

**3Q22: Sales growth across all channels, strong market share gains, largest EBITDA margin in the last two years.**

**MGLU**  
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**Total cash position maintained at R\$9 billion.**

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Magalu's total sales reached R\$14 billion in 3Q22. Over the last three years, the average annual growth rate was 28%, a growth of 2% compared to 3Q21

E-commerce reached more than R\$10 billion in sales during the quarter, increasing by 3%, while the Brazilian e-commerce market shrank by 10.5% during the same period (*Neotrust*). The Magalu average annual growth rate over the last three years was 46%.

Over the last three years, the Magalu Marketplace has demonstrated an average annual growth rate of 61%. Marketplace sales totaled around R\$3.5 billion during the quarter, growing 1% compared to the same period last year, on a strong comparison base.

The expansion of the marketplace is more impressive when measured by new category growth. During the third quarter of 2022, sales of items in new categories, such as Fashion, Home, Beauty, Garden, Sports and Auto Parts, grew at a double digit rate. In the marketplace, the Fashion and Beauty categories grew 45% and 52% respectively, during the quarter.

In 3Q22, the Magalu marketplace reached the mark of 236,000 sellers and 81 million offers available for sale. In one year, more than 116,000 new sellers joined the platform, most of them connected via Partner Magalu, which is being accelerated by the efforts of the local physical store teams and by Caravan Magalu.

Magalu is a truly multi-channel Marketplace. More than 56,000 sellers are already using Agency Magalu to deliver their items and 18% of total Marketplace orders are being picked up at one of Magalu's more than 1,000 pick-up enabled stores.

During the quarter, 41% of marketplace deliveries were made within 48 hours. More than 500 sellers have already utilized Magalu's fulfillment operation, which is totally integrated with Magalu's logistics operation. Marketplace sellers can accelerate the speed of their deliveries, combining high service levels with lower costs.

In physical stores, sales were R\$4 billion during the quarter, a growth of 1% compared to 3Q21.

There was also significant strengthening of operating margins during the quarter. Magalu's adjusted EBITDA margin continued its upward trajectory reaching 6.0% during the quarter, an increase of 1.9 p.p. compared to 3Q21. This is the highest quarterly EBITDA margin since 2020.

Magalu ended the quarter maintaining a total cash position of R\$9 billion. During the quarter, operating cash flow reached R\$324 million, reflecting the evolution of EBITDA and an improvement in working capital.

In MagaluAds, more than 1,500 sellers launched campaigns on our platform during the quarter. We continue to increase the exhibition of sponsored products in search and to improve sellers' experience inside the MagaluAds platform.

Magalu's Fintech operation grew 20% during the quarter to R\$22 billion in TPV. One highlight was the 24% growth in credit card TPV, which reached around R\$14 billion in 3Q22. There are now over 7 million credit cards issued and the credit portfolio is R\$20 billion.

## 3Q22 in numbers

## Principal consolidated numbers from the Magalu Ecosystem

**R\$14 billion**

Total sales

+2% compared to 3Q21

+28% three-year CAGR

**R\$10 billion**

E-commerce sales

+3% compared to 3Q21

+46% three-year CAGR

**7.1 million**

Credit Cards

Luiza Card and Magalu Card

**37 million MAU**

(Monthly Active Users)

**R\$ 324 million**

Operating Cash Generation

(Adjusted)

**R\$22 billion**

TPV

+20% compared to 2Q21

**37 million**

Active customers

**1,430 Physical Stores**

in 21 Brazilian states

**269 DCs and Cross-Docking**

Stations

## Marketplace: more than 500 sellers already utilize Fulfillment Magalu

**R\$3.5 billion marketplace sales**

+1% compared to 3Q21

+61% three-year CAGR

**236k sellers**

+116k since Sept/21

+196k since Sept/20

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

41% delivered in up to 48 hours

**34% of total online sales**

More Sellers, greater assortment, faster delivery



**Fulfillment:** Launched in Jun/22, Fulfillment Magalu is already operating in three distribution centers, enabling faster delivery speeds and lower costs for more than 500 sellers.



MGLU3: R\$ 3.98 per share  
 Total Shares: 6,748,926,848  
 Market Cap: R\$ 26.9 billion



## Conference Call

Nov 11, 2022 (Friday)  
 09:00 AM in US (EST)/ 11:00 AM in Brazil  
[Conference Call Access](#)



## Investor Relations

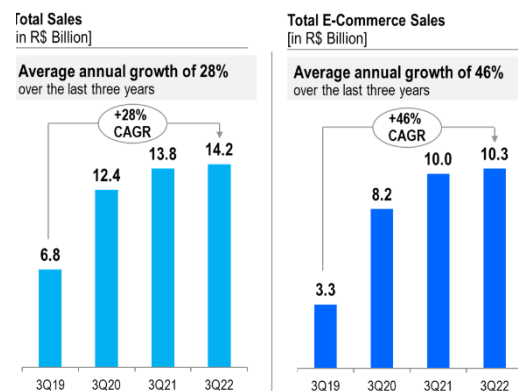
+55 11 3504-2727  
[www.magazineluiza.com.br/ri](http://www.magazineluiza.com.br/ri)  
[ri@magazineluiza.com.br](mailto:ri@magazineluiza.com.br)

## LETTER TO SHAREHOLDERS

Exactly one year ago, we began to experience the effects of rising inflation and interest rates and a contraction in purchasing power, a macroeconomic “perfect storm” for retailers. A year later, however, Magalu has managed to not only navigate the storm, but to expand its market share, while increasing margins. Year over year, the company's online market share grew by 3.2 percentage points and, over the last 12 months, the adjusted EBITDA margin rose 1.9 percentage points to reach 6%--the highest EBITDA margin in the last two years.

Magalu ended the third quarter of 2022 with total sales of R\$14.2 billion, advancing across all channels compared to the same period last year. In physical stores, sales reached R\$3.9 billion. Magalu’s e-commerce sales were R\$10.3 billion, growing 3% in a period in which the overall Brazilian e-commerce market shrank by 10.5%, according to data from Neotrust.

The Company’s focus on its marketplace plays a central role in this performance. Between July and September, 3P sales reached R\$3.5 billion, with an average growth rate of 61% over the last three years. This growth has been accompanied by a strong evolution in the diversity of categories and in the profile of sellers in our marketplace. With each passing day, Magalu sells more items to more consumers.



In the period from July to September, 36,000 new sellers joined our platform. Most of these sellers were digitized under the Parceiro Magalu program, which was, itself, accelerated by Caravan Magalu – an initiative designed to catalyze the digitization of small to medium-sized retailers across Brazil. As a result, the company reached the mark of 236,000 total sellers, distributed throughout the country. In September, Caravan Magalu was in Recife, where it united more than 1,000 small and medium-sized retailers interested in selling online. It was the seventh city visited over the last five months. In 2023, Caravan Magalu will tour Brazil again, educating entrepreneurs from all regions on the new opportunities offered by the digital world.

The growth of the seller base has increased demand for value-added services such as Magalu Entregas (logistics), Fintech Magalu (financial services) and Magalu Ads (advertising) among marketplace sellers. These technology-driven services will help increase the average take rate and profitability of the marketplace platform.

From light items, like a pair of socks, to heavy items, like a lawnmower, 80% of marketplace orders currently pass through Magalu Entregas to reach the final consumer. The multichannel nature of Magalu Entregas provides a compelling competitive advantage. Marketplace customers may receive their orders at home or pick them up at the Magalu store closest to their home or office free of charge. Currently, 18% of marketplace orders are picked up at one of Magalu’s more than 1,000 pick-up enabled physical stores, up from only 9% during the same period in 2021.

Under the Agency Magalu initiative, small sellers, with a lower sales frequency, can drop their sold items off at a local Magalu store where they will be uploaded to Magalu’s nationwide logistics network and delivered at a faster speed and a lower cost than existing alternatives. Currently, 56,000 sellers use the Agency Magalu service. Large and medium-sized sellers, with higher sales frequency, can use Magalu Coletas, whereby vehicles from Magalu’s logistics network will pass by the seller’s store or distribution center to collect the products for delivery.

Fulfillment Magalu complements the broad range of logistics services offered to marketplace sellers. Launched in June, this service is currently offered in three of the Company’s distribution centers, where the 1P and 3P operations are practically indistinguishable. Although the service is still relatively new, there are already more than 500 sellers from a wide array of categories, such as housewares, food supplements and tools, using the service. The preliminary results are encouraging. More than 20% of the total orders invoiced from fulfillment are reaching the end customer within 24 hours.

The ability to offer logistics services to marketplace sellers, increased service levels and shrunk delivery times. Currently, 41% of 3P orders are delivered within 48 hours, up from 28% a year ago. The expansion of Fulfillment Magalu to the Company’s other distribution centers should increase the percentage of items delivered within 48 hours and, consequently, increase 3P sales conversion rates.

Advances and innovations are being made in other areas as well. During the third quarter, Magalu began offering marketplace sellers a digital account, complete with an associated prepaid card that offers 1% cashback on purchases. The digital account is entirely free and all payments to sellers will soon be made through the account. Digital accounts are being opened for the current seller base and soon, new marketplace entrants will automatically receive accounts upon registration. This launch complements a growing list of financial products and services that includes loans, factoring of receivables and mobile point of sale machines.

