%
General and Administrative Expenses	(337.7)	-3.9%	(255.6)	-2.8%	32.1%	(690.1)	-4.0%	(481.2)	-2.8%	43.4%
Provisions for Loan Losses	(59.0)	-0.7%	(32.8)	-0.4%	80.0%	(120.2)	-0.7%	(66.6)	-0.4%	80.4%
Other Operating Revenues, Net	13.3	0.2%	16.2	0.2%	-17.9%	26.5	0.2%	29.9	0.2%	-11.4%
Equity in Subsidiaries	(7.6)	-0.1%	30.8	0.3%	-	(15.5)	-0.1%	53.7	0.3%	-
Total Operating Expenses	(1,960.7)	-22.9%	(1,852.8)	-20.6%	5.8%	(3,958.3)	-22.8%	(3,495.8)	-20.2%	13.2%
<b>EBITDA</b>	492.1	5.7%	455.4	5.1%	8.0%	926.3	5.3%	882.6	5.1%	5.0%
Depreciation and Amortization	(270.8)	-3.2%	(204.7)	-2.3%	32.3%	(535.8)	-3.1%	(383.0)	-2.2%	39.9%
<b>EBIT</b>	221.3	2.6%	250.7	2.8%	-11.7%	390.4	2.3%	499.6	2.9%	-21.8%
Financial Results	(493.8)	-5.8%	(229.7)	-2.5%	115.0%	(915.9)	-5.3%	(400.0)	-2.3%	129.0%
<b>Operating Income</b>	(272.6)	-3.2%	21.0	0.2%	-	(525.5)	-3.0%	99.5	0.6%	-
Income Tax and Social Contribution	160.4	1.9%	68.1	0.8%	135.6%	314.6	1.8%	71.1	0.4%	342.6%
<b>Net Income</b>	(112.1)	-1.3%	89.1	1.0%	-	(210.9)	-1.2%	170.6	1.0%	-

**ANNEX III**  
**FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET**

ASSETS (R\$ million)	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	1,710.7	1,407.2	2,566.2	751.2	1,288.3
Securities	211.3	584.4	1,556.4	1,354.2	468.5
Accounts Receivable - Credit Card	4,545.6	3,676.5	4,618.0	4,187.3	2,610.1
Accounts Receivable - Other	1,076.1	1,124.6	1,032.7	1,240.6	1,169.0
Inventories	7,965.7	8,077.3	9,112.2	8,126.3	7,496.9
Related Parties - Credit Card	2,508.1	2,818.4	3,592.4	2,819.8	1,729.0
Related Parties - Other	57.0	68.7	114.8	4.8	18.2
Taxes Recoverable	1,431.4	1,316.8	1,279.3	1,100.1	944.9
Income Tax and Recoverable Social Contribution	265.6	250.1	234.9	48.1	31.5
Other Assets	294.1	267.4	402.8	241.7	236.7
<b>Total Current Assets</b>	<b>20,065.6</b>	<b>19,591.3</b>	<b>24,509.8</b>	<b>19,874.0</b>	<b>15,993.1</b>
<b>NON-CURRENT ASSETS</b>					
Accounts Receivable	-	14.2	17.4	-	15.2
Recoverable Taxes	1,691.5	1,679.7	1,551.6	1,077.3	680.2
Deferred Income Tax and Social Contribution	1,296.1	1,114.1	915.1	470.7	270.8
Judicial Deposits	1,384.9	1,277.1	1,189.9	1,173.5	1,139.1
Other Assets	14.7	0.3	184.8	6.7	7.7
Investments in Subsidiaries	368.4	377.5	407.8	454.5	411.7
Right of use	3,344.8	3,396.7	3,363.0	3,048.4	2,945.6
Fixed Assets	1,990.7	1,982.9	1,938.7	1,746.8	1,460.8
Intangible Assets	4,344.2	4,327.4	4,306.6	2,697.7	2,141.9
<b>Total Non-Current Assets</b>	<b>14,435.3</b>	<b>14,170.0</b>	<b>13,874.8</b>	<b>10,675.5</b>	<b>9,073.1</b>
<b>TOTAL ASSETS</b>	<b>34,501.0</b>	<b>33,761.2</b>	<b>38,384.6</b>	<b>30,549.5</b>	<b>25,066.2</b>
<b>LIABILITIES (R\$ million)</b>					
<b>CURRENT LIABILITIES</b>					
Suppliers	7,380.8	6,248.5	10,098.9	9,177.5	8,241.8
Transfers and other deposits	1,362.9	1,488.9	1,418.9	1,577.7	878.7
Loans and Financing	377.7	494.4	408.0	12.4	12.0
Payroll, Vacation and Related Charges	409.2	376.4	370.2	437.7	372.4
Taxes Payable	212.1	198.6	239.6	144.3	169.2
Related Parties	116.1	114.7	125.3	56.8	62.8
Lease	421.6	439.7	433.8	411.7	398.5
Deferred Revenue	50.5	50.4	50.3	50.3	43.1
Dividends Payable	-	41.4	41.4	-	0.2
Other Accounts Payable	1,926.5	1,429.7	2,070.7	1,476.3	1,234.5
<b>Total Current Liabilities</b>	<b>12,257.4</b>	<b>10,882.8</b>	<b>15,257.2</b>	<b>13,344.8</b>	<b>11,413.2</b>
<b>NON-CURRENT LIABILITIES</b>					
Loans and Financing	6,468.9	6,417.1	6,384.9	2,339.6	2,319.9
Taxes to be collected	7.8	7.8	24.3	-	-
Lease	3,053.6	3,069.4	3,020.8	2,713.1	2,625.1
Deferred Income Tax and Social Contribution	94.5	101.0	113.9	23.7	15.6
Provision for Tax, Civil and Labor Risks	1,135.1	1,111.5	1,154.1	992.2	1,147.6
Deferred Revenue	217.3	231.3	245.3	259.3	273.5
Other Accounts Payable	328.4	822.2	922.9	4.2	5.7
<b>Total Non-Current Liabilities</b>	<b>11,305.7</b>	<b>11,760.2</b>	<b>11,866.2</b>	<b>6,332.2</b>	<b>6,387.4</b>
<b>TOTAL LIABILITIES</b>	<b>23,563.1</b>	<b>22,643.0</b>	<b>27,123.4</b>	<b>19,677.0</b>	<b>17,800.6</b>
<b>SHAREHOLDERS' EQUITY</b>					
Capital Stock	12,352.5	12,352.5	12,352.5	9,852.5	5,952.3
Capital Reserve	(1,777.5)	(1,619.5)	(1,637.1)	350.8	346.4
Treasury Shares	(1,275.8)	(1,448.2)	(1,449.2)	(1,275.1)	(836.2)
Legal Reserve	137.4	137.4	137.4	123.0	123.0
Profit Retention Reserve	1,797.9	1,856.7	1,856.7	1,321.7	1,321.7
Other Comprehensive Income	(0.4)	0.6	0.8	2.0	4.3
Retained Earnings	(296.3)	(161.3)	-	497.7	354.2
<b>Total Shareholders' Equity</b>	<b>10,937.8</b>	<b>11,118.2</b>	<b>11,261.2</b>	<b>10,872.5</b>	<b>7,265.6</b>
<b>TOTAL</b>	<b>34,501.0</b>	<b>33,761.2</b>	<b>38,384.6</b>	<b>30,549.5</b>	<b>25,066.2</b>

