

1Q22: 50% Marketplace growth and rise in operating margins

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Magalu's total sales reached **R\$14 billion** during the first three months of 2022, rising **13%** compared to the same period in 2021.

The Company experienced significant growth in profitability during the quarter, **with a 2.7 p.p. rise in gross margin and an adjusted EBITDA margin of 5.0% during the period. In March, the adjusted EBITDA margin reached 6.1%.**

E-commerce grew 16% during the quarter, reaching more than **R\$10 billion in sales** or 149% growth over the last two years.

Marketplace sales exceeded R\$3.6 billion during the quarter, a growth of 50% compared to the same period last year. Over the last two years, the Magalu marketplace has **tripled in size** and now represents **36% of total online sales.**

Magalu's marketplace currently has more than **180 thousand sellers** and **64 million available offers.** In one year, more than 100 thousand new sellers joined the platform, the majority of them via the **Partner Magalu** initiative, which is poised to accelerate even further with the help of **Caravan Magalu.**

Physical store sales were R\$4 billion during the quarter, 6% higher than in 2021 and 10% higher than in 2020. The sales trends seen in January and February were significantly better than at the end of 2021 and, in March, the performance was even better, partially helped by the lower comparison base.

Magalu's physical stores are increasingly at the service of the marketplace. There are already more than **14 thousand sellers utilizing Agency Magalu** to drop off and ship their items and for **13% of marketplace orders, the customer chose in-store pick up in one of the Company's more than 1,200 pick-up enabled physical stores.**

31% of marketplace deliveries were realized in up to 48 hours. **Magalu also launched its fulfillment operation** to accelerate marketplace deliveries, leveraging the Company's existing logistics infrastructure.

In March, Magalu launched a new initiative called **Compra Junto** or Buy Together, in the SuperApp. **Compra Juntos** offers gamified group buying with a treasure hunt like browsing experience, enabling consumers to discover discounts and new products. Benefits for Magalu include radically lower customer acquisition costs, increased user growth and a rise in SuperApp usage frequency.

Magalu's grocery mini world within the SuperApp now offers an even wider array of items, **including perishables.** The pilot project connects the Magalu marketplace with the stock of local supermarkets which utilize **VIPCommerce's integrated e-commerce and inventory management solutions.**

MagaluAds has also continued to evolve. Sponsored products are now prominently displayed in customer's search results offering greater revenue generation opportunities and increased exposure for sellers' products.

Magalu's Fintech operations grew 89% during the quarter, growing to R\$21 billion in TPV. Highlights include 50% growth in credit card TPV, which reached R\$12 billion during the first three months of the year; more than 7 million credit cards emitted and the growth of the credit card book to R\$19 billion.

New Magalu Fintech Products:

- Magalu and Luizacred launched the pilot of **personal loans for consumers**, available via Magalu's digital account, **MagaluPay.** Around 10 million SuperApp users are already pre-approved.
- Magalu's **marketplace sellers** can now count on a credit card designed specifically for their needs under the **MagaluPay Empresas** brand. **This is the first credit card issued and processed entirely using our own, proprietary technology.**

1Q22 in numbers

Principal consolidated numbers from the Magalu Ecosystem

R\$14 billion

Total sales

+13% compared to 1Q21

+84% compared to 1Q20

R\$10 billion

E-commerce sales

+16% compared to 1Q21

+149% compared to 1Q20

+7.3 million

Credit Cards

Luiza Card and Magalu Card

+37 million

Active customers

+445 million

Total Online Audience

(Website and app access Mar/22)

R\$21 billion

TPV

+89% compared to 1Q21

+40 million MAU

(Monthly Active Users)

1,477 Physical Stores

in 21 Brazilian states

270 DCs and Cross-Docking Stations

Marketplace: in 2 years, GMV grew 3x

R\$3.7 billion marketplace sales

+50% compared to 1Q21

+197% compared to 1Q20

+180k sellers

+124k since Mar/21

+154k since Mar/20

80% of marketplace orders use Magalu Entregas

31% delivered in up to 48 hours

36% of total online sales

More Sellers, Greater Assortment, Faster delivery



Fintech Magalu: Launch of a new credit card designed for marketplace sellers under the MagaluPay Empresas brand.



MGLU3: R\$ 4.45 per share
Total Shares: 6,748,926,848
Market Cap: R\$ 30.0 billion



Conference Call

May 17, 2022 (Tuesday)
08:00 AM in US (EST)/ 09:00 AM in Brazil
[Conference Call Access](#)



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| LETTER TO SHAREHOLDERS

In recent years, Magalu has multiplied in size, diversified its revenue streams and rapidly evolved its ecosystem. The first quarter of 2022 was no exception. During the first three months of the year, the Company's total sales – stores and e-commerce – reached R\$14.1 billion reais or 84% growth over the last two years.

Total e-commerce grew 16% during the quarter compared to the same period in 2021, with R\$10.2 billion in sales, comprising 72% of Magalu's total sales during the period. Over the last two years, growth was 149%.

Between January and March of this year, marketplace sales grew by 50% relative to the same period last year. Today, the 180,000 sellers present on the platform are responsible for more than one third of Magalu's e-commerce sales. The speed with which the marketplace is expanding is incredible. Over the last two years, the marketplace has grown 200%. Magalu's marketplace business – 100% legal and formal – continues to expand, consistent with the Company's strategic plan for this cycle.

This was also a quarter of good news for the Company's physical stores. Channel sales reached R\$3.9 billion, 6% higher than those recorded during the same quarter last year. Physical store sales are also giving us a positive sign. The months of January and February were significantly better than the final months of 2021. In March, the performance was even better, partially helped by the lower comparison base.

Start of the year with a focus on profitability

The first quarter of 2022 was marked by an important evolution in the profitability of the business. The main objective was to seek a better balance between growth and profitability, especially for the durable goods categories in which Magalu is the market leader. In the new categories and in the marketplace, growth continues to accelerate, with the highlight being the 50% rise in 3P sales. Overall, we were able to increase our operating margins, maintaining growth above the market average.

In practice, the costs of inflation and higher interest rates are passed along to the final price of the products that we sell, which is reflected in the gross margin. Inventory levels were adjusted, with a balance reduction of more than R\$1 billion compared to the end of 2021. In addition, we optimized variable expenses and made operational adjustments in order to become better suited for the current market environment.

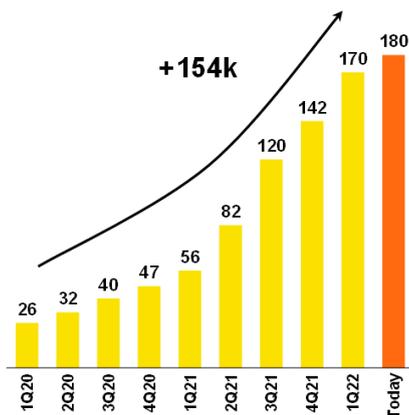
With the implementation of these measures, Magalu's adjusted EBITDA margin rose to 5% during the first three months of the year – an expansion of 2.4 p.p. compared to the fourth quarter of 2021. The evolution of margins continued to improve throughout the quarter, following the maturation of the profitability initiatives. In March, for example, the adjusted EBITDA margin reached 6.1%, which may suggest a return to pre-pandemic operating margin levels.

Marketplace Magalu and the digitalization of Brazilian retail

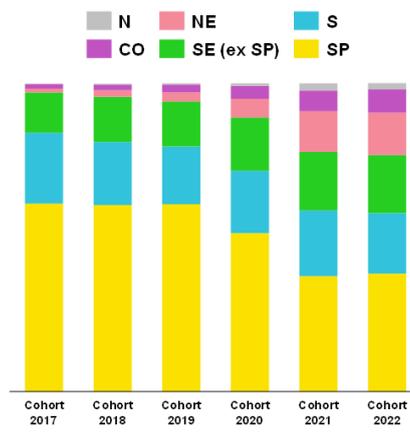
Today, Magalu's 180,000 sellers offer more than 64 million items through our platform. In 12 months, more than 100,000 sellers were onboarded – most of them via the Partner Magalu program. It took four years to reach 80,000 sellers and just 12 months to onboard an additional 100,000.

This important milestone could not have been reached without the vital contribution of Magalu's almost 1,500 physical stores. Exactly one year ago, store employees began to identify and onboard local analog retailers. Going forward, this hyper local strategy will be increasingly important for our competitiveness. We will be able to make the most efficient connections between local buyers and local sellers, optimizing delivery speeds and costs. This perfect symbiosis – only possible for those who are truly multichannel – will enable us to consistently offer the highest quality service at the lowest possible cost.

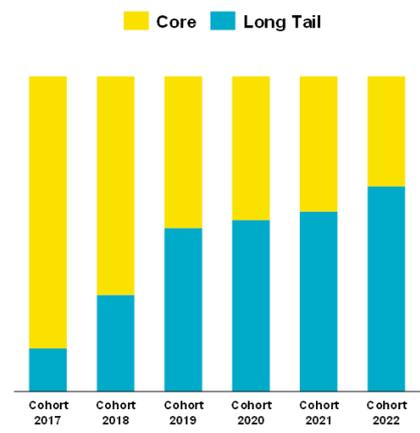
Evolution of number of sellers
[‘000 sellers; published]



Evolution of sellers per region per year
[Quantity of sellers per year]



Evolution of GMV in Core and Long Tail Categories per year
[Total GMV per year]



This is why we are so excited about our newest project: Caravan Magalu, an initiative which will see the Company’s top leadership travel across Brazil to educate analog retailers on Magalu’s marketplace platform and promote the comprehensive services offered by our business ecosystem in a way that is consistent with the values upon which the Company was founded – human warmth and expending shoe leather. With the support of the local physical stores, we will bring financial, logistics, technology and knowledge services to small to medium-sized analog retailers throughout Brazil, through lectures by ComSchool which is responsible for UniMagalu courses designed to educate entrepreneurs at scale. And the public face of Caravan Magalu is none other than Luiza Helena, the Company’s well-known Chairwoman and most vocal advocate, who has, herself, successfully passed through the digitalization process and can share her first-hand experiences and insights.