Another area in which there has been movement is Magalu's advertising business, Magalu Ads. During the quarter, there was an expansion in the number of products eligible for sponsored search ads and the entirety of Magalu's assortment should be available for sponsored search ads during the fourth quarter. In addition to new advertising opportunities, advances have also been made in user experience with improvements in the process of creating and monitoring campaigns on the platform. From July to September of this year, more than 1,500 sellers launched new advertising campaigns on the Magalu platform and we believe that this is just the beginning.

### 81 million offers. Search at Magalu!

During the third quarter, new categories were, once again, the highlight in terms of sales growth.

Magalu, across its brands and distribution channels, distinguished itself as one of the largest e-commerce companies in the apparel sector in Brazil, with Zattini ranking among the top three in audience.

Magalu's 3P apparel sales grew 45% during the third quarter and sales from apparel sellers already represent 60% of everything sold in the category. In sports, Netsshoes remains the top of mind leader in the category and marketplace sales grew 22% during the quarter.

The beauty category generated one of the quarter's most notable performances with sales of the category rising 52% in Magalu's marketplace. During the third quarter, Época Cosméticos' app, part of the Magalu ecosystem, surpassed the 1 million user mark, with a 50% increase in the installed base. The arrival of well-known international brands, such as Estée Lauder and Too Faced, and up and coming national digital brands such as Sallve, Beyoung and Care Natural, reinforced Época's position as the market leader. In just one day, during the month of August, 10,000 units of pop star Anitta's intimate perfume were sold, in an exclusive pre-sale action.

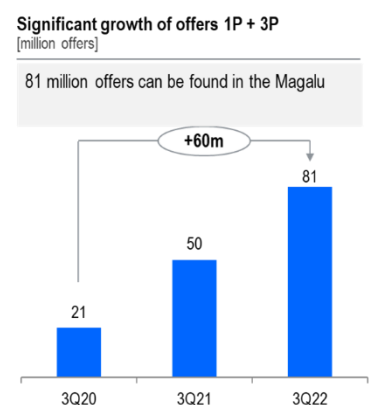
KaBum! exceeded R\$1 billion in sales during the quarter, with a profit of R\$48 million. As of October, KaBum! customers have the option of picking up their online purchases at Magalu's physical stores and every day that passes, KaBum! becomes more connected to the Magalu Ecosystem.

Once again, Magalu was named the best company to work for in Brazilian retail and one of the best companies in Brazil, according to a survey by the Great Place to Work Institute. The level of engagement demonstrated by our team helps to explain our consistent presence in the ranking. Among the many assets of Magalu, this is one of the most important.

We are one week away from the start of one of the biggest sporting events in the world - the 2022 FIFA World Cup, held in Qatar. Soccer continues to be one of Brazil's greatest passions and the Cup has always been an excuse for getting together and celebrating. This year, the Magalu ecosystem is prepared to offer customers everything they need to accompany the games, from a Smart TV to watch the games, to an official Brazilian team jersey to wear to a party, to the food delivered at game time.

The best quarter for retail has already begun. We have the World Cup, Black Friday and Christmas ahead, with a highly motivated team, ready to sell and serve the customer. We remain confident amid a scenario that promises, at least in the short term, lower inflation and stable interest rates.

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



EXECUTIVE MANAGEMENT TEAM

## 3Q22 Financial Highlights



**Sales growth across all channels.** In 3Q22, total sales - including physical stores, e-commerce first-party inventory (1P) and marketplace (3P) - increased 2.2% to R\$14.2 billion, reflecting growth of 2.6% in e-commerce (46.0% three-year CAGR) and a 1.4% increase in physical store sales (3.3% three-year CAGR).



**E-commerce grew at an above market rate.** During 3Q22, the Brazilian e-commerce market shrank by 10.5% according to Neotrust, while Magalu again outperformed the market. During the quarter, Magalu's e-commerce sales grew 2.6%, reaching R\$10.3 billion. Magalu's 1P e-commerce sales grew 3.5% (average annual growth of 40.2% over the last three years). In the marketplace, sales reached R\$3.5 billion during the quarter, with 0.9% growth, even with a high comparison base (average annual growth of 60.6% over the last three years). The gain in market share was driven by the performance of the SuperApp, which reached 36.8 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 3Q22, the gross margin was 27.9%, an increase of 320 bps. from the same period in 2021 (adjusted gross margin was 24.7% in 2Q21). This increase reflects the 17.9% growth of service revenues, driven in large part by marketplace commissions. In addition, passing along the costs of rising inflation and interest rates to consumers contributed to the increase in merchandise gross margin.



**Operating expenses.** Adjusted operating expenses grew 5.1% compared to 3Q21, representing 21.8% of net revenue. This was the lowest level in the last four quarters, mainly as a result of the optimization of marketing and logistics expenses, in addition to the reduction of fixed expenses.



**EBITDA and net result.** Sales growth, especially in the marketplace, together with an increase in gross margin, contributed to adjusted EBITDA which reached R\$527.5 million during 3Q22, growing 50% compared to 3Q21. The adjusted EBITDA margin was 6.0% in 3Q22, rising 190 bps. compared to 3Q21. The adjusted net result was negative by R\$146.0 million in 3Q22, influenced primarily by a rise in interest rates during the period.



### Cash generation and capital structure.

In 3Q22, cash flow from operations was R\$324.0 million, driven by the positive variation in working capital. In Sept/22, the adjusted net cash position was R\$1.8 billion, and the total adjusted cash position was R\$9.0 billion, including cash and financial instruments of R\$2.1 billion and available credit card receivables of R\$6.9 billion.



**Fintech.** Total payment volume (TPV) reached R\$22.1 billion in 3Q22, growing 19.6%. In Sept/22, the cardholder base reached 7.1 million credit cards, growing 7.5% compared to Sept/21. Credit card billing grew an impressive 23.7% in 3Q22, reaching R\$13.5 billion during the period. The credit card portfolio reached R\$20.1 billion at the end of the quarter. In September 2022, MagaluPay reached 7.8 million open accounts.

R\$ million (except when otherwise indicated)	3Q22	3Q21	% Chg	9M22	9M21	% Chg
Total Sales <sup>1</sup> (including marketplace)	14,154.1	13,843.8	2.2%	42,201.0	40,062.9	5.3%
Gross Revenue	10,729.0	10,474.9	2.4%	31,673.2	31,506.1	0.5%
Net Revenue	8,807.0	8,612.0	2.3%	26,131.6	25,878.2	1.0%
Gross Income	2,454.7	1,734.1	41.6%	7,339.2	6,112.5	20.1%
Gross Margin	27.9%	20.1%	780 bps	28.1%	23.6%	450 bps
EBITDA	496.1	134.8	268.1%	1,293.0	1,295.5	-0.2%
EBITDA Margin	5.6%	1.6%	400 bps	4.9%	5.0%	-10 bps
Net Income	(166.8)	143.5	-	(463.1)	497.7	-
Net Margin	-1.9%	1.7%	-360 bps	-1.8%	1.9%	-370 bps
Adjusted - Gross Income	2,454.7	2,129.2	15.3%	7,339.2	6,507.6	12.8%
Adjusted - Gross Margin	27.9%	24.7%	320 bps	28.1%	25.1%	300 bps
Adjusted - EBITDA	527.5	351.0	50.3%	1,453.8	1,233.6	17.8%
Adjusted - EBITDA Margin	6.0%	4.1%	190 bps	5.6%	4.8%	80 bps
Adjusted - Net Income	(146.0)	22.6	-	(356.9)	193.2	-
Adjusted - Net Margin	-1.7%	0.3%	-200 bps	-1.4%	0.7%	-210 bps
Same Physical Store Sales Growth	-3.6%	-14.6%	-	-4.9%	13.1%	-
Total Physical Store Sales Growth	1.4%	-8.0%	-	2.3%	19.4%	-
E-commerce Sales Growth (1P)	3.5%	6.7%	-	-0.2%	42.2%	-
Marketplace Sales Growth (3P)	0.9%	67.3%	-	21.3%	73.2%	-
Total E-commerce Sales Growth	2.6%	22.2%	-	6.5%	50.6%	-
E-commerce Share of Total Sale	72.5%	72.3%	0.2 pp	72.2%	71.4%	0.8 pp
Number of Stores - End of Period	1,430	1,413	17 stores	1,430	1,413	17 stores
Sales Area - End of Period (M <sup>2</sup> )	717,710	700,331	2.5%	717,710	700,331	2.5%

<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 3Q21, 3Q22 results are also being presented in an adjusted view, without the effects of non-recurring provisions and expenses.