**ANNEX IV**  
**FINANCIAL STATEMENTS – ADJUSTED CONSOLIDATED STATEMENT OF CASH FLOWS**

ADJUSTED CASH FLOW STATEMENTS (R\$ million)	2Q22	2Q21	1H22	1H21	LTM	LTM
<b>Net Income</b>	<b>(135.0)</b>	<b>95.5</b>	<b>(296.3)</b>	<b>354.2</b>	<b>(59.8)</b>	<b>779.6</b>
Effect of Income Tax and Social Contribution Net of Payment	(191.7)	(87.0)	(391.4)	(18.0)	(1,279.5)	(64.6)
Depreciation and Amortization	270.8	204.7	535.8	383.0	969.8	738.5
Interest Accrued on Loans	287.6	87.2	544.0	149.5	793.8	265.8
Equity Income	7.6	(30.8)	15.5	(53.7)	(30.1)	(143.8)
Dividends Received	-	-	70.2	29.5	70.2	29.5
Provision for Losses on Inventories and Receivables	132.0	32.0	220.3	86.0	825.4	175.9
Provision for Tax, Civil and Labor Contingencies	29.4	13.6	55.2	(243.6)	(118.7)	(42.9)
Gain on Sale of Fixed Assets	0.5	0.4	0.8	0.7	(0.5)	0.7
Recognition of Deferred Income	(13.4)	(14.4)	(27.3)	(28.3)	(54.9)	(57.0)
Stock Option Expenses	19.8	27.1	32.0	53.3	96.8	116.6
<b>Adjusted Net Income</b>	<b>407.6</b>	<b>328.3</b>	<b>759.0</b>	<b>712.5</b>	<b>1,212.5</b>	<b>1,798.3</b>
Trade Accounts Receivable	(9.3)	(376.7)	(167.9)	(320.8)	275.8	(543.4)
Inventories	51.5	(686.5)	1,068.1	(1,587.0)	(268.1)	(3,350.4)
Taxes Recoverable	(141.9)	(94.8)	(322.8)	(176.4)	(1,614.9)	231.1
Deposit in Court	(107.8)	(158.5)	(195.0)	(295.3)	(244.6)	(569.0)
Other Receivables	(7.5)	(48.9)	189.3	(15.6)	79.2	35.3
<b>Changes in Operating Assets</b>	<b>(214.9)</b>	<b>(1,365.5)</b>	<b>571.7</b>	<b>(2,395.1)</b>	<b>(1,772.6)</b>	<b>(4,196.3)</b>
Trade Accounts Payable	1,132.3	1,171.0	(2,718.1)	(260.0)	(1,273.8)	2,905.0
Other Payables	(40.3)	287.2	(246.9)	(190.3)	416.6	374.5
<b>Change in Operating Liabilities</b>	<b>1,092.0</b>	<b>1,458.2</b>	<b>(2,965.0)</b>	<b>(450.3)</b>	<b>(857.2)</b>	<b>3,279.5</b>
<b>Cash Flow from Operating Activities</b>	<b>1,284.7</b>	<b>421.1</b>	<b>(1,634.4)</b>	<b>(2,132.8)</b>	<b>(1,417.3)</b>	<b>881.4</b>
Additions of Fixed and Intangible Assets	(184.2)	(306.1)	(358.8)	(466.7)	(1,056.2)	(835.7)
Investment in Subsidiaries	(45.4)	(29.3)	(543.7)	(66.4)	(630.6)	(155.4)
<b>Cash Flow from Investing Activities</b>	<b>(229.6)</b>	<b>(335.4)</b>	<b>(902.4)</b>	<b>(533.1)</b>	<b>(1,686.7)</b>	<b>(991.1)</b>
Loans and Financing	-	1,500.0	-	2,300.0	4,000.3	2,301.1
Repayment of Loans and Financing	(58.1)	(801.9)	(88.8)	(1,607.3)	(169.2)	(1,611.2)
Payment of Interest on Loans and Financing	(228.4)	(63.2)	(267.2)	(90.8)	(307.8)	(91.1)
Payment of Lease	(108.1)	(100.6)	(220.1)	(173.1)	(420.7)	(316.6)
Payment of Interest on Lease	(71.3)	(64.9)	(144.5)	(116.3)	(273.0)	(217.5)
Payment of Dividends	(100.0)	(146.1)	(100.0)	(146.1)	(100.0)	(445.5)
Treasury Shares	-	(204.3)	-	(404.1)	(646.1)	(883.8)
Proceeds from the Secondary Equity Offering	-	-	-	-	3,981.3	-
Payment of expenses from the Secondary Equity Offering	-	-	-	-	(81.0)	-
<b>Cash Flow from Financing Activities</b>	<b>(565.9)</b>	<b>119.0</b>	<b>(820.6)</b>	<b>(237.7)</b>	<b>5,983.8</b>	<b>(1,264.6)</b>
Cash, Cash Equivalents and Securities at Beginning of Period	8,486.5	5,891.2	12,333.0	8,999.5	6,095.9	7,470.2
Cash, Cash Equivalents and Securities at end of Period	8,975.7	6,095.9	8,975.7	6,095.9	8,975.7	6,095.9
<b>Change in Cash and Cash equivalents</b>	<b>489.2</b>	<b>204.7</b>	<b>(3,357.4)</b>	<b>(2,903.6)</b>	<b>2,879.8</b>	<b>(1,374.3)</b>