This initiative is yet another example of our belief in the superiority of the multichannel model. In addition to attracting new sellers, physical stores have played a pivotal role in accelerating Magalu's 3P logistics. Today, more than 14,000 sellers use Agency Magalu to drop off items and upload them to our nationwide logistics network and, currently, 13% of marketplace orders are delivered via in-store pickup at one of Magalu’s more than 1,200 pickup-enabled stores.

This has had a radical impact on our delivery speeds. Currently, 31% of 3P orders are delivered within two days and in the coming weeks Magalu will launch the pilot of our fulfillment operation for 3P sellers. Through this logistics service, Magalu will store products in its distribution centers, in a model that is fully integrated with its first-party, 1P, operation, ensuring faster and less expensive delivery for sellers' orders.

Magalu closes the first quarter of 2022 with 1,477 physical stores, 24 distribution centers, 246 cross-docking stations and thousands of delivery partners that, together, guarantee the fastest delivery in Brazilian retail – in 1P and soon, 3P.

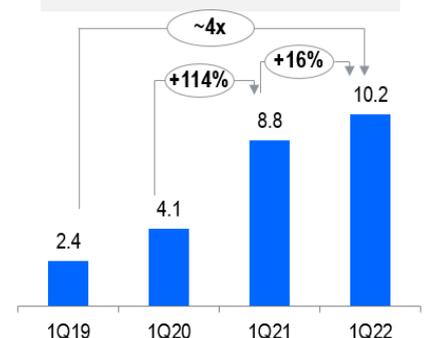
Evolution of new categories and services

As we work to digitalize Brazilian retail and expand our 3P operation, the range of our products, services and categories continues to grow. KaBuM! is now part of the Magalu ecosystem, with consolidated sales and products available to the Company's 37 million customers. In the first three months of the year, Kabum sold almost R\$1 billion and generated R\$50 million in net profit.

In March, Magalu launched a new purchase modality called, Compra Junto, which is embedded in the SuperApp. In order to unlock discounts and exclusive offers, consumers join together in groups, sharing offers with their friends, colleagues and relatives, helping reduce Magalu’s customer acquisition costs. Magalu was also the first major retail platform to implement this type of gamified social commerce experience in Brazil.

E-commerce Sales
[in R\$ billion]

Exponential Growth:
in 3 years, online sales grew 4x



In Belo Horizonte and Campinas, Magalu launched a pilot project to offer grocery items, including perishables and frozen foods, in a dedicated grocery mini-world within the SuperApp. The project connects the Magalu marketplace with the inventory of local supermarkets who utilize **VIPCommerce's integrated e-commerce and inventory management solutions**. By combining our 1P and 3P inventories, Magalu will be able to offer the most comprehensive selection of grocery items to our more than 40 million monthly active users, including hyper local delivery of perishables and frozen foods.

AiQFome continues to expand its geographic footprint. The restaurant delivery company has already reached 750 cities. Annualized GMV for the first quarter reached R\$1.4 billion. AiQFome, which historically relied upon local restaurants to make deliveries, is also expanding its own delivery capabilities. In March, the company made around 400,000 deliveries, which represent approximately 15% of the orders placed during the month.

In the apparel category, annualized sales reached R\$1.2 billion, with 40% growth during the quarter. Apparel is now responsible for the second largest audience on the SuperApp. In beauty, sales grew by more than 30% in the quarter, again with market share gains. The sports category grew 24% during the quarter, with 50% marketplace growth and a robust gain in market share.

At MagaluAds, we are developing new services to monetize ecosystem traffic. The Company has one of the largest audiences on the Brazilian internet, with around 450 million monthly hits. Sponsored products are now prominently displayed whenever a customer searches for an item on Magalu, increasing revenue generation and sales conversion opportunities.

Fintech Magalu – a brand that consolidates the group's disparate fintech initiatives – reached R\$21 billion in TPV during the period, for a growth of 89%. In May, Fintech Magalu launched the ability to issue personal loans via the MagaluPay digital account. More than 10 million customers, users of the SuperApp, are already pre-approved to receive credit. Fintech Magalu also launched its credit card for marketplace sellers: MagaluPay Empresas, which will have a benefits platform that the seller can use throughout the Magalu ecosystem.

We have made important progress, but we know that the success of an operation like Magalu's depends on constant evolution and that is what we are determined to do. Once again, we would like to thank our customers, sellers, employees, shareholders, and suppliers for their continued support.

EXECUTIVE MANAGEMENT TEAM

1Q22 Financial Highlights



Sales growth on top of high comparison basis.

In 1Q22, total sales - including physical stores, e-commerce first-party inventory (1P) and marketplace (3P) - increased 13.2% to R\$14.1 billion, reflecting growth of 16.2% in e-commerce (149.2% in the last two years) and a 6.2% increase in physical stores (10.2% over the last two years).



E-commerce continues to grow more than the market with marketplace growth as a highlight.

In 1Q22, Brazilian e-commerce grew 12.7%, according to Neotrust, with Magalu growing more than the market. During the period, Magalu's e-commerce sales increased by 16.2%, reaching R\$10.2 billion. In 1P e-commerce, sales increased by 3.2%, while 3P marketplace sales increased by 49.9%, reaching R\$3.7 billion in 1Q22. The gain in market share was driven by the performance of the SuperApp, which reached 40 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 1Q22, adjusted gross margin was 27.8%, an increase of 270 bps from the same period in 2021 (25.1% in 1Q21). 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, even considering the sales to reduce inventory.



Operating expenses. The percentage of adjusted operating expenses in relation to net revenues was 22.8% in 1Q22. The 290 bps increase over 1Q21 was attributable to a slight dilution of physical store expenses and to the impressive marketplace growth. It is worth noting that during Mar/22 sales expenses were diluted as a result of initiatives to optimize marketing and logistics expenses, in addition to an overall reduction in fixed expenses.



EBITDA and net profit. Sales growth, especially the marketplace and KaBuM!, together with an increase in gross margin contributed to adjusted EBITDA which reached R\$434.2 million during 1Q22. The adjusted EBITDA margin was 5.0% in 1Q22, stable in relation to 1Q21. In March, the adjusted EBITDA margin reached 6.1%, as a result of adjustments made to balance sales and profitability. The adjusted net result was negative by R\$98.9 million during the same period, mainly influenced by the increase in financial expenses during the period.



Cash generation and capital structure. In Mar/22, the adjusted net cash position was R\$1.6 billion and the total adjusted cash position was R\$8.5 billion, including cash and financial instruments of R\$2.0 billion and available credit card receivables of R\$6.5 billion. The Company reduced inventory levels by more than R\$1 billion and the balance with suppliers by R\$3.8 billion during the quarter, which should result in an increase in operational cash flow over the following quarters.



Fintech. Total payment volume (TPV) exceeded R\$20.8 billion in 1Q22, growing 88.9%. In March 2022, the cardholder base reached 7.3 million credit cards, growing 32.6% compared to March 2021. Credit card billing grew an expressive 49.8% in 1Q22, reaching R\$12.3 billion during the period. The credit card portfolio reached R\$18.6 billion at the end of the quarter. In March 2022, MagaluPay reached 5 million open accounts.

R\$ million (except when otherwise indicated)	1Q22	1Q21	% Chg
Total Sales ¹ (including marketplace)	14,124.3	12,472.7	13.2%
Gross Revenue	10,576.9	10,118.4	4.5%
Net Revenue	8,762.2	8,252.8	6.2%
Gross Income	2,431.8	2,070.1	17.5%
Gross Margin	27.8%	25.1%	270 bps
EBITDA	339.5	695.6	-51.2%
EBITDA Margin	3.9%	8.4%	-450 bps
Net Income	(161.3)	258.6	-
Net Margin	-1.8%	3.1%	-490 bps
Adjusted - EBITDA	434.2	427.2	1.7%
Adjusted - EBITDA Margin	5.0%	5.2%	-20 bps
Adjusted - Net Income	(98.8)	81.5	-
Adjusted - Net Margin	-1.1%	1.0%	-210 bps
Same Physical Store Sales Growth	-2.8%	-0.5%	-
Total Physical Store Sales Growth	6.2%	3.7%	-
E-commerce Sales Growth (1P)	3.2%	121.5%	-
Marketplace Sales Growth (3P)	49.9%	98.0%	-
Total E-commerce Sales Growth	16.2%	114.4%	-
E-commerce Share of Total Sale	72.1%	70.3%	1.8 pp
Number of Stores - End of Period	1,477	1,310	167 stores
Sales Area - End of Period (M ²)	719,086	670,197	7.3%

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

| NON-RECURRING EVENTS

For ease of comparability with 1Q21, 1Q22 results are also being presented in an adjusted view, without the effects of non-recurring provisions and expenses.