CONCILIATION ADJUSTED INCOME STATEMENT (R\$ million)	3Q22 Adjusted	V.A.	Non-recurring	3Q22	V.A.
<b>Gross Revenue</b>	10,729.0	121.8%	-	10,729.0	121.8%
Taxes and Deductions	(1,922.0)	-21.8%	-	(1,922.0)	-21.8%
<b>Net Revenue</b>	8,807.0	100.0%	-	8,807.0	100.0%
Total Costs	(6,352.3)	-72.1%	-	(6,352.3)	-72.1%
<b>Gross Income</b>	2,454.7	27.9%	-	2,454.7	27.9%
Selling Expenses	(1,548.2)	-17.6%	-	(1,548.2)	-17.6%
General and Administrative Expenses	(334.3)	-3.8%	-	(334.3)	-3.8%
Provisions for Loan Losses	(58.8)	-0.7%	-	(58.8)	-0.7%
Other Operating Revenues, Net	24.6	0.3%	(31.5)	(6.9)	-0.1%
Equity in Subsidiaries	(10.4)	-0.1%	-	(10.4)	-0.1%
Total Operating Expenses	(1,927.2)	-21.9%	(31.5)	(1,958.6)	-22.2%
<b>EBITDA</b>	527.5	6.0%	(31.5)	496.1	5.6%
Depreciation and Amortization	(273.3)	-3.1%	-	(273.3)	-3.1%
<b>EBIT</b>	254.2	2.9%	(31.5)	222.7	2.5%
Financial Results	(556.3)	-6.3%	-	(556.3)	-6.3%
<b>Operating Income</b>	(302.1)	-3.4%	(31.5)	(333.5)	-3.8%
Income Tax and Social Contribution	156.1	1.8%	10.7	166.8	1.9%
<b>Net Income</b>	(146.0)	-1.7%	(20.8)	(166.8)	-1.9%

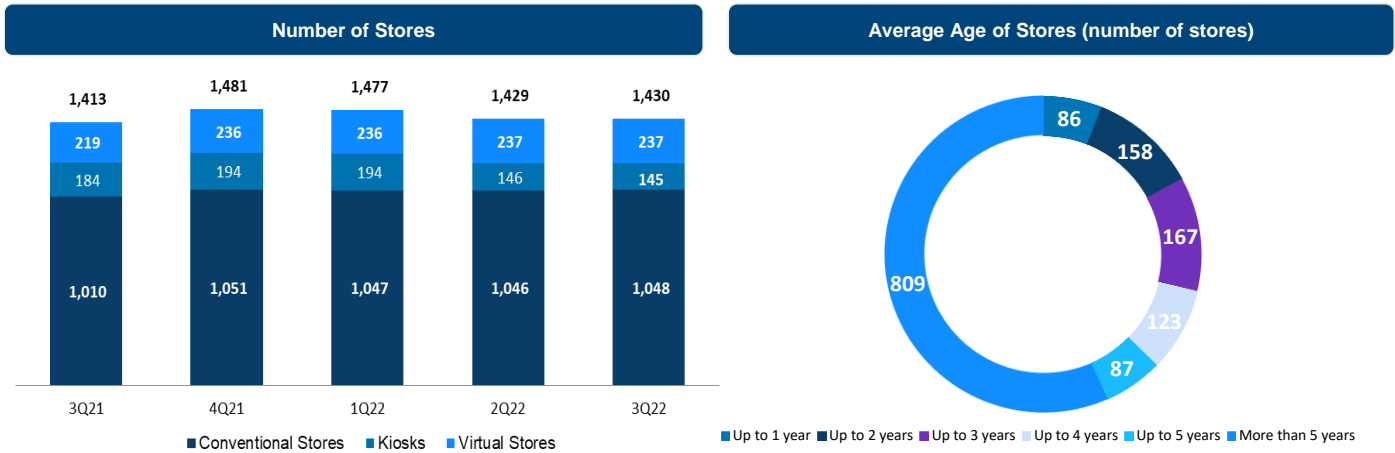
## | Adjustments – Non – Recurring Events

Adjustments	3Q22
Tax Credits	5.4
Tax Provisions	(8.3)
Expert Fees	(10.7)
Non Recurring Expenses	(17.0)
Other Expenses	(0.9)
<b>EBITDA Adjustments</b>	<b>(31.5)</b>
Income Tax and Social Contribution	10.7
<b>Net Income Adjustments</b>	<b>(20.8)</b>

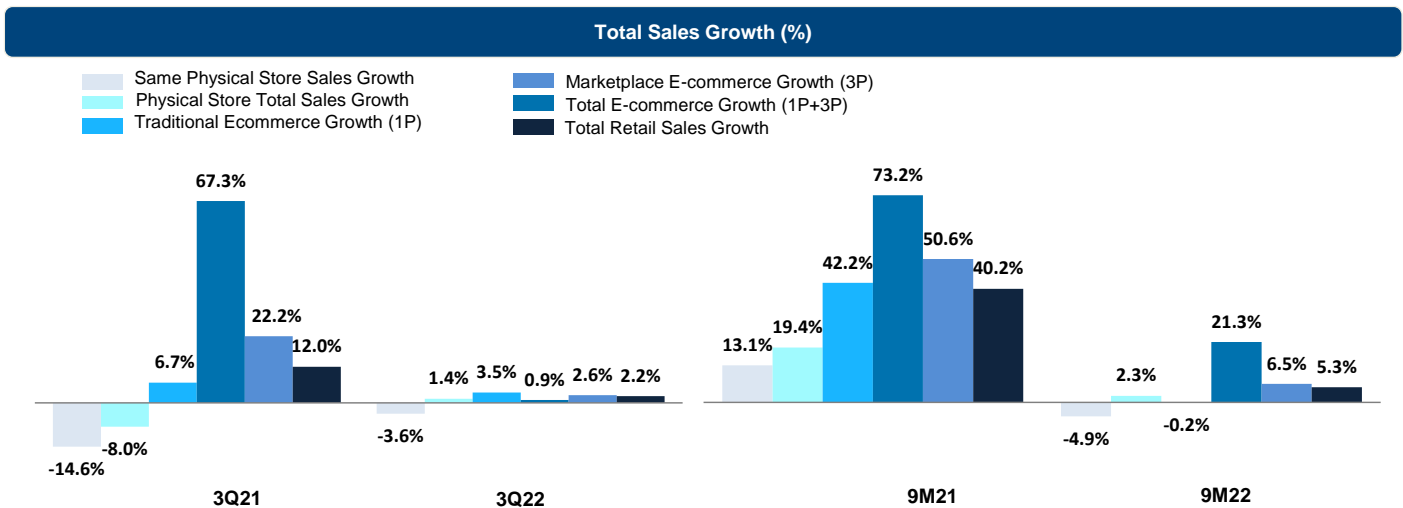


**| OPERATING AND FINANCIAL PERFORMANCE**

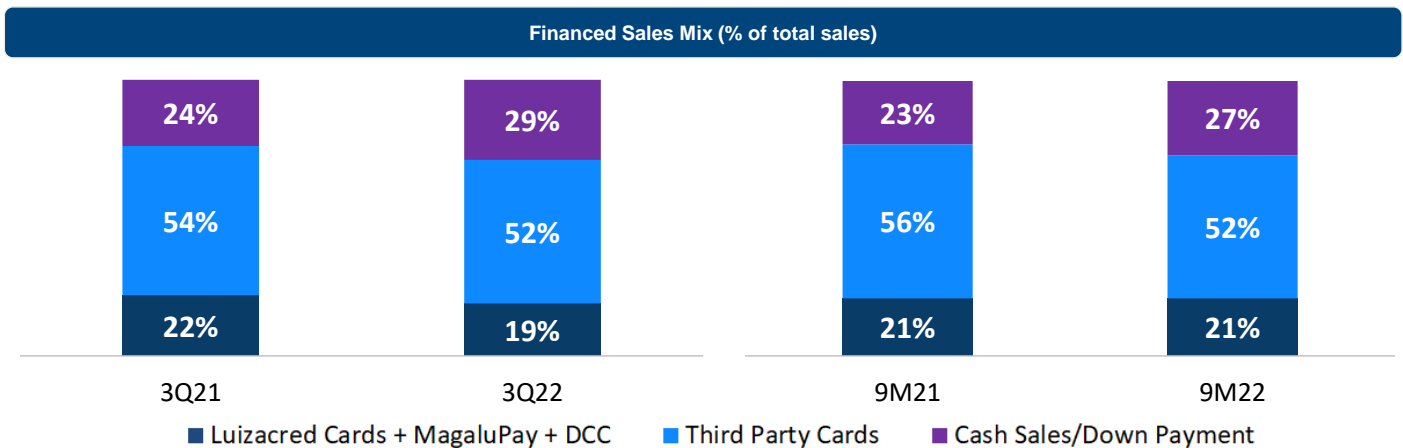
Magalu ended 3Q22 with 1,430 physical stores (1,048 conventional, 237 virtual and 145 kiosks via the partnerships with Lojas Marisa and the Semar supermarket chain). In 3Q22, the Company inaugurated 2 stores and closed one kiosk. Over the last 12 months, the Company opened 83 new stores (17 in the South, 52 in the Southeast, 2 in the Midwest, 10 in the Northeast and 2 in the North). Forty-three percent of our total number of stores are not yet mature.



In 3Q22, total sales grew 2.2% (27.6% three-year CAGR), as a result of a 2.6% increase in e-commerce sales (46% three-year CAGR) and a 1.4% increase in physical store sales (3.3% three-year CAGR).