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)	jun-22	mar-22	dec-21	sep-21	jun-21
<b>Working Capital</b>	5,998.2	7,002.6	5,344.5	4,388.1	2,803.9
(+) Accounts Receivable	-	14.2	17.4	-	15.2
(+) Income Tax and Social Contribution deferred	1,296.1	1,114.1	915.1	470.7	270.8
(+) Taxes Recoverable	1,691.5	1,679.7	1,551.6	1,077.3	680.2
(+) Judicial Deposits	1,384.9	1,277.1	1,189.9	1,173.5	1,139.1
(+) Other Assets	14.7	0.3	184.8	6.7	7.7
(+) Investment In Joint Subsidiaries	368.4	377.5	407.8	454.5	411.7
(+) Right of use	3,344.8	3,396.7	3,363.0	3,048.4	2,945.6
(+) Fixed Assets	1,990.7	1,982.9	1,938.7	1,746.8	1,460.8
(+) Intangible Assets	4,344.2	4,327.4	4,306.6	2,697.7	2,141.9
(+) Income Tax and Recoverable Social Contribution	265.6	250.1	234.9	48.1	31.5
<b>(+) Non Current Assets</b>	<b>14,700.9</b>	<b>14,420.0</b>	<b>14,109.7</b>	<b>10,723.6</b>	<b>9,104.5</b>
(-) Provision for Contingencies	1,135.1	1,111.5	1,154.1	992.2	1,147.6
(-) Lease	3,053.6	3,069.4	3,020.8	2,713.1	2,625.1
(-) Deferred Revenue	217.3	231.3	245.3	259.3	273.5
(-) Taxes to be Collected	7.8	7.8	24.3	-	-
(-) Income Tax and Social Contribution deferred	94.5	101.0	113.9	23.7	15.6
(-) Other Accounts Payable	328.4	822.2	922.9	4.2	5.7
<b>(-) Non-Current operating liabilities</b>	<b>4,836.8</b>	<b>5,343.1</b>	<b>5,481.3</b>	<b>3,992.5</b>	<b>4,067.5</b>
<b>(=) Fixed Capital</b>	<b>9,864.2</b>	<b>9,077.0</b>	<b>8,628.4</b>	<b>6,731.0</b>	<b>5,037.0</b>
<b>(=) Total Invested Capital</b>	<b>15,862.4</b>	<b>16,079.6</b>	<b>13,972.9</b>	<b>11,119.2</b>	<b>7,840.9</b>
(+) Net Debt	4,924.6	4,919.9	2,670.3	246.6	575.1
(+) Dividends Payable	-	41.4	41.4	-	0.2
(+) Shareholders Equity	10,937.8	11,118.2	11,261.2	10,872.5	7,265.6
<b>(=) Total Financing</b>	<b>15,862.4</b>	<b>16,079.6</b>	<b>13,972.9</b>	<b>11,119.2</b>	<b>7,840.9</b>