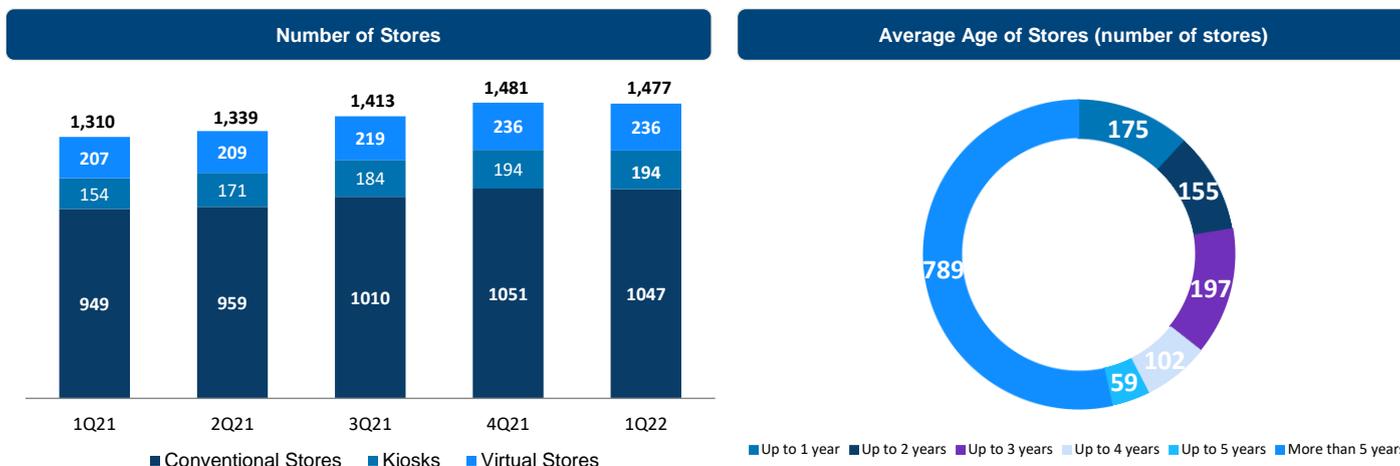
CONCILIATION ADJUSTED INCOME STATEMENT (R\$ million)	1Q22 Adjusted	V.A.	Non-recurring	1Q22	V.A.
Gross Revenue	10,576.9	120.7%	-	10,576.9	120.7%
Taxes and Deductions	(1,814.8)	-20.7%	-	(1,814.8)	-20.7%
Net Revenue	8,762.2	100.0%	-	8,762.2	100.0%
Total Costs	(6,330.4)	-72.2%	-	(6,330.4)	-72.2%
Gross Income	2,431.8	27.8%	-	2,431.8	27.8%
Selling Expenses	(1,589.2)	-18.1%	-	(1,589.2)	-18.1%
General and Administrative Expenses	(352.4)	-4.0%	-	(352.4)	-4.0%
Provisions for Loan Losses	(61.1)	-0.7%	-	(61.1)	-0.7%
Other Operating Revenues, Net	13.2	0.2%	(94.7)	(81.5)	-0.9%
Equity in Subsidiaries	(8.0)	-0.1%	-	(8.0)	-0.1%
Total Operating Expenses	(1,997.5)	-22.8%	(94.7)	(2,092.2)	-23.9%
EBITDA	434.2	5.0%	(94.7)	339.5	3.9%
Depreciation and Amortization	(265.1)	-3.0%	-	(265.1)	-3.0%
EBIT	169.1	1.9%	(94.7)	74.4	0.8%
Financial Results	(422.1)	-4.8%	-	(422.1)	-4.8%
Operating Income	(253.0)	-2.9%	(94.7)	(347.7)	-4.0%
Income Tax and Social Contribution	154.2	1.8%	32.2	186.4	2.1%
Net Income	(98.8)	-1.1%	(62.5)	(161.3)	-1.8%

| Adjustments – Non – Recurring Events

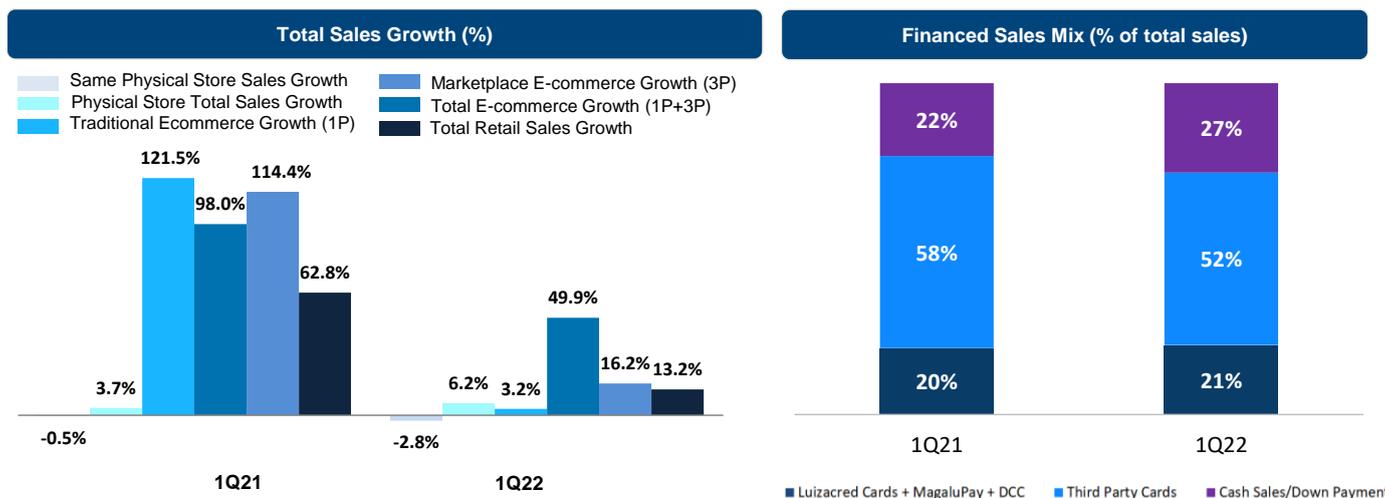
Adjustments	1Q22
Tax Credits	21.4
Tax Provisions	(10.1)
Expert Fees	(15.1)
Non Recurring Expenses	(86.5)
Other Expenses	(4.4)
EBITDA Adjustments	(94.7)
Income Tax and Social Contribution	32.2
Net Income Adjustments	(62.5)

| OPERATING AND FINANCIAL PERFORMANCE

Magalu ended 1Q22 with 1,477 stores (1,047 conventional, 236 virtual and 194 kiosks via the partnership with Lojas Marisa and the Semar supermarket chain). In 1Q22, the Company inaugurated 4 stores and closed 8 stores. Over the last 12 months, the Company opened 175 new stores (25 in the South, 112 in the Southeast, 9 in the Midwest, 25 in the Northeast and 4 in the North). Forty-seven percent of our total number of stores are not yet mature.



In 1Q22, total sales grew 13.2% (84.3% over the last two years), as a result of a 16.2% increase in e-commerce sales (149.2% over the last two years) and a 6.2% increase in physical store sales (10.2% over the last two years). It is worth highlighting the marketplace performance, which grew an impressive 49.9% in 1Q22, on top of a growth of 98% the previous year, resulting in a total growth of 196.8% over the last two years.



In 1Q22, Luiza Card, Magalu Card, MagaluPay and Direct Credit to Consumer (DCC) use increased from 20% to 21% 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 is associated with the growth in the use of PIX, especially in KaBuM!.

| Gross Revenues

(in R\$ million)	1Q22	1Q21	% Chg
Retail - Merchandise Sales	9,817.0	9,567.3	2.6%
Retail - Services	643.8	463.0	39.1%
Other Services	116.1	88.1	31.9%
Gross Revenue - Total	10,576.9	10,118.4	4.5%

In 1Q22, total gross revenue grew 4.5% to R\$10.6 billion. Growth in merchandise sales, including KaBuM! sales, contributed to the increase in gross revenue in 1Q22. Retail service revenue increased 39.1% during the period, mainly due to the growth of the Marketplace and Magalu Payments.

| Net Revenues

(in R\$ million)	1Q22	1Q21	% Chg
Retail - Merchandise Sales	8,152.5	7,792.5	4.6%
Retail - Services	587.3	423.3	38.7%
Other Services	22.4	37.0	-39.6%
Net Revenue - Total	8,762.2	8,252.8	6.2%

In 1Q22, total net revenue increased 6.2% to R\$8.8 billion, in line with the variation in total gross revenue.

| Gross Profit

(in R\$ million)	1Q22	1Q21	% Chg
Merchandise Sales	1,841.5	1,739.0	5.9%
Services	590.3	331.1	78.3%
Gross Profit - Total	2,431.8	2,070.1	17.5%
Gross Margin - Total	27.8%	25.1%	270 bps

In 1Q22, gross profit increased 17.5% to R\$2.4 billion. During the quarter, gross margin was 27.8%, an increase of 270 bps compared to the same period in 2021. This increase reflects the growth in service revenue, especially from the marketplace. In addition, the gradual pass-through of inflation costs and interest rate increases to consumers contributed to the increase in the gross margin of goods, even considering the promotions to reduce inventories.