In 3Q22, the share of cash sales (non-installment sales) increased from 24% to 29% compared to the same period in 2021. The increase in cash sales was driven by widespread PIX adoption, especially at KaBuM! and Magalu, which contributed to a reduction in financial expenses.





## | Gross Revenues

(in R\$ million)	3Q22	3Q21	% Chg	9M22	9M21	% Chg
Retail - Merchandise Sales	9,918.7	9,783.2	1.4%	29,315.9	29,558.2	-0.8%
Retail - Services	683.2	579.8	17.8%	2,011.6	1,586.9	26.8%
Other Services	127.1	111.9	13.6%	345.7	361.1	-4.3%
<b>Gross Revenue - Total</b>	<b>10,729.0</b>	<b>10,474.9</b>	<b>2.4%</b>	<b>31,673.2</b>	<b>31,506.1</b>	<b>0.5%</b>

In 3Q22, total gross revenue was R\$10.7 billion, a 2.4% increase compared to the same period in 2021. This was driven in large part by the growth of new categories, which partially offset the lower volume of durable goods sales. Retail service revenue increased 17.8% during the period, mainly due to the growth of the Marketplace and Magalu Payments. During 9M22, gross revenue was R\$31.7 billion, rising 50 bps. during the period.

## | Net Revenues

(in R\$ million)	3Q22	3Q21	% Chg	9M22	9M21	% Chg
Retail - Merchandise Sales	8,125.4	8,036.3	1.1%	24,192.9	24,245.1	-0.2%
Retail - Services	635.1	525.2	20.9%	1,852.9	1,446.9	28.1%
Other Services	46.6	50.5	-7.8%	85.8	186.2	-53.9%
<b>Net Revenue - Total</b>	<b>8,807.0</b>	<b>8,612.0</b>	<b>2.3%</b>	<b>26,131.6</b>	<b>25,878.2</b>	<b>1.0%</b>

In 3Q22, total net revenue was R\$8.8 billion, an increase in line with the variation in total gross revenue. During 9M22, net revenue rose 1.0% to R\$26.1 billion.

## | Gross Profit

(in R\$ million)	3Q21		% Chg	9M21		% Chg
	3Q22	Adjusted		9M22	Adjusted	
Merchandise Sales	1.792,1	1.575,4	13,8%	5.457,7	5.205,9	4,8%
Services	662,6	553,8	19,7%	1.881,5	1.301,6	44,6%
<b>Gross Profit - Total</b>	<b>2.454,7</b>	<b>2.129,2</b>	<b>15,3%</b>	<b>7.339,2</b>	<b>6.507,6</b>	<b>12,8%</b>
<b>Gross Margin - Total</b>	<b>27,9%</b>	<b>24,7%</b>	<b>320 bps</b>	<b>28,1%</b>	<b>25,1%</b>	<b>300 bps</b>

In 3Q22, adjusted gross profit increased 15.3% to R\$2.5 billion. During the quarter, gross margin was 27.9%, an increase of 320 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. During 9M22, gross profit increased 12.8% to R\$7.3 billion, equivalent to a gross margin of 28.1%.

## | Operating Expenses

(in R\$ million)	3Q22		3Q21		% Chg	9M22		9M21		% Chg
	Adjusted	% NR	Adjusted	% NR		Adjusted	% NR	Adjusted	% NR	
Selling Expenses	(1,548.2)	-17.6%	(1,583.1)	-18.4%	-2.2%	(4,707.2)	-18.0%	(4,614.7)	-17.8%	2.0%
General and Administrative Expenses	(334.3)	-3.8%	(222.2)	-2.6%	50.5%	(1,024.4)	-3.9%	(703.4)	-2.7%	45.6%
<b>General and Administrative Expenses</b>	<b>(1,882.6)</b>	<b>-21.4%</b>	<b>(1,805.3)</b>	<b>-21.0%</b>	<b>4.3%</b>	<b>(5,731.6)</b>	<b>-21.9%</b>	<b>(5,318.1)</b>	<b>-20.6%</b>	<b>7.8%</b>
Provisions for Loan Losses	(58.8)	-0.7%	(31.7)	-0.4%	85.3%	(178.9)	-0.7%	(98.3)	-0.4%	82.0%
Other Operating Revenues, Net	24.6	0.3%	12.7	0.1%	93.9%	51.1	0.2%	42.6	0.2%	20.0%
<b>Total Operating Expenses</b>	<b>(1,916.7)</b>	<b>-21.8%</b>	<b>(1,824.3)</b>	<b>-21.2%</b>	<b>5.1%</b>	<b>(5,859.5)</b>	<b>-22.4%</b>	<b>(5,373.8)</b>	<b>-20.8%</b>	<b>9.0%</b>

## | Selling Expenses

In 3Q22, selling expenses totaled R\$1.5 billion, equivalent to 17.6% of net revenue, 80 bps lower than the same period in 2021, mainly due to an increase in sales; the optimization of marketing and logistics expenses and the reduction of fixed expenses. During 9M22, selling expenses totaled R\$4.7 billion, equivalent to 18% of net revenue.

## | General and Administrative Expenses

In 3Q22, general and administrative expenses totaled R\$334.3 million, equivalent to 3.8% of net revenue, including the consolidation of expenses from companies acquired over the last 12 months. During 9M22, general and administrative expenses totaled R\$1 billion, equivalent to 3.9% of net revenue.

## | Provisions for Loan Losses

Provisions for loan losses totaled R\$58.8 million in 3Q22 and R\$178.9 million during 9M22.

## | Other Operating Revenues and Expenses, Net

(in R\$ million)	3Q22		3Q21		% Chg	9M22		9M21		% Chg
	Adjusted	% NR	Adjusted	% NR		Adjusted	% NR	Adjusted	% NR	
Gain on Sale of Assets	0.9	0.0%	(0.2)	0.0%	-	0.1	0.0%	0.5	0.0%	-83.3%
Deferred Revenue Recorded	23.7	0.3%	12.9	0.1%	84.4%	51.0	0.2%	42.1	0.2%	21.2%
<b>Subtotal - Adjusted</b>	<b>24.6</b>	<b>0.3%</b>	<b>12.7</b>	<b>0.1%</b>	<b>93.9%</b>	<b>51.1</b>	<b>0.2%</b>	<b>42.6</b>	<b>0.2%</b>	<b>20.0%</b>
Tax Credits	5.4	0.1%	253.7	2.9%	-97.9%	26.8	0.1%	261.2	1.0%	-89.7%
Tax Provisions	(8.3)	-0.1%	44.1	0.5%	-	(26.9)	-0.1%	403.0	1.6%	-
Expert fees	(10.7)	-0.1%	(72.0)	-0.8%	-85.1%	(29.6)	-0.1%	(124.9)	-0.5%	-76.3%
Non Recurring Expenses	(17.0)	-0.2%	(32.5)	-0.4%	-47.8%	(125.5)	-0.5%	(52.0)	-0.2%	141.2%
Other Expenses	(0.9)	0.0%	(14.5)	-0.2%	-93.5%	(5.6)	0.0%	(30.3)	-0.1%	-81.7%
<b>Subtotal - Non Recurring</b>	<b>(31.5)</b>	<b>-0.4%</b>	<b>178.8</b>	<b>2.1%</b>	<b>-</b>	<b>(160.8)</b>	<b>-0.6%</b>	<b>456.9</b>	<b>1.8%</b>	<b>-</b>
<b>Total</b>	<b>(6.9)</b>	<b>-0.1%</b>	<b>191.5</b>	<b>2.2%</b>	<b>-</b>	<b>(109.7)</b>	<b>-0.4%</b>	<b>499.5</b>	<b>1.9%</b>	<b>-</b>

In 3Q22, other adjusted net operating revenues totaled R\$24.6 million, mainly impacted by the recognition of deferred revenues in the amount of R\$23.7 million. During 9M22, other adjusted net operating revenues totaled R\$51.1 million.

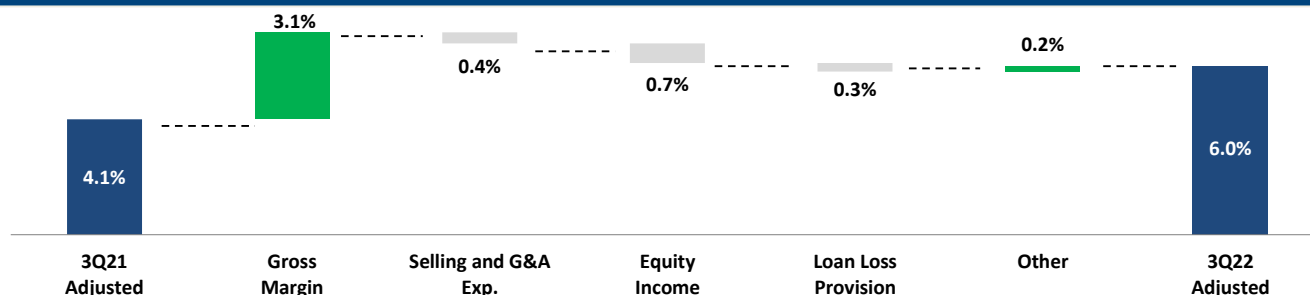
## | Equity Income

In 3Q22, equity income was negative R\$10.4 million. Luizacred was responsible for negative R\$15.2 million and Luizaseg was responsible for R\$4.8 million. During 9M22, equity income was negative R\$25.9 million.