FINANCIAL EXPENSES RECONCILIATION (R\$MM)	2Q22	1Q22	4Q21	3Q21	2Q21
Financial Income	155.6	204.7	186.6	219.3	52.1
Financial Expenses	(649.4)	(626.8)	(434.6)	(260.3)	(281.7)
<b>Net Financial Expenses</b>	<b>(493.8)</b>	<b>(422.1)</b>	<b>(248.0)</b>	<b>(41.0)</b>	<b>(229.7)</b>
Interest on prepayment of receivables: Luiza Card and third-party card	237.0	280.3	203.3	101.7	149.5
<b>Adjusted Financial Expenses</b>	<b>(256.9)</b>	<b>(141.8)</b>	<b>(44.8)</b>	<b>60.7</b>	<b>(80.2)</b>
Taxes on Adjusted Financial Expenses	87.3	48.2	15.2	(20.7)	27.3
<b>Net Adjusted Financial Expenses</b>	<b>(169.5)</b>	<b>(93.6)</b>	<b>(29.5)</b>	<b>40.1</b>	<b>(52.9)</b>

NOPLAT AND ROIC/ROE RECONCILIATION(R\$MM)	2Q22	1Q22	4Q21	3Q21	2Q21
EBITDA	457.4	339.5	(7.9)	134.8	465.1
Interest on prepayment of receivables: Luiza Card and third-party card	(237.0)	(280.3)	(203.3)	(101.7)	(149.5)
Depreciation	(270.8)	(265.1)	(226.1)	(207.8)	(204.7)
Current and deferred taxes	172.2	186.4	575.0	257.5	64.8
Taxes on Adjusted Financial Expenses	(87.3)	(48.2)	(15.2)	20.7	(27.3)
<b>Net Operating Income (NOPLAT)</b>	<b>34.5</b>	<b>(67.7)</b>	<b>122.5</b>	<b>103.4</b>	<b>148.4</b>
<b>Invested Capital</b>	<b>15,862.4</b>	<b>16,079.6</b>	<b>13,972.9</b>	<b>11,119.2</b>	<b>7,840.9</b>
<b>ROIC Annualized</b>	<b>1%</b>	<b>-2%</b>	<b>4%</b>	<b>4%</b>	<b>8%</b>
Net Income	(135.0)	(161.3)	93.0	143.5	95.5
Shareholders Equity	10,937.8	11,118.2	11,261.2	10,872.5	7,265.6
<b>ROE Annualized</b>	<b>-5%</b>	<b>-6%</b>	<b>3%</b>	<b>5%</b>	<b>5%</b>

**ANNEX VI**  
**BREAKDOWN OF TOTAL SALES AND NUMBER OF STORES PER CHANNEL**

Breakdown of Total Sales (R\$ million)	2Q22	V.A.	2Q21	V.A.	Growth
					Total
Virtual Stores	263.5	1.9%	289.5	2.1%	-9.0%
Conventional Stores	3,626.3	26.0%	3,614.0	26.3%	0.3%
<b>Subtotal - Physical Stores</b>	<b>3,889.9</b>	<b>27.9%</b>	<b>3,903.5</b>	<b>28.4%</b>	<b>-0.3%</b>
Traditional E-commerce (1P)	6,386.6	45.9%	6,853.2	49.9%	-6.8%
Marketplace (3P)	3,646.2	26.2%	2,989.8	21.7%	22.0%
<b>Subtotal - Total E-commerce</b>	<b>10,032.8</b>	<b>72.1%</b>	<b>9,842.9</b>	<b>71.6%</b>	<b>1.9%</b>
<b>Total Sales</b>	<b>13,922.7</b>	<b>100.0%</b>	<b>13,746.4</b>	<b>100.0%</b>	<b>1.3%</b>

Breakdown of Total Sales (R\$ million)	1H22	V.A.	1H21	V.A.	Growth
					Total
Virtual Stores	541.9	1.9%	581.0	2.2%	-6.7%
Conventional Stores	7,288.5	26.0%	7,032.6	26.8%	3.6%
<b>Subtotal - Physical Stores</b>	<b>7,830.3</b>	<b>27.9%</b>	<b>7,613.5</b>	<b>29.0%</b>	<b>2.8%</b>
Traditional E-commerce (1P)	12,915.5	46.0%	13,177.6	50.3%	-2.0%
Marketplace (3P)	7,301.1	26.0%	5,428.0	20.7%	34.5%
<b>Subtotal - Total E-commerce</b>	<b>20,216.6</b>	<b>72.1%</b>	<b>18,605.6</b>	<b>71.0%</b>	<b>8.7%</b>
<b>Total Sales</b>	<b>28,046.9</b>	<b>100.0%</b>	<b>26,219.1</b>	<b>100.0%</b>	<b>7.0%</b>

<sup>1</sup> Total Sales include gross revenue from physical stores and e-commerce plus marketplace sales