| Operating Expenses

(in R\$ million)	1Q22 Adjusted	% NR	1Q21 Adjusted	% NR	% Chg
Selling Expenses	(1,589.2)	-18.1%	(1,420.2)	-17.2%	11.9%
General and Administrative Expenses	(352.4)	-4.0%	(225.6)	-2.7%	56.2%
General and Administrative Expenses	(1,941.6)	-22.2%	(1,645.8)	-19.9%	18.0%
Provisions for Loan Losses	(61.1)	-0.7%	(33.8)	-0.4%	80.8%
Other Operating Revenues, Net	13.2	0.2%	13.7	0.2%	-3.6%
Total Operating Expenses	(1,989.6)	-22.7%	(1,665.9)	-20.2%	19.4%

| Selling Expenses

In 1Q22, selling expenses totaled R\$1.6 billion, equivalent to 18.1% of net revenue, 0.9 p.p. higher than the same period in 2021, mainly due to a lower dilution of physical store expenses and due to impressive marketplace growth. It is worth noting that during the month of Mar/22, sales expenses were reduced as a result of marketing and logistics optimization initiatives, as well as a reduction of fixed expenses.

| General and Administrative Expenses

In 1Q22, general and administrative expenses totaled R\$352.4 million, equivalent to 4.0% of net revenue, including the consolidation of expenses from companies acquired over the last 12 months.

| Provisions for Loan Losses

Provisions for loan losses totaled R\$61.1 million in 1Q22.

| Other Operating Revenues and Expenses, Net

(in R\$ million)	1Q22	% NR	1Q21	% NR	% Chg
Gain on Sale of Assets	(0.4)	0.0%	(0.1)	0.0%	168.7%
Deferred Revenue Recorded	13.6	0.2%	13.8	0.2%	-1.8%
Subtotal - Adjusted	13.2	0.2%	13.7	0.2%	-3.6%
Tax Credits	21.4	0.2%	-	0.0%	-
Tax Provisions	(10.1)	-0.1%	330.7	4.0%	-
Expert Fees	(15.1)	-0.2%	(49.4)	-0.6%	-69.4%
Non Recurring Expenses	(86.5)	-1.0%	(1.6)	0.0%	-
Other Expenses	(4.4)	0.0%	(11.2)	-0.1%	-61.1%
Subtotal - Non Recurring	(94.7)	-1.1%	268.4	3.3%	-
Total	(81.5)	-0.9%	282.1	3.4%	-

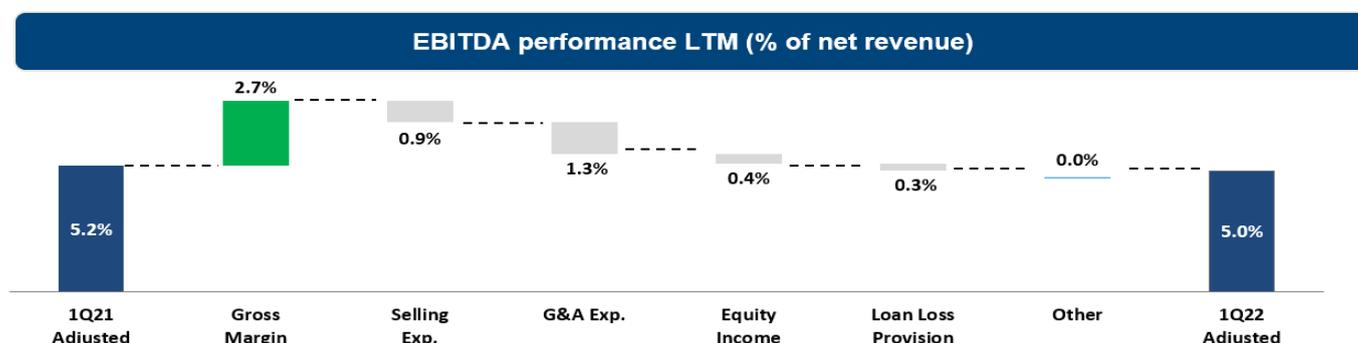
In 1Q22, other adjusted net operating revenues totaled R\$13.2 million, mainly impacted by the recognition of deferred revenues in the amount of R\$13.6 million.

| Equity Income

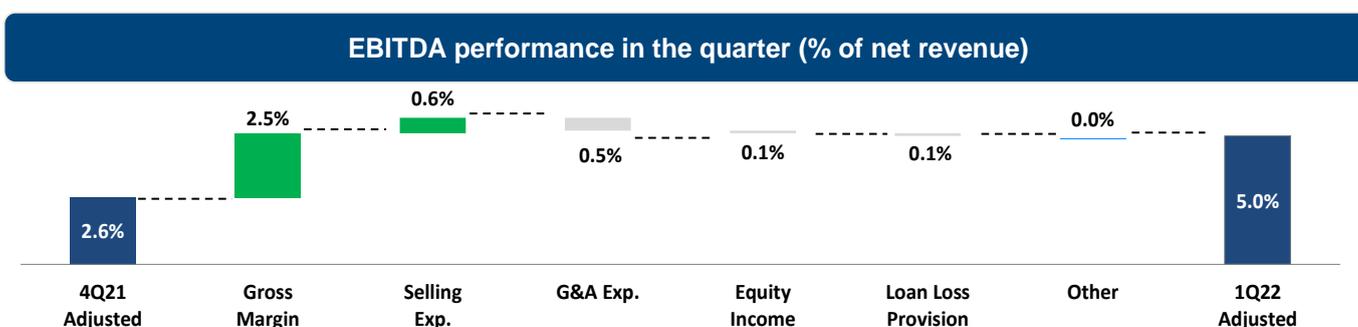
In 1Q22, equity income was negative R\$8 million. Luizacred was responsible for negative R\$13.4 million and Luizaseg was responsible for R\$5.4 million.

| EBITDA

In 1Q22, adjusted EBITDA reached R\$434.2 million, driven by sales growth, especially in the marketplace and KaBuM!, and also an increase in the gross margin. Adjusted EBITDA margin was 5.0% in 1Q22, practically stable compared to 1Q21. It is worth noting that in Mar/22, the adjusted EBITDA margin already reached 6.1%, as a result of adjustments made to balance growth with profitability.



Magalu's adjusted EBITDA margin expanded expressive 2.4 p.p. compared to 4Q21, following the maturation of the profitability initiatives.



| Financial Results

R\$ million	1Q22	% NR	1Q21	% NR	% Chg
Financial Expenses	(558.5)	-6.4%	(157.5)	-1.9%	254.6%
Interest on loans and financing	(182.5)	-2.1%	(15.1)	-0.2%	1108.6%
Interest on prepayment of receivables – third party card	(186.1)	-2.1%	(71.1)	-0.9%	161.9%
Interest on prepayment of receivables – Luiza Card	(94.2)	-1.1%	(42.3)	-0.5%	122.9%
Other expenses	(95.7)	-1.1%	(29.1)	-0.4%	229.0%
Financial Revenues	204.7	2.3%	33.6	0.4%	509.4%
Gains on marketable securities	35.0	0.4%	2.8	0.0%	1141.0%
Other financial revenues	169.7	1.9%	30.8	0.4%	451.5%
Subtotal: Net Financial Results	(353.9)	-4.0%	(123.9)	-1.5%	185.5%
Interest on lease	(68.3)	-0.8%	(46.4)	-0.6%	47.1%
Total Net Financial Results	(422.1)	-4.8%	(170.3)	-2.1%	147.8%

In 1Q22, net financial expenses totaled R\$422.1 million, equivalent to 4.8% of net revenue. In relation to the same period the previous year, expenses were 270 bps higher due to the increase in interest rates in Brazil - the SELIC rate increased from 2.00% p.a. at the beginning of 2021 to 11.75% p.a. at the end of March 2022.

Setting aside the effects of leasing interest, the net financial result was R\$353.9 million in 1Q22, equivalent to 4.0% of net revenue.

| Net Income

1Q22 net income was a loss of R\$161.3 million, mainly impacted by the increase in financial expenses during the period. Considering non-recurring income tax credits and other non-recurring items, adjusted net income was a loss of R\$98.8 million.

| Adjusted Working Capital

CONSOLIDATED (R\$ million)	LTM	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21
(+) Accounts Receivables (without Credit Card)	301.3	1,124.6	1,032.7	1,240.6	1,169.0	823.3
(+) Inventories	1,268.8	8,077.3	9,112.2	8,126.3	7,496.9	6,808.4
(+) Related Parties (without Luiza Card)	49.7	68.7	114.8	4.8	18.2	19.0
(+) Recoverable Taxes	444.1	1,316.8	1,279.3	1,100.1	944.9	872.7
(+) Income Tax and Recoverable Social Contribution	227.4	250.1	234.9	48.1	31.5	22.7
(+) Other Assets	83.8	267.4	402.8	241.7	236.7	183.6
(+) Current Operating Assets	2,375.1	11,104.8	12,176.8	10,761.5	9,897.2	8,729.8
(-) Suppliers	(822.0)	6,248.5	10,098.9	9,177.5	8,241.8	7,070.5
(-) Transfers and Other Deposits	732.3	1,488.9	1,418.9	1,577.7	878.7	756.7
(-) Payroll, Vacation and Related Charges	(3.8)	376.4	370.2	437.7	372.4	380.2
(-) Taxes Payable	(12.6)	198.6	239.6	144.3	169.2	211.2
(-) Related Parties	78.6	114.7	125.3	56.8	62.8	36.2
(-) Deferred Revenue	7.3	50.4	50.3	50.3	43.1	43.1
(-) Other Accounts Payable	296.0	1,429.7	1,557.3	1,476.3	1,234.5	1,133.7
(-) Current Operating Liabilities	275.8	9,907.3	13,860.5	12,920.7	11,002.5	9,631.5
(=) Working Capital Adjusted	2,099.3	1,197.5	(1,683.8)	(2,159.1)	(1,105.3)	(901.8)
% of Gross Revenue (LTM)	5.0%	2.8%	-3.9%	-4.9%	-2.5%	-2.3%