## | EBITDA

In 3Q22, adjusted EBITDA reached R\$527.5 million, driven by sales growth and an increase in the gross margin. The adjusted EBITDA margin was 6% in 3Q22, an increase of 190 bps compared to the same period last year. During 9M22, adjusted EBITDA reached R\$1.5 billion, a margin of 5.6%.

## EBITDA performance LTM (% of net revenue)



## | Financial Results

R\$ million	3Q22	% NR	3Q21 Adjusted	% NR	% Chg	9M22	% NR	9M21 Adjusted	% NR	% Chg
Financial Expenses	(668.6)	-7.6%	(203.6)	-2.4%	228.4%	(1,810.5)	-6.9%	(582.9)	-2.3%	210.6%
Interest on loans and financing	(253.8)	-2.9%	(37.7)	-0.4%	573.1%	(650.0)	-2.5%	(79.5)	-0.3%	717.9%
Interest on prepayment of receivables – third party card	(194.1)	-2.2%	(57.8)	-0.7%	235.8%	(530.5)	-2.0%	(218.6)	-0.8%	142.6%
Interest on prepayment of receivables – Luiza Card	(77.3)	-0.9%	(43.9)	-0.5%	75.9%	(258.2)	-1.0%	(145.9)	-0.6%	76.9%
Other expenses	(143.4)	-1.6%	(64.2)	-0.7%	123.5%	(371.8)	-1.4%	(138.9)	-0.5%	167.7%
Financial Revenues	182.1	2.1%	84.5	1.0%	115.3%	542.3	2.1%	170.2	0.7%	218.6%
Gains on marketable securities	45.2	0.5%	12.2	0.1%	271.4%	112.8	0.4%	17.7	0.1%	538.0%
Other financial revenues	136.9	1.6%	72.4	0.8%	89.1%	429.5	1.6%	152.5	0.6%	181.6%
<b>Subtotal: Net Financial Results</b>	<b>(486.5)</b>	<b>-5.5%</b>	<b>(119.0)</b>	<b>-1.4%</b>	<b>308.7%</b>	<b>(1,268.2)</b>	<b>-4.9%</b>	<b>(412.7)</b>	<b>-1.6%</b>	<b>207.3%</b>
Interest on lease	(69.7)	-0.8%	(56.7)	-0.7%	23.0%	(204.0)	-0.8%	(163.0)	-0.6%	25.2%
<b>Total Net Financial Results</b>	<b>(556.3)</b>	<b>-6.3%</b>	<b>(175.7)</b>	<b>-2.0%</b>	<b>216.6%</b>	<b>(1,472.2)</b>	<b>-5.6%</b>	<b>(575.7)</b>	<b>-2.2%</b>	<b>155.7%</b>

In 3Q22, net financial expenses totaled R\$556.3 million, equivalent to 6.3% of net revenue. In relation to the same period the previous year, expenses were 430 bps higher due to the increase in interest rates in Brazil - the SELIC rate increased from 4.25% p.a. at the beginning of July 2021 to 13.75% p.a. at the end of September 2022.

Setting aside the effects of leasing interest, the net financial result was R\$486.5 million in 3Q22, equivalent to 5.5% of net revenue.

During 9M22, net financial results came to R\$1.5 billion or 5.6% of net revenue.

## | Net Income

In 3Q22, the Company experienced a net loss of R\$166.8 million, mainly driven by the increase in financial expenses during the period. Setting aside non-recurring items, the adjusted net income was a net loss of R\$146 million. During 9M22, adjusted net income was a net loss of R\$356.9 million.

## | Adjusted Working Capital

CONSOLIDATED (R\$ million)	LTM	Sep-22	Jun-22	Mar-22	Dec-21	Sep-21
(+) Accounts Receivables (without Credit Card)	(177.1)	1,063.5	1,076.1	1,124.6	1,032.7	1,240.6
(+) Inventories	345.0	8,471.3	7,965.7	8,077.3	9,112.2	8,126.3
(+) Related Parties (without Luiza Card)	78.3	83.1	57.0	68.7	114.8	4.8
(+) Recoverable Taxes	402.4	1,502.5	1,431.4	1,316.8	1,279.3	1,100.1
(+) Income Tax and Recoverable Social Contribution	237.0	285.1	265.6	250.1	234.9	48.1
(+) Other Assets	100.9	342.5	294.1	267.4	402.8	241.7
<b>(+) Current Operating Assets</b>	<b>986.6</b>	<b>11,748.1</b>	<b>11,090.0</b>	<b>11,104.8</b>	<b>12,176.8</b>	<b>10,761.5</b>
(-) Suppliers	(570.8)	8,606.8	7,380.8	6,248.5	10,098.9	9,177.5
(-) Transfers and Other Deposits	(268.8)	1,309.0	1,362.9	1,488.9	1,418.9	1,577.7
(-) Payroll, Vacation and Related Charges	(11.9)	425.8	409.2	376.4	370.2	437.7
(-) Taxes Payable	35.9	180.2	212.1	198.6	239.6	144.3
(-) Related Parties	54.9	111.7	116.1	114.7	125.3	56.8
(-) Deferred Revenue	0.3	50.6	50.5	50.4	50.3	50.3
(-) Other Accounts Payable	(156.3)	1,320.1	1,426.5	1,429.7	1,557.3	1,476.3
<b>(-) Current Operating Liabilities</b>	<b>(916.6)</b>	<b>12,004.1</b>	<b>10,958.1</b>	<b>9,907.3</b>	<b>13,860.5</b>	<b>12,920.7</b>
<b>(=) Working Capital Adjusted</b>	<b>1,903.1</b>	<b>(256.0)</b>	<b>131.9</b>	<b>1,197.6</b>	<b>(1,683.8)</b>	<b>(2,159.1)</b>
<b>% of Gross Revenue (LTM)</b>	<b>4.3%</b>	<b>-0.6%</b>	<b>0.3%</b>	<b>2.8%</b>	<b>-3.9%</b>	<b>-4.9%</b>

In September 2022, the adjusted working capital need was negative in R\$256.0 million, improving R\$387.9 million in 3Q22 and contributing to the operating cash generation. It is worth noting that the Company increased its inventory levels from Jun/22 to Sept/22 in anticipation of World Cup sales. For the same reason, the Company increased the average purchase period, in order to achieve an optimal balance between inventories and suppliers.

## | Capex

CAPEX (in R\$ million)	3Q22	%	3Q21	%	%Chg	9M22	%	9M21	%	%Chg
New Stores	2.3	1%	57.7	15%	-96%	35.5	6%	158.9	19%	-78%
Remodeling	3.8	2%	9.2	2%	-59%	19.6	4%	41.5	5%	-53%
Technology	131.3	70%	74.4	19%	76%	333.3	61%	246.8	29%	35%
Logistics	27.7	15%	200.8	51%	-86%	103.3	19%	335.9	39%	-69%
Other	23.0	12%	48.2	12%	-52%	55.0	10%	74.0	9%	-26%
<b>Total</b>	<b>188.0</b>	<b>100%</b>	<b>390.3</b>	<b>100%</b>	<b>-52%</b>	<b>546.8</b>	<b>100%</b>	<b>857.0</b>	<b>100%</b>	<b>-36%</b>

In 3Q22, investments totaled R\$188.0 million, with an emphasis on technology and logistics.

## | Capital Structure

CONSOLIDATED (R\$ million)	LTM	Sep-22	Jun-22	Mar-22	Dec-21	Sep-21
(-) Current Loans and Financing	(211.8)	(224.2)	(377.7)	(494.4)	(408.0)	(12.4)
(-) Non-current Loans and Financing	(4,584.1)	(6,923.8)	(6,468.9)	(6,417.1)	(6,384.9)	(2,339.6)
<b>(=) Gross Debt</b>	<b>(4,795.9)</b>	<b>(7,148.0)</b>	<b>(6,846.6)</b>	<b>(6,911.5)</b>	<b>(6,792.9)</b>	<b>(2,352.0)</b>
(+) Cash and Cash Equivalents	1,061.0	1,812.2	1,710.7	1,407.2	2,566.2	751.2
(+) Current Securities	(1,060.3)	293.9	211.3	584.4	1,556.4	1,354.2
<b>(+) Total Cash</b>	<b>0.7</b>	<b>2,106.1</b>	<b>1,922.0</b>	<b>1,991.6</b>	<b>4,122.6</b>	<b>2,105.4</b>
<b>(=) Net Cash</b>	<b>(4,795.2)</b>	<b>(5,041.9)</b>	<b>(4,924.6)</b>	<b>(4,919.9)</b>	<b>(2,670.3)</b>	<b>(246.6)</b>
(+) Credit Card - Third Party Card	235.3	4,422.5	4,545.6	3,676.5	4,618.0	4,187.3
(+) Credit Card - Luiza Card	(374.6)	2,445.2	2,508.1	2,818.4	3,592.4	2,819.8
<b>(+) Total Credit Card</b>	<b>(139.3)</b>	<b>6,867.8</b>	<b>7,053.6</b>	<b>6,494.8</b>	<b>8,210.5</b>	<b>7,007.1</b>
<b>(=) Adjusted Net Cash</b>	<b>(4,934.5)</b>	<b>1,825.9</b>	<b>2,129.1</b>	<b>1,574.9</b>	<b>5,540.2</b>	<b>6,760.5</b>
Short Term Debt / Total	3%	3%	6%	7%	6%	1%
Long Term Debt / Total	-3%	97%	94%	93%	94%	99%
Adjusted EBITDA (LTM)	(60.1)	1,697.3	1,520.8	1,484.2	1,477.1	1,757.4
<b>Adjusted Net Cash / Adjusted EBITDA</b>	<b>-2.8 x</b>	<b>1.1 x</b>	<b>1.4 x</b>	<b>1.1 x</b>	<b>3.8 x</b>	<b>3.8 x</b>
<b>Cash, Securities and Credit Cards</b>	<b>(138.6)</b>	<b>8,973.9</b>	<b>8,975.7</b>	<b>8,486.5</b>	<b>12,333.0</b>	<b>9,112.5</b>