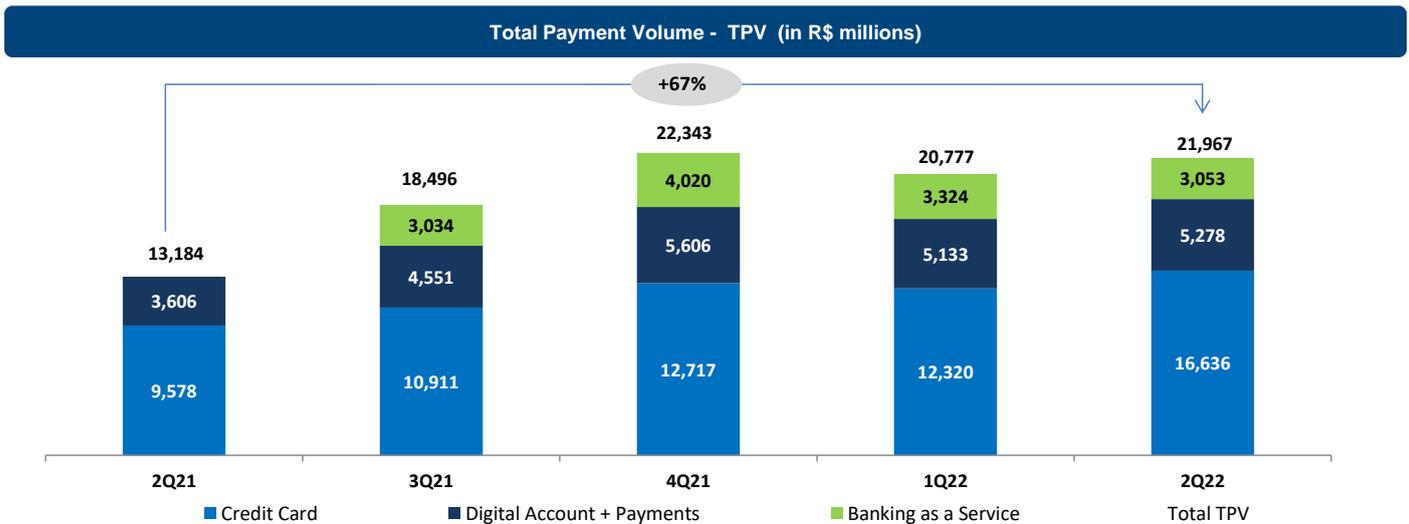
Number of stores per channel – End of the period	jun/22	Part(%)	jun/21	Part(%)	Growth
					Total
Virtual Stores	237	16.6%	209	15.6%	28
Conventional Stores	1,046	73.2%	959	71.6%	87
Kiosks	146	10.2%	171	12.8%	(25)
<b>Subtotal - Physical Stores</b>	<b>1,429</b>	<b>100.0%</b>	<b>1,339</b>	<b>100.0%</b>	<b>90</b>
<b>Total Sales Area (m<sup>2</sup>)</b>	<b>716,745</b>	<b>100.0%</b>	<b>674,815</b>	<b>100.0%</b>	<b>6.2%</b>

## ANNEX VII FINTECH MAGALU

Magalu’s fintech offerings include solutions for individuals and marketplace sellers, as well as a Banking as a Service (BaaS) platform, which provides enterprise banking services, that was acquired in the Hub Fintech acquisition. Magalu’s fintech services include: a sub-acquiring business; a digital bank account (MagaluPay); credit to consumers via the Luiza and Magalu Cards, and loans for individuals and sellers.

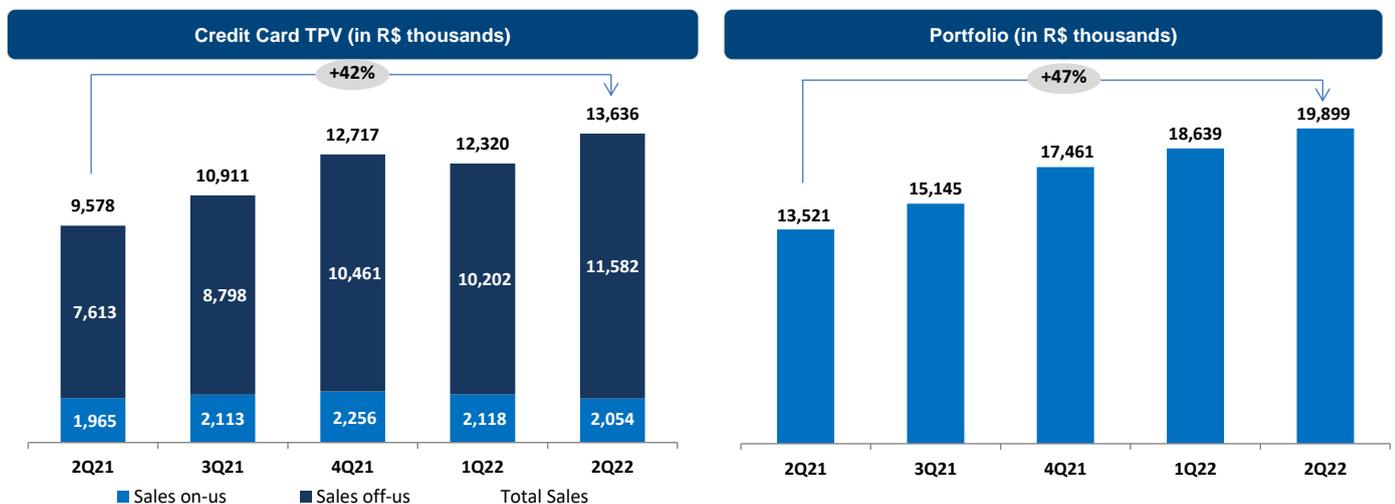
### | Operating Indicators

- Magalu’s total payment volume (TPV) reached R\$ 22 billion in 2Q22, growing 66.6%.