In March 2022, the adjusted working capital need was R\$1.2 billion, mainly influenced by retail seasonality and by the relation between the balance of inventory and suppliers. During 1Q22, the variation in working capital was R\$2.8 billion as a result of a reduction of inventory worth more than R\$1 billion and a reduction in the balance with suppliers in the value of R\$3.8 billion. It is worth noting that this reduction in the balance with suppliers is a result of a strategy to reduce the level of inventory, with a subsequent decrease in the volume of purchases, which should result in an increase in operational cash flow generation over the following quarters.

| Capex

CAPEX (in R\$ million)	1Q22	%	1Q21	%	%Chg
New Stores	18.5	11%	28.9	18%	-36%
Remodeling	7.8	4%	16.3	10%	-52%
Technology	85.3	49%	71.7	45%	19%
Logistics	45.3	26%	19.0	12%	138%
Other	17.6	10%	24.6	15%	-28%
Total	174.6	100%	160.6	100%	9%

In 1Q22, investments totaled R\$174.6 million. Investments included new store openings as well as investments in technology and logistics.

| Capital Structure

CONSOLIDATED (R\$ million)	LTM	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21
(-) Current Loans and Financing	353.0	(494.4)	(408.0)	(12.4)	(12.0)	(847.5)
(-) Non-current Loans and Financing	(5,594.8)	(6,417.1)	(6,384.9)	(2,339.6)	(2,319.9)	(822.3)
(=) Gross Debt	(5,241.7)	(6,911.5)	(6,792.9)	(2,352.0)	(2,331.9)	(1,669.8)
(+) Cash and Cash Equivalents	767.3	1,407.2	2,566.2	751.2	1,288.3	639.9
(+) Current Securities	(161.0)	584.4	1,556.4	1,354.2	468.5	745.4
(+) Total Cash	606.4	1,991.6	4,122.6	2,105.4	1,756.8	1,385.3
(=) Net Cash	(4,635.4)	(4,919.9)	(2,670.3)	(246.6)	(575.1)	(284.5)
(+) Credit Card - Third Party Card	785.4	3,676.5	4,618.0	4,187.3	2,610.1	2,891.0
(+) Credit Card - Luiza Card	1,203.4	2,818.4	3,592.4	2,819.8	1,729.0	1,614.9
(+) Total Credit Card	1,988.9	6,494.8	8,210.5	7,007.1	4,339.1	4,505.9
(=) Adjusted Net Cash	(2,646.5)	1,574.9	5,540.2	6,760.5	3,764.0	4,221.4
Short Term Debt / Total	-44%	7%	6%	1%	1%	51%
Long Term Debt / Total	44%	93%	94%	99%	99%	49%
Adjusted EBITDA (LTM)	(175.2)	1,484.2	1,477.1	1,757.4	1,967.5	1,659.3
Adjusted Net Cash / Adjusted EBITDA	-1.5 x	1.1 x	3.8 x	3.8 x	1.9 x	2.5 x
Cash, Securities and Credit Cards	2,595.2	8,486.5	12,333.0	9,112.5	6,095.9	5,891.2

The Company ended the quarter with an adjusted net cash position of R\$1.6 billion and a total cash position of R\$8.5 billion. This includes cash and securities worth R\$2.0 billion and credit card receivables worth R\$6.5 billion.

ANNEX I
FINANCIAL STATEMENTS – CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT (R\$ million)	1Q22	V.A.	1Q21	V.A.	% Chg
Gross Revenue	10,576.9	120.7%	10,118.4	122.6%	4.5%
Taxes and Deductions	(1,814.8)	-20.7%	(1,865.6)	-22.6%	-2.7%
Net Revenue	8,762.2	100.0%	8,252.8	100.0%	6.2%
Total Costs	(6,330.4)	-72.2%	(6,182.7)	-74.9%	2.4%
Gross Income	2,431.8	27.8%	2,070.1	25.1%	17.5%
Selling Expenses	(1,589.2)	-18.1%	(1,420.2)	-17.2%	11.9%
General and Administrative Expenses	(352.4)	-4.0%	(225.6)	-2.7%	56.2%
Provisions for Loan Losses	(61.1)	-0.7%	(33.8)	-0.4%	80.8%
Other Operating Revenues, Net	(81.5)	-0.9%	282.1	3.4%	-
Equity in Subsidiaries	(8.0)	-0.1%	23.0	0.3%	-
Total Operating Expenses	(2,092.2)	-23.9%	(1,374.5)	-16.7%	52.2%
EBITDA	339.5	3.9%	695.6	8.4%	-51.2%
Depreciation and Amortization	(265.1)	-3.0%	(178.3)	-2.2%	48.6%
EBIT	74.4	0.8%	517.3	6.3%	-85.6%
Financial Results	(422.1)	-4.8%	(170.3)	-2.1%	147.8%
Operating Income	(347.7)	-4.0%	346.9	4.2%	-
Income Tax and Social Contribution	186.4	2.1%	(88.3)	-1.1%	-
Net Income	(161.3)	-1.8%	258.6	3.1%	-

Calculation of EBITDA

Net Income	(161.3)	-1.8%	258.6	3.1%	-
(+/-) Income Tax and Social Contribution	(186.4)	-2.1%	88.3	1.1%	-
(+/-) Financial Results	422.1	4.8%	170.3	2.1%	147.8%
(+) Depreciation and Amortization	265.1	3.0%	178.3	2.2%	48.6%
EBITDA	339.5	3.9%	695.6	8.4%	-51.2%

Reconciliation of EBITDA for non-recurring expenses

EBITDA	339.5	3.9%	695.6	8.4%	-51.2%
Non-recurring Result	94.7	1.1%	(268.4)	-3.3%	-
Adjusted EBITDA	434.2	5.0%	427.2	5.2%	1.7%

Net Income	(161.3)	-1.8%	258.6	3.1%	-
Non-recurring Result	62.5	0.0%	(177.2)	-2.1%	-
Adjusted Net Income	(98.8)	-1.1%	81.5	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)	1Q22 Adjusted	V.A.	1Q21 Adjusted	V.A.	% Chg
Gross Revenue	10,576.9	120.7%	10,118.4	122.6%	4.5%
Taxes and Deductions	(1,814.8)	-20.7%	(1,865.6)	-22.6%	-2.7%
Net Revenue	8,762.2	100.0%	8,252.8	100.0%	6.2%
Total Costs	(6,330.4)	-72.2%	(6,182.7)	-74.9%	2.4%
Gross Income	2,431.8	27.8%	2,070.1	25.1%	17.5%
Selling Expenses	(1,589.2)	-18.1%	(1,420.2)	-17.2%	11.9%
General and Administrative Expenses	(352.4)	-4.0%	(225.6)	-2.7%	56.2%
Provisions for Loan Losses	(61.1)	-0.7%	(33.8)	-0.4%	80.8%
Other Operating Revenues, Net	13.2	0.2%	13.7	0.2%	-3.6%
Equity in Subsidiaries	(8.0)	-0.1%	23.0	0.3%	-
Total Operating Expenses	(1,997.5)	-22.8%	(1,642.9)	-19.9%	21.6%
EBITDA	434.2	5.0%	427.2	5.2%	1.7%
Depreciation and Amortization	(265.1)	-3.0%	(178.3)	-2.2%	48.6%
EBIT	169.1	1.9%	248.8	3.0%	-32.0%
Financial Results	(422.1)	-4.8%	(170.3)	-2.1%	147.8%
Operating Income	(253.0)	-2.9%	78.5	1.0%	-
Income Tax and Social Contribution	154.2	1.8%	3.0	0.0%	-
Net Income	(98.8)	-1.1%	81.5	1.0%	-