The Company ended the quarter with an adjusted net cash position of R\$1.8 billion and a total cash position of R\$9.0 billion. This includes cash and securities worth R\$2.1 billion and credit card receivables worth R\$6.9 billion.

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

CONSOLIDATED INCOME STATEMENT (R\$ million)	3Q22	V.A.	3Q21	V.A.	% Chg	9M22	V.A.	9M21	V.A.	% Chg
<b>Gross Revenue</b>	10,729.0	121.8%	10,474.9	121.6%	2.4%	31,673.2	121.2%	31,506.1	121.7%	0.5%
Taxes and Deductions	(1,922.0)	-21.8%	(1,862.9)	-21.6%	3.2%	(5,541.6)	-21.2%	(5,628.0)	-21.7%	-1.5%
<b>Net Revenue</b>	8,807.0	100.0%	8,612.0	100.0%	2.3%	26,131.6	100.0%	25,878.2	100.0%	1.0%
Total Costs	(6,352.3)	-72.1%	(6,877.9)	-79.9%	-7.6%	(18,792.4)	-71.9%	(19,765.7)	-76.4%	-4.9%
<b>Gross Income</b>	2,454.7	27.9%	1,734.1	20.1%	41.6%	7,339.2	28.1%	6,112.5	23.6%	20.1%
Selling Expenses	(1,548.2)	-17.6%	(1,583.1)	-18.4%	-2.2%	(4,707.2)	-18.0%	(4,614.7)	-17.8%	2.0%
General and Administrative Expenses	(334.3)	-3.8%	(222.2)	-2.6%	50.5%	(1,024.4)	-3.9%	(703.4)	-2.7%	45.6%
Provisions for Loan Losses	(58.8)	-0.7%	(31.7)	-0.4%	85.3%	(178.9)	-0.7%	(98.3)	-0.4%	82.0%
Other Operating Revenues, Net	(6.9)	-0.1%	191.5	2.2%	-	(109.7)	-0.4%	499.5	1.9%	-
Equity in Subsidiaries	(10.4)	-0.1%	46.2	0.5%	-	(25.9)	-0.1%	99.9	0.4%	-
Total Operating Expenses	(1,958.6)	-22.2%	(1,599.4)	-18.6%	22.5%	(6,046.2)	-23.1%	(4,817.1)	-18.6%	25.5%
<b>EBITDA</b>	496.1	5.6%	134.8	1.6%	268.1%	1,293.0	4.9%	1,295.5	5.0%	-0.2%
Depreciation and Amortization	(273.3)	-3.1%	(207.8)	-2.4%	31.5%	(809.2)	-3.1%	(590.8)	-2.3%	37.0%
<b>EBIT</b>	222.7	2.5%	(73.0)	-0.8%	-	483.8	1.9%	704.6	2.7%	-31.3%
Financial Results	(556.3)	-6.3%	(41.0)	-0.5%	1257.5%	(1,472.2)	-5.6%	(441.0)	-1.7%	233.9%
<b>Operating Income</b>	(333.5)	-3.8%	(114.0)	-1.3%	192.5%	(988.4)	-3.8%	263.6	1.0%	-
Income Tax and Social Contribution	166.8	1.9%	257.5	3.0%	-35.2%	525.3	2.0%	234.1	0.9%	124.5%
<b>Net Income</b>	(166.8)	-1.9%	143.5	1.7%	-	(463.1)	-1.8%	497.7	1.9%	-

**Calculation of EBITDA**

<b>Net Income</b>	(166.8)	-1.9%	143.5	1.7%	-	(463.1)	-1.8%	497.7	1.9%	-
(+/-) Income Tax and Social Contribution	(166.8)	-1.9%	(257.5)	-3.0%	-35.2%	(525.3)	-2.0%	(234.1)	-0.9%	124.5%
(+/-) Financial Results	556.3	6.3%	41.0	0.5%	1257.5%	1,472.2	5.6%	441.0	1.7%	233.9%
(+) Depreciation and Amortization	273.3	3.1%	207.8	2.4%	31.5%	809.2	3.1%	590.8	2.3%	37.0%
<b>EBITDA</b>	496.1	5.6%	134.8	1.6%	268.1%	1,293.0	4.9%	1,295.5	5.0%	-0.2%

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

<b>EBITDA</b>	496.1	5.6%	134.8	1.6%	268.1%	1,293.0	4.9%	1,295.5	5.0%	-0.2%
Non-recurring Result	31.5	0.4%	216.3	2.5%	-85.5%	160.8	0.6%	(61.8)	-0.2%	-
<b>Adjusted EBITDA</b>	527.5	6.0%	351.0	4.1%	50.3%	1,453.8	5.6%	1,233.6	4.8%	17.8%

<b>Net Income</b>	(166.8)	-1.9%	143.5	1.7%	-	(463.1)	-1.8%	497.7	1.9%	-
Non-recurring Result	20.8	0.0%	(121.0)	-1.4%	-	106.1	0.4%	(304.5)	-1.2%	-
<b>Adjusted Net Income</b>	(146.0)	-1.7%	22.6	0.3%	-	(356.9)	-1.4%	193.2	0.7%	-

\* 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)	3Q22 Adjusted	V.A.	3Q21 Adjusted	V.A.	% Chg	9M22 Adjusted	V.A.	9M21 Adjusted	V.A.	% Chg
<b>Gross Revenue</b>	10,729.0	121.8%	10,474.9	121.6%	2.4%	31,673.2	121.2%	31,506.1	121.7%	0.5%
Taxes and Deductions	(1,922.0)	-21.8%	(1,862.9)	-21.6%	3.2%	(5,541.6)	-21.2%	(5,628.0)	-21.7%	-1.5%
<b>Net Revenue</b>	8,807.0	100.0%	8,612.0	100.0%	2.3%	26,131.6	100.0%	25,878.2	100.0%	1.0%
Total Costs	(6,352.3)	-72.1%	(6,482.9)	-75.3%	-2.0%	(18,792.4)	-71.9%	(19,370.6)	-74.9%	-3.0%
<b>Gross Income</b>	2,454.7	27.9%	2,129.2	24.7%	15.3%	7,339.2	28.1%	6,507.6	25.1%	12.8%
Selling Expenses	(1,548.2)	-17.6%	(1,583.1)	-18.4%	-2.2%	(4,707.2)	-18.0%	(4,614.7)	-17.8%	2.0%
General and Administrative Expenses	(334.3)	-3.8%	(222.2)	-2.6%	50.5%	(1,024.4)	-3.9%	(703.4)	-2.7%	45.6%
Provisions for Loan Losses	(58.8)	-0.7%	(31.7)	-0.4%	85.3%	(178.9)	-0.7%	(98.3)	-0.4%	82.0%
Other Operating Revenues, Net	24.6	0.3%	12.7	0.1%	93.9%	51.1	0.2%	42.6	0.2%	20.0%
Equity in Subsidiaries	(10.4)	-0.1%	46.2	0.5%	-	(25.9)	-0.1%	99.9	0.4%	-
Total Operating Expenses	(1,927.2)	-21.9%	(1,778.1)	-20.6%	8.4%	(5,885.4)	-22.5%	(5,273.9)	-20.4%	11.6%
<b>EBITDA</b>	527.5	6.0%	351.0	4.1%	50.3%	1,453.8	5.6%	1,233.6	4.8%	17.8%
Depreciation and Amortization	(273.3)	-3.1%	(207.8)	-2.4%	31.5%	(809.2)	-3.1%	(590.8)	-2.3%	37.0%
<b>EBIT</b>	254.2	2.9%	143.2	1.7%	77.5%	644.6	2.5%	642.8	2.5%	0.3%
Financial Results	(556.3)	-6.3%	(175.7)	-2.0%	216.6%	(1,472.2)	-5.6%	(575.7)	-2.2%	155.7%
<b>Operating Income</b>	(302.1)	-3.4%	(32.5)	-0.4%	829.6%	(827.6)	-3.2%	67.1	0.3%	-
Income Tax and Social Contribution	156.1	1.8%	55.1	0.6%	183.5%	470.7	1.8%	126.1	0.5%	273.2%
<b>Net Income</b>	(146.0)	-1.7%	22.6	0.3%	-	(356.9)	-1.4%	193.2	0.7%	-