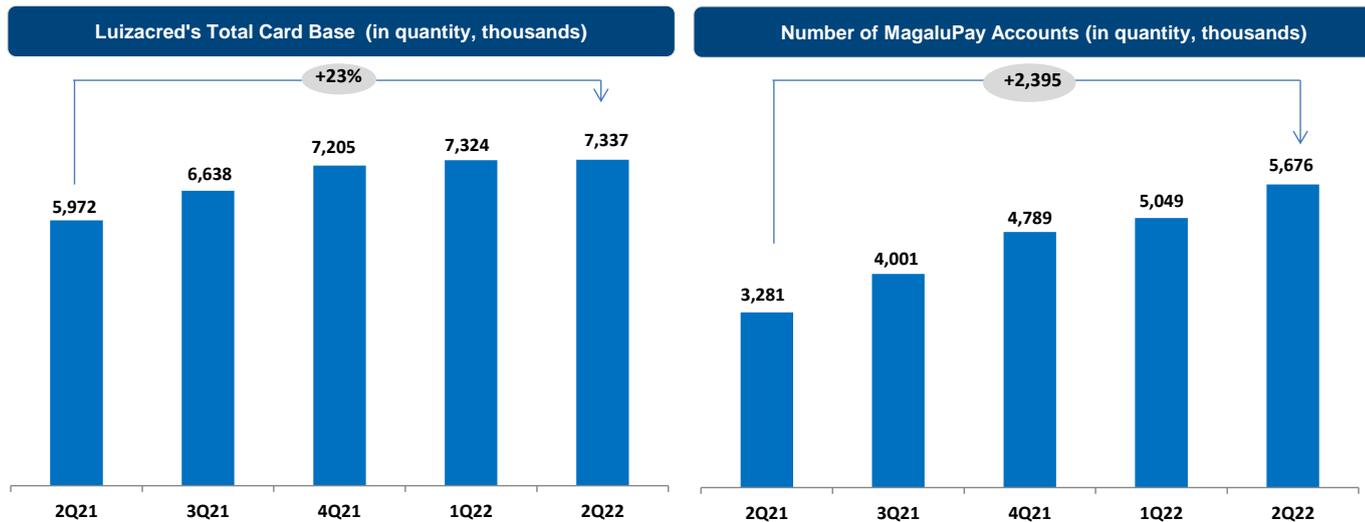


### | Credit Card

- Credit Card TPV grew a significant 42.4% in 2Q22, reaching R\$13.6 billion during the period, the highest quarterly revenue in the Company’s history. In-store sales to Luiza and Magalu Card customers, distinguished by their loyalty and higher purchase frequency, increased 4.6% in 2Q22 reaching R\$2.1 billion. Sales outside Magalu grew 52.1% in 2Q22 to R\$11.6 billion.
- Luizacred's credit portfolio reached R\$19.9 billion at the end of 2Q22, an increase of 47.2% over 2Q21.



- In June 2022, Luizacred's total card base reached 7.3 million cards (+22.9% versus June 2021). This includes Luiza Card and the Magalu Card.



### | Digital Account and Payments

- In June 2022, Magalu's digital banking initiative, MagaluPay, reached 5.7 million opened accounts, representing an increase of 627,000 new accounts during the period, driven in part by the success of the, "Lu's PIX" campaign.
- The total payment volume (TPV) of sub-acquiring, digital accounts and loans to sellers reached R\$5.3 billion in 2Q22, growing 46.4% during the period.
- Magalu also continued to expand credit offerings to marketplace sellers via our FIDC.
- Our mobile point of sale machines continue to evolve. In 2Q22, several improvements were made, including an integration with merchant's Digital Accounts and a reduction of settlement periods for customers. The mobile point of sale machines have been shown at Caravan Magalu, demonstrating to thousands of small Brazilian retailers that they can have their physical stores seamlessly connected to e-commerce, on the same platform, benefiting from unified management of sales, tax and inventory control.

### | Banking as a Service (BaaS)

- Total payment volume (TPV) in the Banking as a Service segment reached R\$3.1 billion in 2Q22.

ANNEX VIII  
LUIZACRED

| Income Statement in IFRS

LUIZACRED – Income (R\$ million)	2Q22	V.A.	2Q21	V.A.	% Chg	1H22	V.A.	1H21	V.A.	% Chg
Financial Intermediation Revenue	619.3	100.0%	392.0	100.0%	58.0%	1,215.3	100.0%	713.1	100.0%	70.4%
Financial Intermediation Expenses	(709.7)	-114.6%	(330.4)	-84.3%	114.8%	(1,376.5)	-113.3%	(586.5)	-82.2%	134.7%
Market Funding Operations	(151.0)	-24.4%	(35.0)	-8.9%	331.3%	(257.7)	-21.2%	(53.0)	-7.4%	386.7%
Provision for Loan Losses	(558.7)	-90.2%	(295.4)	-75.4%	89.2%	(1,118.7)	-92.1%	(533.6)	-74.8%	109.7%
<b>Gross Financial Intermediation Income</b>	<b>(90.4)</b>	<b>-14.6%</b>	<b>61.6</b>	<b>15.7%</b>	<b>-</b>	<b>(161.1)</b>	<b>-13.3%</b>	<b>126.6</b>	<b>17.8%</b>	<b>-</b>
Service Revenue	353.0	57.0%	271.9	69.4%	29.8%	693.5	57.1%	526.1	73.8%	31.8%
Other Operating Revenues (Expenses)	(309.8)	-50.0%	(269.8)	-68.8%	14.8%	(624.1)	-51.4%	(529.1)	-74.2%	17.9%
Personnel Expenses	(10.4)	-1.7%	(3.2)	-0.8%	224.3%	(14.3)	-1.2%	(6.4)	-0.9%	122.5%
Other Administrative Expenses	(208.3)	-33.6%	(205.5)	-52.4%	1.4%	(428.3)	-35.2%	(407.2)	-57.1%	5.2%
Depreciation and Amortization	(3.0)	-0.5%	(3.0)	-0.8%	-0.1%	(6.0)	-0.5%	(5.9)	-0.8%	0.7%
Tax Expenses	(54.1)	-8.7%	(38.8)	-9.9%	39.5%	(105.4)	-8.7%	(73.5)	-10.3%	43.4%
Other Operating Revenues (Expenses)	(34.1)	-5.5%	(19.3)	-4.9%	76.5%	(70.1)	-5.8%	(36.0)	-5.1%	94.4%
<b>Income Before Tax</b>	<b>(47.3)</b>	<b>-7.6%</b>	<b>63.7</b>	<b>16.2%</b>	<b>-</b>	<b>(91.7)</b>	<b>-7.5%</b>	<b>123.6</b>	<b>17.3%</b>	<b>-</b>
Income Tax and Social Contribution	18.5	3.0%	(15.6)	-4.0%	-	36.2	3.0%	(39.7)	-5.6%	-
<b>Net Income</b>	<b>(28.8)</b>	<b>-4.6%</b>	<b>48.1</b>	<b>12.3%</b>	<b>-</b>	<b>(55.5)</b>	<b>-4.6%</b>	<b>83.8</b>	<b>11.8%</b>	<b>-</b>