ANNEX III
FINANCIAL STATEMENTS – CONSOLIDATED BALANCE SHEET

ASSETS (R\$ million)	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21
CURRENT ASSETS					
Cash and Cash Equivalents	1,407.2	2,566.2	751.2	1,288.3	639.9
Securities	584.4	1,556.4	1,354.2	468.5	745.4
Accounts Receivable - Credit Card	3,676.5	4,618.0	4,187.3	2,610.1	2,891.0
Accounts Receivable - Other	1,124.6	1,032.7	1,240.6	1,169.0	823.3
Inventories	8,077.3	9,112.2	8,126.3	7,496.9	6,808.4
Related Parties - Credit Card	2,818.4	3,592.4	2,819.8	1,729.0	1,614.9
Related Parties - Other	68.7	114.8	4.8	18.2	19.0
Taxes Recoverable	1,316.8	1,279.3	1,100.1	944.9	872.7
Income Tax and Recoverable Social Contribution	250.1	234.9	48.1	31.5	22.7
Other Assets	267.4	402.8	241.7	236.7	183.6
Total Current Assets	19,591.3	24,509.8	19,874.0	15,993.1	14,621.0
NON-CURRENT ASSETS					
Accounts Receivable	14.2	17.4	-	15.2	17.0
Recoverable Taxes	1,679.7	1,551.6	1,077.3	680.2	690.3
Deferred Income Tax and Social Contribution	1,114.1	915.1	470.7	270.8	128.3
Judicial Deposits	1,277.1	1,189.9	1,173.5	1,139.1	980.6
Other Assets	0.3	184.8	6.7	7.7	4.9
Investments in Subsidiaries	377.5	407.8	454.5	411.7	381.8
Right of use	3,396.7	3,363.0	3,048.4	2,945.6	2,472.6
Fixed Assets	1,982.9	1,938.7	1,746.8	1,460.8	1,308.0
Intangible Assets	4,327.4	4,306.6	2,697.7	2,141.9	2,006.1
Total Non-Current Assets	14,170.0	13,874.8	10,675.5	9,073.1	7,989.6
TOTAL ASSETS	33,761.2	38,384.6	30,549.5	25,066.2	22,610.6
LIABILITIES (R\$ million)	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21
CURRENT LIABILITIES					
Suppliers	6,248.5	10,098.9	9,177.5	8,241.8	7,070.5
Transfers and other deposits	1,488.9	1,418.9	1,577.7	878.7	756.7
Loans and Financing	494.4	408.0	12.4	12.0	847.5
Payroll, Vacation and Related Charges	376.4	370.2	437.7	372.4	380.2
Taxes Payable	198.6	239.6	144.3	169.2	211.2
Related Parties	114.7	125.3	56.8	62.8	36.2
Lease	439.7	433.8	411.7	398.5	353.7
Deferred Revenue	50.4	50.3	50.3	43.1	43.1
Dividends Payable	41.4	41.4	-	0.2	40.0
Other Accounts Payable	1,429.7	2,070.7	1,476.3	1,234.5	1,133.7
Total Current Liabilities	10,882.8	15,257.2	13,344.8	11,413.2	10,872.7
NON-CURRENT LIABILITIES					
Loans and Financing	6,417.1	6,384.9	2,339.6	2,319.9	822.3
Taxes to be collected	7.8	24.3	-	-	-
Lease	3,069.4	3,020.8	2,713.1	2,625.1	2,191.9
Deferred Income Tax and Social Contribution	101.0	113.9	23.7	15.6	21.1
Provision for Tax, Civil and Labor Risks	1,111.5	1,154.1	992.2	1,147.6	1,131.2
Deferred Revenue	231.3	245.3	259.3	273.5	287.4
Other Accounts Payable	822.2	922.9	4.2	5.7	13.4
Total Non-Current Liabilities	11,760.2	11,866.2	6,332.2	6,387.4	4,467.2
TOTAL LIABILITIES	22,643.0	27,123.4	19,677.0	17,800.6	15,339.9
SHAREHOLDERS' EQUITY					
Capital Stock	12,352.5	12,352.5	9,852.5	5,952.3	5,952.3
Capital Reserve	(1,619.5)	(1,637.1)	350.8	346.4	421.7
Treasury Shares	(1,448.2)	(1,449.2)	(1,275.1)	(836.2)	(943.5)
Legal Reserve	137.4	137.4	123.0	123.0	123.0
Profit Retention Reserve	1,856.7	1,856.7	1,321.7	1,321.7	1,451.9
Other Comprehensive Income	0.6	0.8	2.0	4.3	6.6
Retained Earnings	(161.3)	-	497.7	354.2	258.6
Total Shareholders' Equity	11,118.2	11,261.2	10,872.5	7,265.6	7,270.7
TOTAL	33,761.2	38,384.6	30,549.5	25,066.2	22,610.6

ANNEX IV
FINANCIAL STATEMENTS – ADJUSTED CONSOLIDATED STATEMENT OF CASH FLOWS

ADJUSTED CASH FLOW STATEMENTS (R\$ million)	1Q22	1Q21	LTM	LTM
Net Income	(161.3)	258.6	170.7	619.5
Effect of Income Tax and Social Contribution Net of Payment	(199.6)	69.0	(1,174.7)	(57.8)
Depreciation and Amortization	265.1	178.3	903.7	706.0
Interest Accrued on Loans	256.4	62.4	593.4	237.4
Equity Income	8.0	(23.0)	(68.4)	(140.4)
Dividends Received	70.2	29.5	70.2	32.1
Provision for Losses on Inventories and Receivables	88.3	54.0	725.4	200.1
Provision for Tax, Civil and Labor Contingencies	25.8	(257.2)	(134.6)	(8.3)
Gain on Sale of Fixed Assets	0.3	0.3	(0.6)	2.2
Recognition of Deferred Income	(13.9)	(13.9)	(55.9)	(56.6)
Stock Option Expenses	12.2	26.1	104.1	114.5
Adjusted Net Income	351.4	384.2	1,133.3	1,648.7
Trade Accounts Receivable	(158.6)	55.9	(91.7)	(134.0)
Inventories	1,016.6	(900.5)	(1,006.1)	(2,807.5)
Taxes Recoverable	(180.9)	(81.6)	(1,567.8)	486.3
Deposit in Court	(87.2)	(136.8)	(295.4)	(410.5)
Other Receivables	196.7	33.3	37.7	86.6
Changes in Operating Assets	786.6	(1,029.6)	(2,923.2)	(2,779.1)
Trade Accounts Payable	(3,850.5)	(1,431.0)	(1,235.1)	2,935.3
Other Payables	(206.6)	(477.5)	744.1	873.5
Change in Operating Liabilities	(4,057.1)	(1,908.5)	(491.0)	3,808.8
Cash Flow from Operating Activities	(2,919.1)	(2,554.0)	(2,280.9)	2,678.4
Additions of Fixed and Intangible Assets	(174.6)	(160.6)	(1,178.1)	(599.1)
Investment in Subsidiaries	(498.3)	(37.1)	(614.5)	(114.8)
Cash Flow from Investing Activities	(672.9)	(197.7)	(1,792.5)	(713.9)
Loans and Financing	-	800.0	5,500.3	1,601.1
Repayment of Loans and Financing	(30.7)	(805.4)	(913.0)	(824.0)
Payment of Interest on Loans and Financing	(38.9)	(27.6)	(142.6)	(28.1)
Payment of Lease	(111.9)	(72.5)	(413.2)	(281.9)
Payment of Interest on Lease	(73.2)	(51.3)	(266.6)	(201.4)
Payment of Dividends	-	-	(146.1)	(299.4)
Treasury Shares	-	(199.8)	(850.4)	(674.7)
Proceeds from the Secondary Equity Offering	-	-	3,981.3	-
Payment of expenses from the Secondary Equity Offering	-	-	(81.0)	-
Cash Flow from Financing Activities	(254.7)	(356.6)	6,668.7	(708.4)
Cash, Cash Equivalents and Securities at Beginning of Period	12,333.0	8,999.5	5,891.2	4,635.1
Cash, Cash Equivalents and Securities at end of Period	8,486.5	5,891.2	8,486.5	5,891.2
Change in Cash and Cash equivalents	(3,846.6)	(3,108.3)	2,595.2	1,256.1

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)	mar-22	dec-21	sep-21	jun-21	mar-21
Working Capital	7,002.6	5,344.5	4,388.1	2,803.9	3,227.8
(+) Accounts Receivable	14.2	17.4	-	15.2	17.0
(+) Income Tax and Social Contribution deferred	1,114.1	915.1	470.7	270.8	128.3
(+) Taxes Recoverable	1,679.7	1,551.6	1,077.3	680.2	690.3
(+) Judicial Deposits	1,277.1	1,189.9	1,173.5	1,139.1	980.6
(+) Other Assets	0.3	184.8	6.7	7.7	4.9
(+) Investment In Joint Subsidiaries	377.5	407.8	454.5	411.7	381.8
(+) Right of use	3,396.7	3,363.0	3,048.4	2,945.6	2,472.6
(+) Fixed Assets	1,982.9	1,938.7	1,746.8	1,460.8	1,308.0
(+) Intangible Assets	4,327.4	4,306.6	2,697.7	2,141.9	2,006.1
(+) Income Tax and Recoverable Social Contribution	250.1	234.9	48.1	31.5	22.7
(+) Non Current Assets	14,420.0	14,109.7	10,723.6	9,104.5	8,012.3
(-) Provision for Contingencies	1,111.5	1,154.1	992.2	1,147.6	1,131.2
(-) Lease	3,069.4	3,020.8	2,713.1	2,625.1	2,191.9
(-) Deferred Revenue	231.3	245.3	259.3	273.5	287.4
(-) Taxes to be Collected	7.8	24.3	-	-	-
(-) Income Tax and Social Contribution deferred	101.0	113.9	23.7	15.6	21.1
(-) Other Accounts Payable	822.2	922.9	4.2	5.7	13.4
(-) Non-Current operating liabilities	5,343.1	5,481.3	3,992.5	4,067.5	3,644.9
(=) Fixed Capital	9,077.0	8,628.4	6,731.0	5,037.0	4,367.4
(=) Total Invested Capital	16,079.6	13,972.9	11,119.2	7,840.9	7,595.2
(+) Net Debt	4,919.9	2,670.3	246.6	575.1	284.5
(+) Dividends Payable	41.4	41.4	-	0.2	40.0
(+) Shareholders Equity	11,118.2	11,261.2	10,872.5	7,265.6	7,270.7
(=) Total Financing	16,079.6	13,972.9	11,119.2	7,840.9	7,595.2