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

ASSETS (R\$ million)	Sep-22	Jun-22	Mar-22	Dec-21	Sep-21
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	1,812.2	1,710.7	1,407.2	2,566.2	751.2
Securities	293.9	211.3	584.4	1,556.4	1,354.2
Accounts Receivable - Credit Card	4,422.5	4,545.6	3,676.5	4,618.0	4,187.3
Accounts Receivable - Other	1,063.5	1,076.1	1,124.6	1,032.7	1,240.6
Inventories	8,471.3	7,965.7	8,077.3	9,112.2	8,126.3
Related Parties - Credit Card	2,445.2	2,508.1	2,818.4	3,592.4	2,819.8
Related Parties - Other	83.1	57.0	68.7	114.8	4.8
Taxes Recoverable	1,502.5	1,431.4	1,316.8	1,279.3	1,100.1
Income Tax and Recoverable Social Contribution	285.1	265.6	250.1	234.9	48.1
Other Assets	342.5	294.1	267.4	402.8	241.7
<b>Total Current Assets</b>	<b>20,722.0</b>	<b>20,065.6</b>	<b>19,591.3</b>	<b>24,509.8</b>	<b>19,874.0</b>
<b>NON-CURRENT ASSETS</b>					
Accounts Receivable	15.5	-	14.2	17.4	-
Recoverable Taxes	1,971.1	1,691.5	1,679.7	1,551.6	1,077.3
Deferred Income Tax and Social Contribution	1,468.6	1,296.1	1,114.1	915.1	470.7
Judicial Deposits	1,511.6	1,384.9	1,277.1	1,189.9	1,173.5
Other Assets	115.0	14.7	0.3	184.8	6.7
Investments in Subsidiaries	360.5	368.4	377.5	407.8	454.5
Right of use	3,425.9	3,344.8	3,396.7	3,363.0	3,048.4
Fixed Assets	1,979.8	1,990.7	1,982.9	1,938.7	1,746.8
Intangible Assets	4,406.4	4,344.2	4,327.4	4,306.6	2,697.7
<b>Total Non-Current Assets</b>	<b>15,254.4</b>	<b>14,435.3</b>	<b>14,170.0</b>	<b>13,874.8</b>	<b>10,675.5</b>
<b>TOTAL ASSETS</b>	<b>35,976.4</b>	<b>34,501.0</b>	<b>33,761.2</b>	<b>38,384.6</b>	<b>30,549.5</b>
<b>LIABILITIES (R\$ million)</b>					
<b>CURRENT LIABILITIES</b>					
Suppliers	8,606.8	7,380.8	6,248.5	10,098.9	9,177.5
Transfers and other deposits	1,309.0	1,362.9	1,488.9	1,418.9	1,577.7
Loans and Financing	224.2	377.7	494.4	408.0	12.4
Payroll, Vacation and Related Charges	425.8	409.2	376.4	370.2	437.7
Taxes Payable	180.2	212.1	198.6	239.6	144.3
Related Parties	111.7	116.1	114.7	125.3	56.8
Lease	428.1	421.6	439.7	433.8	411.7
Deferred Revenue	50.6	50.5	50.4	50.3	50.3
Dividends Payable	-	-	41.4	41.4	-
Other Accounts Payable	1,820.1	1,926.5	1,429.7	2,070.7	1,476.3
<b>Total Current Liabilities</b>	<b>13,156.4</b>	<b>12,257.4</b>	<b>10,882.8</b>	<b>15,257.2</b>	<b>13,344.8</b>
<b>NON-CURRENT LIABILITIES</b>					
Loans and Financing	6,923.8	6,468.9	6,417.1	6,384.9	2,339.6
Taxes to be collected	7.8	7.8	7.8	24.3	-
Lease	3,146.3	3,053.6	3,069.4	3,020.8	2,713.1
Deferred Income Tax and Social Contribution	116.8	94.5	101.0	113.9	23.7
Provision for Tax, Civil and Labor Risks	1,150.3	1,135.1	1,111.5	1,154.1	992.2
Deferred Revenue	265.4	217.3	231.3	245.3	259.3
Other Accounts Payable	404.2	328.4	822.2	922.9	4.2
<b>Total Non-Current Liabilities</b>	<b>12,014.7</b>	<b>11,305.7</b>	<b>11,760.2</b>	<b>11,866.2</b>	<b>6,332.2</b>
<b>TOTAL LIABILITIES</b>	<b>25,171.1</b>	<b>23,563.1</b>	<b>22,643.0</b>	<b>27,123.4</b>	<b>19,677.0</b>
<b>SHAREHOLDERS' EQUITY</b>					
Capital Stock	12,352.5	12,352.5	12,352.5	12,352.5	9,852.5
Capital Reserve	(1,756.7)	(1,777.5)	(1,619.5)	(1,637.1)	350.8
Treasury Shares	(1,265.1)	(1,275.8)	(1,448.2)	(1,449.2)	(1,275.1)
Legal Reserve	137.4	137.4	137.4	137.4	123.0
Profit Retention Reserve	1,797.9	1,797.9	1,856.7	1,856.7	1,321.7
Other Comprehensive Income	2.3	(0.4)	0.6	0.8	2.0
Retained Earnings	(463.1)	(296.3)	(161.3)	-	497.7
<b>Total Shareholders' Equity</b>	<b>10,805.3</b>	<b>10,937.8</b>	<b>11,118.2</b>	<b>11,261.2</b>	<b>10,872.5</b>
<b>TOTAL</b>	<b>35,976.4</b>	<b>34,501.0</b>	<b>33,761.2</b>	<b>38,384.6</b>	<b>30,549.5</b>