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

LUIZACRED – Income (R\$ million)	2Q22	V.A.	2Q21	V.A.	% Chg	1H22	V.A.	1H21	V.A.	% Chg
Financial Intermediation Revenue	619.3	100.0%	392.0	100.0%	58.0%	1,215.4	100.0%	713.1	100.0%	70.4%
Financial Intermediation Expenses	(708.6)	-114.4%	(234.4)	-59.8%	202.3%	(1,274.2)	-104.8%	(390.7)	-54.8%	226.1%
Market Funding Operations	(151.0)	-24.4%	(35.0)	-8.9%	331.3%	(257.7)	-21.2%	(53.0)	-7.4%	386.7%
Provision for Loan Losses	(557.6)	-90.0%	(199.4)	-50.9%	179.7%	(1,016.5)	-83.6%	(337.8)	-47.4%	200.9%
<b>Gross Financial Intermediation Income</b>	<b>(89.3)</b>	<b>-14.4%</b>	<b>157.6</b>	<b>40.2%</b>	<b>-</b>	<b>(58.8)</b>	<b>-4.8%</b>	<b>322.4</b>	<b>45.2%</b>	<b>-</b>
Service Revenue	353.0	57.0%	271.9	69.4%	29.8%	693.5	57.1%	526.1	73.8%	31.8%
Other Operating Revenues (Expenses)	(309.8)	-50.0%	(269.8)	-68.8%	14.8%	(624.1)	-51.3%	(529.1)	-74.2%	17.9%
Personnel Expenses	(10.4)	-1.7%	(3.2)	-0.8%	224.3%	(14.3)	-1.2%	(6.4)	-0.9%	122.5%
Other Administrative Expenses	(208.3)	-33.6%	(205.5)	-52.4%	1.4%	(428.3)	-35.2%	(407.2)	-57.1%	5.2%
Depreciation and Amortization	(3.0)	-0.5%	(3.0)	-0.8%	-0.1%	(6.0)	-0.5%	(5.9)	-0.8%	0.7%
Tax Expenses	(54.1)	-8.7%	(38.8)	-9.9%	39.5%	(105.4)	-8.7%	(73.5)	-10.3%	43.4%
Other Operating Revenues (Expenses)	(34.1)	-5.5%	(19.3)	-4.9%	76.5%	(70.1)	-5.8%	(36.0)	-5.1%	94.4%
<b>Income Before Tax</b>	<b>(46.1)</b>	<b>-7.4%</b>	<b>159.7</b>	<b>40.7%</b>	<b>-</b>	<b>10.6</b>	<b>0.9%</b>	<b>319.4</b>	<b>44.8%</b>	<b>-96.7%</b>
Income Tax and Social Contribution	18.0	2.9%	(54.0)	-13.8%	-	(4.7)	-0.4%	(118.1)	-16.6%	-96.0%
<b>Net Income</b>	<b>(28.1)</b>	<b>-4.5%</b>	<b>105.7</b>	<b>27.0%</b>	<b>-</b>	<b>5.9</b>	<b>0.5%</b>	<b>201.3</b>	<b>28.2%</b>	<b>-97.1%</b>

## | Revenue from Financial Intermediation

In 2Q22, revenues from financial intermediation were R\$619.3 million, up a significant 58% compared to 2Q21. The increase was driven by growth in the card base and sales inside and outside of Magalu.

## | Provision for Loan Losses

The portfolio of loans overdue from 15 to 90 days (NPL 15) accounted for only 3.0% of the total portfolio in Jun/22, an increase of 100 bps compared to Jun/21, due to the growth of new customers and the recent deterioration in macroeconomic conditions. Luizacred's assertive credit policy and the collection efforts carried out by the stores and collection centers were fundamental in minimizing the impact on the portfolio.

The percentage of the portfolio overdue for more than 90 days (NPL 90) reached 7.7% in June 2022, an increase of 300 bps compared to Jun/21. Despite the deterioration, NPL 90 remains below pre-pandemic levels.