FINANCIAL EXPENSES RECONCILIATION (R\$MM)	1Q22	4Q21	3Q21	2Q21	1Q21
Financial Income	204.7	186.6	219.3	52.1	33.6
Financial Expenses	(626.8)	(434.6)	(260.3)	(281.7)	(203.9)
Net Financial Expenses	(422.1)	(248.0)	(41.0)	(229.7)	(170.3)
Interest on prepayment of receivables: Luiza Card and third-party card	280.3	203.3	101.7	149.5	113.3
Adjusted Financial Expenses	(141.8)	(44.8)	60.7	(80.2)	(57.0)
Taxes on Adjusted Financial Expenses	48.2	15.2	(20.7)	27.3	19.4
Net Adjusted Financial Expenses	(93.6)	(29.5)	40.1	(52.9)	(37.6)

NOPLAT AND ROIC/ROE RECONCILIATION(R\$MM)	1Q22	4Q21	3Q21	2Q21	1Q21
EBITDA	339.5	(7.9)	134.8	465.1	695.6
Interest on prepayment of receivables: Luiza Card and third-party card	(280.3)	(203.3)	(101.7)	(149.5)	(113.3)
Depreciation	(265.1)	(226.1)	(207.8)	(204.7)	(178.3)
Current and deferred taxes	186.4	575.0	257.5	64.8	(88.3)
Taxes on Adjusted Financial Expenses	(48.2)	(15.2)	20.7	(27.3)	(19.4)
Net Operating Income (NOPLAT)	(67.7)	122.5	103.4	148.4	296.3
Invested Capital	16,079.6	13,972.9	11,119.2	7,840.9	7,595.2
ROIC Annualized	-2%	4%	4%	8%	16%
Net Income	(161.3)	93.0	143.5	95.5	258.6
Shareholders Equity	11,118.2	11,261.2	10,872.5	7,265.6	7,270.7
ROE Annualized	-6%	3%	5%	5%	14%

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

Breakdown of Total Sales (R\$ million)	1Q22	V.A.	1Q21	V.A.	Growth
					Total
Virtual Stores	278.3	2.0%	291.5	2.3%	-4.5%
Conventional Stores	3,662.1	25.9%	3,418.6	27.4%	7.1%
Subtotal - Physical Stores	3,940.5	27.9%	3,710.1	29.7%	6.2%
Traditional E-commerce (1P)	6,528.9	46.2%	6,324.4	50.7%	3.2%
Marketplace (3P)	3,654.9	25.9%	2,438.2	19.5%	49.9%
Subtotal - Total E-commerce	10,183.8	72.1%	8,762.6	70.3%	16.2%
Total Sales	14,124.3	100.0%	12,472.7	100.0%	13.2%

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

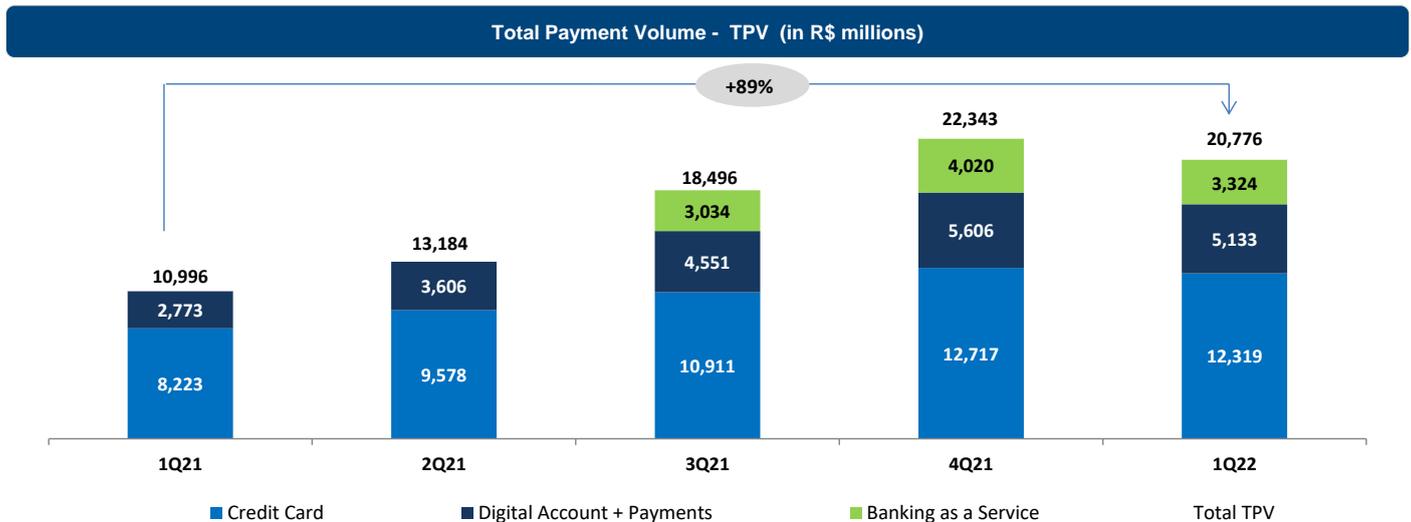
Number of stores per channel – End of the period	mar/22	Part(%)	mar/21	Part(%)	Growth
					Total
Virtual Stores	236	16.0%	207	15.8%	29
Conventional Stores	1,047	70.9%	949	72.4%	98
Kiosks	194	13.1%	154	11.8%	40
Subtotal - Physical Stores	1,477	100.0%	1,310	100.0%	167
Total Sales Area (m²)	719,086	100.0%	670,197	100.0%	7.3%

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.

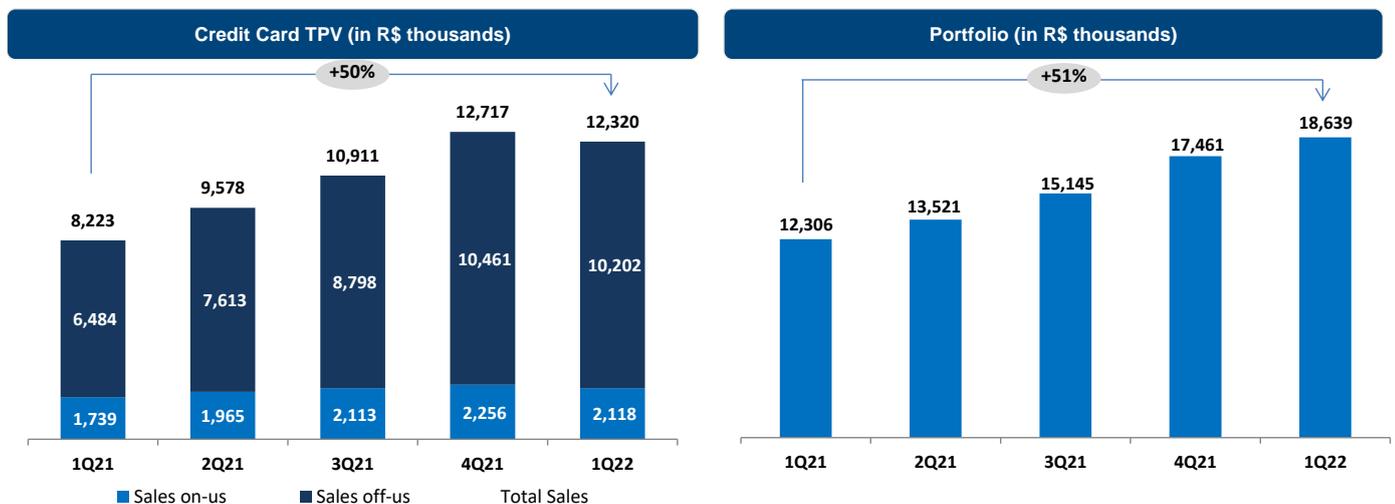
| Operating Indicators

- Magalu's total payment volume (TPV) reached R\$ 20.1 billion in 1Q22, growing 88.9%.

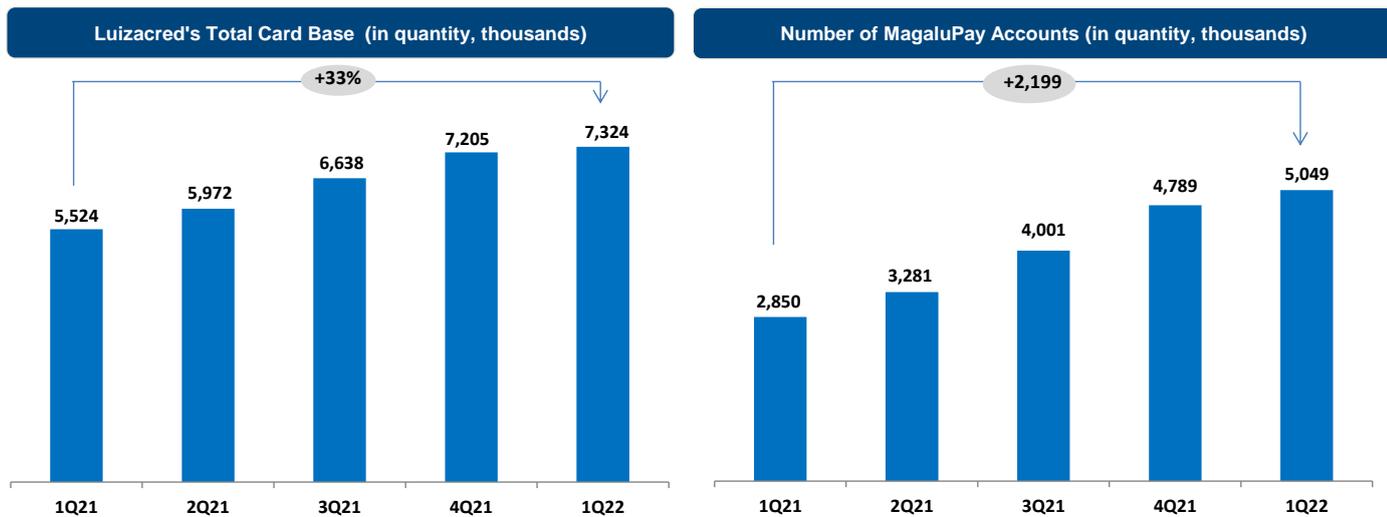


| Credit Card

- Credit Card TPV was R\$12.3 billion in 1Q22, growing 49.8% during the period. In-store sales to Luiza and Magalu Card customers, distinguished by their loyalty and higher purchase frequency, increased 21.8% in 1Q22 reaching R\$2.1 billion. Sales outside Magalu grew 57.3% in 1Q22 to R\$10.2 billion.
- Luizacred's credit portfolio reached R\$18.6 billion at the end of 1Q22, an increase of 51.5% over 1Q21.



- In March 2022, Luizacred's total card base reached 7.3 million cards (+32.6% versus March 2021), including Luiza Card and the recently launched Magalu Card, which surpassed the mark of more than 1.1 million cards issued during its first year.



| Digital Account and Payments

- In March 2022, Magalu's digital account, MagaluPay, reached 5 million opened accounts, representing an increase of 260,000 new accounts during the period.
- The total payment volume (TPV) of sub-acquiring, digital accounts and loans to sellers reached R\$5.1 billion in 1Q22, growing 85.1% during the period.
- Magalu also continued to expand credit offerings to marketplace sellers via our FIDC.
- Our mobile point of sale (mPOS) operation, developed using Fintech Magalu's proprietary technology, helps bring the multichannel model to thousands of small retailers who are just getting started with e-commerce and beginning to grow their businesses. Sellers can purchase the mPOS machines from Magalu via our SuperApp or in our physical stores and can count on the assistance and support of our local employees to answer questions regarding fees; instruct them on how to use the machines, make exchanges, etc.

| Banking as a Service (BaaS)

- Total payment volume (TPV) in the Banking as a Service segment reached R\$3.3 billion in 1Q22.

ANNEX VIII LUIZACRED

| Income Statement in IFRS

LUIZACRED – Income (R\$ million)	1Q22	V.A.	1Q21	V.A.	% Chg
Financial Intermediation Revenue	596.0	100.0%	321.2	100.0%	85.6%
Financial Intermediation Expenses	(666.7)	-111.9%	(256.2)	-79.8%	160.3%
Market Funding Operations	(106.7)	-17.9%	(18.0)	-5.6%	494.6%
Provision for Loan Losses	(560.0)	-94.0%	(238.2)	-74.2%	135.1%
Gross Financial Intermediation Income	(70.7)	-11.9%	65.0	20.2%	-
Service Revenue	340.5	57.1%	254.3	79.2%	33.9%
Other Operating Revenues (Expenses)	(314.3)	-52.7%	(259.4)	-80.8%	21.2%
Personnel Expenses	(4.0)	-0.7%	(3.2)	-1.0%	22.2%
Other Administrative Expenses	(220.0)	-36.9%	(201.7)	-62.8%	9.1%
Depreciation and Amortization	(3.0)	-0.5%	(2.9)	-0.9%	1.6%
Tax Expenses	(51.3)	-8.6%	(34.8)	-10.8%	47.7%
Other Operating Revenues (Expenses)	(36.0)	-6.0%	(16.7)	-5.2%	115.1%
Income Before Tax	(44.4)	-7.5%	59.9	18.6%	-
Income Tax and Social Contribution	17.7	3.0%	(24.1)	-7.5%	-
Net Income	(26.8)	-4.5%	35.7	11.1%	-

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

LUIZACRED – Income (R\$ million)	1Q22	V.A.	1Q21	V.A.	% Chg
Financial Intermediation Revenue	596.1	100.0%	321.2	100.0%	85.6%
Financial Intermediation Expenses	(565.6)	-94.9%	(156.4)	-48.7%	261.7%
Market Funding Operations	(106.7)	-17.9%	(18.0)	-5.6%	494.6%
Provision for Loan Losses	(458.9)	-77.0%	(138.4)	-43.1%	231.5%
Gross Financial Intermediation Income	30.4	5.1%	164.8	51.3%	-81.5%
Service Revenue	340.5	57.1%	254.3	79.2%	33.9%
Other Operating Revenues (Expenses)	(314.3)	-52.7%	(259.4)	-80.8%	21.2%
Personnel Expenses	(4.0)	-0.7%	(3.2)	-1.0%	22.2%
Other Administrative Expenses	(220.0)	-36.9%	(201.7)	-62.8%	9.1%
Depreciation and Amortization	(3.0)	-0.5%	(2.9)	-0.9%	1.6%
Tax Expenses	(51.3)	-8.6%	(34.8)	-10.8%	47.7%
Other Operating Revenues (Expenses)	(36.0)	-6.0%	(16.7)	-5.2%	115.1%
Income Before Tax	56.7	9.5%	159.7	49.7%	-64.5%
Income Tax and Social Contribution	(22.8)	-3.8%	(64.1)	-19.9%	-64.4%
Net Income	33.9	5.7%	95.6	29.8%	-64.5%

| Revenue from Financial Intermediation

In 1Q22, revenues from financial intermediation were R\$596 million, growing a significant 85.6% compared to 1Q21, influenced by growth in the card base and in 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 3.2% of the total portfolio in Mar/22, an increase of 100 bps compared to Mar/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 6.6% in March 2022, an increase of 160 bps compared to Mar/21. Despite the deterioration, NPL 90 remains significantly below pre-pandemic levels.

Provisions for bad debt expenses, net of recovery, represented 3% of the total portfolio in 1Q22. The overdue portfolio coverage ratio was 173% in March 2022.

PORTFOLIO - OVERDUE	Mar-22		Dec-21		Sep-21		Jun-21		Mar-21	
000 to 014 days	16,816	90.2%	16,043	91.9%	14,081	93.0%	12,615	93.3%	11,414	92.7%
015 to 030 days	140	0.8%	103	0.6%	75	0.5%	59	0.4%	81	0.7%
031 to 060 days	196	1.1%	143	0.8%	108	0.7%	81	0.6%	87	0.7%
061 to 090 days	253	1.4%	196	1.1%	135	0.9%	125	0.9%	104	0.8%
091 to 120 days	211	1.1%	185	1.1%	130	0.9%	122	0.9%	77	0.6%
121 to 150 days	195	1.0%	148	0.9%	112	0.7%	111	0.8%	67	0.5%
151 to 180 days	170	0.9%	119	0.7%	108	0.7%	87	0.6%	61	0.5%
180 to 360 days	658	3.5%	524	3.0%	397	2.6%	320	2.4%	415	3.4%
Portfolio (R\$ million)	18,639	100.0%	17,461	100.0%	15,145	100.0%	13,521	100.0%	12,306	100.0%
Receipt expectation of loan portfolio overdue above 360 days	195		187		189		190		182	
Total Portfolio in IFRS 9 (R\$ million)	18,834		17,649		15,334		13,711		12,488	
Overdue 15-90 days	589	3.2%	442	2.5%	318	2.1%	265	2.0%	272	2.2%
Overdue Above 90 days	1,235	6.6%	977	5.6%	747	4.9%	640	4.7%	620	5.0%
Total Overdue	1,824	9.8%	1,419	8.1%	1,065	7.0%	906	6.7%	892	7.3%
Provisions for loan losses on Portfolio	1,766		1,453		1,078		1,080		1,026	
Provisions for loan losses on available limit	368		333		398		340		316	
Total Provisions for loan losses in IFRS 9	2,135		1,786		1,477		1,420		1,342	
Coverage of Portfolio (%)	143%		149%		144%		169%		165%	
Coverage of Total Portfolio (%)	173%		183%		198%		222%		216%	

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\$70.7 million in 1Q22, due to conservative provisions under IFRS. Such provisions are associated with the strong growth of the portfolio and the increase in the issuance of new cards.

In compliance with accounting practices established by the Brazilian Central Bank, the gross margin of financial intermediation was R\$30.4 million in 1Q22, reflecting a lower necessity for provisions for doubtful accounts in the amount of R\$101.1 million during the quarter.

| Service Revenue and Other Operating Revenues (Expenses)

Service revenues grew 33.9% in 1Q22, reaching R\$340.5 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\$314.3 million, growing by 21.2%.

| Operating Income and Net Income

In 2021, Luizacred recorded a net loss of R\$26.8 million under IFRS. During the same period, in compliance with accounting practices established by the Brazilian Central Bank, net income was positive R\$33.9 million.

| Shareholders' Equity

In compliance with the same practices, Luizacred posted shareholders' equity of R\$1.2 billion in March 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\$826.1 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	
	1Q22	2022	2023
Total Logistics Units	270	380	450
Number of Distribution Centers	24	30	33
Number of Cross-docking Hubs	246	350	417
Number of Stores	1.477	1.560	1.680
Total Storage Area	1.311	1.630	2.000

CONFERENCE CALL DETAILS

Conference Call in Portuguese with simultaneous translation to English

Tuesday, May 17th, 2022

09:00 – Brasilia time

08:00 – New York time (EST)

Conference Call Access

Twitter:

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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 24 distribution centers serving a network of over 1,477 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 1,800 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.