Provisions for bad debt expenses, net of recovery, represented 2.8% of the total portfolio in 2Q22. The overdue portfolio coverage ratio was 160% in June 2022.

PORTFOLIO - OVERDUE	Jun-22		Mar-22		Dec-21		Sep-21		Jun-21	
000 to 014 days	17,770	89.3%	16,816	90.2%	16,043	91.9%	14,081	93.0%	12,615	93.3%
015 to 030 days	115	0.6%	140	0.8%	103	0.6%	75	0.5%	59	0.4%
031 to 060 days	192	1.0%	196	1.1%	143	0.8%	108	0.7%	81	0.6%
061 to 090 days	291	1.5%	253	1.4%	196	1.1%	135	0.9%	125	0.9%
091 to 120 days	242	1.2%	211	1.1%	185	1.1%	130	0.9%	122	0.9%
121 to 150 days	257	1.3%	195	1.0%	148	0.9%	112	0.7%	111	0.8%
151 to 180 days	212	1.1%	170	0.9%	119	0.7%	108	0.7%	87	0.6%
180 to 360 days	820	4.1%	658	3.5%	524	3.0%	397	2.6%	320	2.4%
<b>Portfolio (R\$ million)</b>	<b>19,899</b>	<b>100.0%</b>	<b>18,639</b>	<b>100.0%</b>	<b>17,461</b>	<b>100.0%</b>	<b>15,145</b>	<b>100.0%</b>	<b>13,521</b>	<b>100.0%</b>
Receipt expectation of loan portfolio overdue above 360 days	203		195		187		189		190	
<b>Total Portfolio in IFRS 9 (R\$ million)</b>	<b>20,102</b>		<b>18,834</b>		<b>17,649</b>		<b>15,334</b>		<b>13,711</b>	
Overdue 15-90 days	598	3.0%	589	3.2%	442	2.5%	318	2.1%	265	2.0%
Overdue Above 90 days	1,532	7.7%	1,235	6.6%	977	5.6%	747	4.9%	640	4.7%
<b>Total Overdue</b>	<b>2,129</b>	<b>10.7%</b>	<b>1,824</b>	<b>9.8%</b>	<b>1,419</b>	<b>8.1%</b>	<b>1,065</b>	<b>7.0%</b>	<b>906</b>	<b>6.7%</b>
Provisions for loan losses on Portfolio	2,076		1,766		1,453		1,078		1,080	
Provisions for loan losses on available limit	373		368		333		398		340	
<b>Total Provisions for loan losses in IFRS 9</b>	<b>2,449</b>		<b>2,135</b>		<b>1,786</b>		<b>1,477</b>		<b>1,420</b>	
Coverage of Portfolio (%)	136%		143%		149%		144%		169%	
<b>Coverage of Total Portfolio (%)</b>	<b>160%</b>		<b>173%</b>		<b>183%</b>		<b>198%</b>		<b>222%</b>	

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

Financial intermediation gross results were negative R\$90.4 million in 2Q22, principally due to provisions associated with the strong growth of the portfolio.

## | Service Revenue and Other Operating Revenues (Expenses)

Service revenues grew 29.8% in 2Q22, reaching R\$353 million. This was largely attributable to an increase in revenue growth and growth in the card base. During the same period, operating expenses were R\$309.8 million, growing by only 14.8%.

## | Operating Income and Net Income

In 2Q22, Luizacred recorded a net loss of R\$28.8 million under IFRS. Using the accounting practices established by the Brazilian Central Bank, the net loss was R\$28.1 million during the period.

## | Shareholders' Equity

In compliance with the same practices, Luizacred posted shareholders' equity of R\$1.2 billion in June 2022. 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\$797.6 million.

ANNEX IX  
OPERATIONAL GUIDANCE

| Quarterly update

In order to facilitate analysis of the evolution of the Company’s logistics infrastructure, Magalu is sharing key indicators, such as the number of distribution centers, dedicated cross-docking stations, total storage area and the number of physical stores. Since Magalu’s physical stores and e-commerce operations are completely integrated, the total storage area metric also includes the area of the physical stores that is dedicated to handling and stocking goods.

In a material fact published on July 15, 2021, the Company published the following projections for the period ended in December 31, 2021 and the periods ending in December 31, 2022 and December 31, 2023:

	Accomplished	Guidance	
	2Q22	2022	2023
<b>Total Logistics Units</b>	269	380	450
Number of Distribution Centers	23	30	33
Number of Cross-docking Hubs	246	350	417
<b>Number of Stores</b>	1,429	1,560	1,680
<b>Total Storage Area</b>	1,299	1,630	2,000

## CONFERENCE CALL DETAILS

Conference Call in Portuguese with simultaneous translation to English

Friday, Aug 12th, 2022

10:00 – Brasilia time

09:00 – New York time (EST)

## Conference Call Access

Twitter:

@ri\_magalu

### Investor Relations

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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 1,429 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 1,900 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 72% 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.

### Disclaimer

The statements herein related to business prospects, future estimates of operating and financial results, and those related to Magazine Luiza's growth prospects are merely estimates and, as such, are based solely on the expectations of the Executive Board regarding the future of the Company's business. These expectations largely depend on approvals and licenses for the projects, market conditions, performance of the Brazilian economy, the sector and the international markets and are, therefore, subject to changes without prior notice. This performance report includes accounting and non-accounting data such as pro forma operating and financial results and projections based on the expectations of the Company's Management. The non-accounting data were not reviewed by the Company's independent auditors.