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

ADJUSTED CASH FLOW STATEMENTS (R\$ million)	3Q22	3Q21	9M22	9M21	LTM	LTM
<b>Net Income</b>	<b>(166.8)</b>	<b>143.5</b>	<b>(463.1)</b>	<b>497.7</b>	<b>(370.1)</b>	<b>717.2</b>
Effect of Income Tax and Social Contribution Net of Payment	(182.8)	(283.8)	(574.1)	(301.7)	(1,178.5)	(373.2)
Depreciation and Amortization	273.3	207.8	809.2	590.8	1,035.3	777.1
Interest Accrued on Loans	325.7	94.7	869.8	244.2	1,024.9	302.0
Equity Income	10.4	(46.2)	25.9	(99.9)	26.5	(124.0)
Dividends Received	-	-	70.2	29.5	70.2	29.5
Provision for Losses on Inventories and Receivables	136.9	448.3	357.2	534.3	514.0	592.8
Provision for Tax, Civil and Labor Contingencies	15.2	(168.2)	70.4	(411.8)	64.7	(311.1)
Gain on Sale of Fixed Assets	(0.9)	(0.9)	(0.1)	(0.2)	(0.5)	(0.2)
Recognition of Deferred Income	(23.7)	(14.1)	(51.0)	(42.4)	(64.5)	(56.3)
Stock Option Expenses	26.7	9.8	58.7	63.1	113.7	102.7
<b>Adjusted Net Income</b>	<b>414.1</b>	<b>391.0</b>	<b>1,173.0</b>	<b>1,103.5</b>	<b>1,235.6</b>	<b>1,656.3</b>
Trade Accounts Receivable	(76.0)	(48.9)	(243.9)	(369.6)	248.7	(584.8)
Inventories	(569.4)	(1,036.5)	498.7	(2,623.5)	199.0	(3,573.9)
Taxes Recoverable	(370.2)	(601.1)	(693.0)	(777.5)	(1,384.1)	(583.9)
Deposit in Court	(126.8)	(34.3)	(321.7)	(329.6)	(337.1)	(603.3)
Other Receivables	(173.9)	20.4	15.4	4.8	(115.1)	161.6
<b>Changes in Operating Assets</b>	<b>(1,316.3)</b>	<b>(1,700.3)</b>	<b>(744.6)</b>	<b>(4,095.4)</b>	<b>(1,388.6)</b>	<b>(5,184.4)</b>
Trade Accounts Payable	1,226.0	935.5	(1,492.2)	675.5	(983.3)	3,075.2
Other Payables	0.2	595.7	(246.7)	405.4	(178.9)	672.4
<b>Change in Operating Liabilities</b>	<b>1,226.2</b>	<b>1,531.2</b>	<b>(1,738.9)</b>	<b>1,080.9</b>	<b>(1,162.2)</b>	<b>3,747.6</b>
<b>Cash Flow from Operating Activities</b>	<b>324.0</b>	<b>221.8</b>	<b>(1,310.4)</b>	<b>(1,911.0)</b>	<b>(1,315.2)</b>	<b>219.5</b>
Additions of Fixed and Intangible Assets	(188.0)	(390.3)	(546.8)	(857.0)	(853.9)	(1,071.8)
Investment in Subsidiaries	-	(101.9)	(543.7)	(168.2)	(528.7)	(204.4)
<b>Cash Flow from Investing Activities</b>	<b>(188.0)</b>	<b>(492.1)</b>	<b>(1,090.5)</b>	<b>(1,025.2)</b>	<b>(1,382.6)</b>	<b>(1,276.2)</b>
Loans and Financing	400.0	-	400.0	2,300.0	4,400.3	2,301.1
Repayment of Loans and Financing	(291.4)	(72.1)	(380.2)	(1,679.4)	(388.5)	(1,681.4)
Payment of Interest on Loans and Financing	(63.2)	(16.1)	(330.5)	(106.8)	(355.0)	(106.9)
Payment of Lease	(107.9)	(96.9)	(328.0)	(270.0)	(431.7)	(345.6)
Payment of Interest on Lease	(75.2)	(61.6)	(219.7)	(177.9)	(286.5)	(228.5)
Payment of Dividends	-	-	(100.0)	(146.1)	(100.0)	(146.1)
Treasury Shares	-	(366.6)	-	(770.7)	(279.4)	(1,075.5)
Proceeds from the Secondary Equity Offering	-	3,981.3	-	3,981.3	-	3,981.3
Payment of expenses from the Secondary Equity Offering	-	(81.0)	-	(81.0)	-	(81.0)
<b>Cash Flow from Financing Activities</b>	<b>(137.7)</b>	<b>3,286.9</b>	<b>(958.3)</b>	<b>3,049.2</b>	<b>2,559.2</b>	<b>2,617.3</b>
Cash, Cash Equivalents and Securities at Beginning of Period	8,975.7	6,095.9	12,333.0	8,999.5	9,112.5	7,551.9
Cash, Cash Equivalents and Securities at end of Period	8,973.9	9,112.5	8,973.9	9,112.5	8,973.9	9,112.5
<b>Change in Cash and Cash equivalents</b>	<b>(1.8)</b>	<b>3,016.6</b>	<b>(3,359.2)</b>	<b>113.0</b>	<b>(138.6)</b>	<b>1,560.6</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)	set-22	jun-22	mar-22	dec-21	sep-21
<b>Working Capital</b>	5,683.6	6,263.8	7,252.7	5,579.4	4,436.2
(+) Accounts Receivable	15.5	-	14.2	17.4	-
(+) Income Tax and Social Contribution deferred	1,468.6	1,296.1	1,114.1	915.1	470.7
(+) Taxes Recoverable	1,971.1	1,691.5	1,679.7	1,551.6	1,077.3
(+) Judicial Deposits	1,511.6	1,384.9	1,277.1	1,189.9	1,173.5
(+) Other Assets	115.0	14.7	0.3	184.8	6.7
(+) Investment In Joint Subsidiaries	360.5	368.4	377.5	407.8	454.5
(+) Right of use	3,425.9	3,344.8	3,396.7	3,363.0	3,048.4
(+) Fixed Assets	1,979.8	1,990.7	1,982.9	1,938.7	1,746.8
(+) Intangible Assets	4,406.4	4,344.2	4,327.4	4,306.6	2,697.7
<b>(+) Non Current Assets</b>	<b>15,254.4</b>	<b>14,435.3</b>	<b>14,170.0</b>	<b>13,874.8</b>	<b>10,675.5</b>
(-) Provision for Contingencies	1,150.3	1,135.1	1,111.5	1,154.1	992.2
(-) Lease	3,146.3	3,053.6	3,069.4	3,020.8	2,713.1
(-) Deferred Revenue	265.4	217.3	231.3	245.3	259.3
(-) Taxes to be Collected	7.8	7.8	7.8	24.3	-
(-) Income Tax and Social Contribution deferred	116.8	94.5	101.0	113.9	23.7
(-) Other Accounts Payable	404.2	328.4	822.2	922.9	4.2
<b>(-) Non-Current operating liabilities</b>	<b>5,090.9</b>	<b>4,836.8</b>	<b>5,343.1</b>	<b>5,481.3</b>	<b>3,992.5</b>
<b>(=) Fixed Capital</b>	<b>10,163.5</b>	<b>9,598.6</b>	<b>8,826.9</b>	<b>8,393.5</b>	<b>6,683.0</b>
<b>(=) Total Invested Capital</b>	<b>15,847.2</b>	<b>15,862.4</b>	<b>16,079.6</b>	<b>13,972.9</b>	<b>11,119.2</b>
(+) Net Debt	5,041.9	4,924.6	4,919.9	2,670.3	246.6
(+) Dividends Payable	-	-	41.4	41.4	-
(+) Shareholders Equity	10,805.3	10,937.8	11,118.2	11,261.2	10,872.5
<b>(=) Total Financing</b>	<b>15,847.2</b>	<b>15,862.4</b>	<b>16,079.6</b>	<b>13,972.9</b>	<b>11,119.2</b>

FINANCIAL EXPENSES RECONCILIATION (R\$MM)	3Q22	2Q22	1Q22	4Q21	3Q21
Financial Income	182	156	205	187	219.3
Financial Expenses	(738)	(649)	(627)	(435)	(260.3)
<b>Net Financial Expenses</b>	<b>(556.3)</b>	<b>(493.8)</b>	<b>(422.1)</b>	<b>(248.0)</b>	<b>(41.0)</b>
Interest on prepayment of receivables: Luiza Card and third-party card	271.4	237.0	280.3	203.3	101.7
<b>Adjusted Financial Expenses</b>	<b>(284.9)</b>	<b>(256.9)</b>	<b>(141.8)</b>	<b>(44.8)</b>	<b>60.7</b>
Taxes on Adjusted Financial Expenses	96.9	87.3	48.2	15.2	(20.7)
<b>Net Adjusted Financial Expenses</b>	<b>(188.1)</b>	<b>(169.5)</b>	<b>(93.6)</b>	<b>(29.5)</b>	<b>40.1</b>

NOPLAT AND ROIC/ROE RECONCILIATION(R\$MM)	3Q22	2Q22	1Q22	4Q21	3Q21
EBITDA	496.1	457.4	339.5	(7.9)	134.8
Interest on prepayment of receivables: Luiza Card and third-party card	(271.4)	(237.0)	(280.3)	(203.3)	(101.7)
Depreciation	(265.1)	(270.8)	(265.1)	(226.1)	(207.8)
Current and deferred taxes	186.4	172.2	186.4	575.0	257.5
Taxes on Adjusted Financial Expenses	(96.9)	(87.3)	(48.2)	(15.2)	20.7
<b>Net Operating Income (NOPLAT)</b>	<b>49.1</b>	<b>34.5</b>	<b>(67.7)</b>	<b>122.5</b>	<b>103.4</b>

<b>Invested Capital</b>	15,847.2	15,862.4	16,079.6	13,972.9	11,119.2
<b>ROIC Annualized</b>	1%	1%	-2%	4%	4%
Net Income	(138.9)	(135.0)	(161.3)	93.0	143.5
Shareholders Equity	10,805.3	10,937.8	11,118.2	11,261.2	10,872.5
<b>ROE Annualized</b>	-5%	-5%	-6%	3%	5%

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

Breakdown of Total Sales (R\$ million)	3Q22	V.A.	3Q21	V.A.	Growth
					Total
Virtual Stores	267.9	1.9%	275.0	2.0%	-2.6%
Conventional Stores	3,619.0	25.6%	3,559.7	25.7%	1.7%
<b>Subtotal - Physical Stores</b>	<b>3,886.9</b>	<b>27.5%</b>	<b>3,834.8</b>	<b>27.7%</b>	<b>1.4%</b>
Traditional E-commerce (1P)	6,730.2	47.5%	6,504.5	47.0%	3.5%
Marketplace (3P)	3,537.0	25.0%	3,504.5	25.3%	0.9%
<b>Subtotal - Total E-commerce</b>	<b>10,267.2</b>	<b>72.5%</b>	<b>10,009.0</b>	<b>72.3%</b>	<b>2.6%</b>
<b>Total Sales</b>	<b>14,154.1</b>	<b>100.0%</b>	<b>13,843.8</b>	<b>100.0%</b>	<b>2.2%</b>

Breakdown of Total Sales (R\$ million)	9M22	V.A.	9M21	V.A.	Growth
					Total
Virtual Stores	809.8	1.9%	856.0	2.1%	-5.4%
Conventional Stores	10,907.4	25.8%	10,592.3	26.4%	3.0%
<b>Subtotal - Physical Stores</b>	<b>11,717.2</b>	<b>27.8%</b>	<b>11,448.3</b>	<b>28.6%</b>	<b>2.3%</b>
Traditional E-commerce (1P)	19,645.7	46.6%	19,682.1	49.1%	-0.2%
Marketplace (3P)	10,838.1	25.7%	8,932.5	22.3%	21.3%
<b>Subtotal - Total E-commerce</b>	<b>30,483.8</b>	<b>72.2%</b>	<b>28,614.6</b>	<b>71.4%</b>	<b>6.5%</b>
<b>Total Sales</b>	<b>42,201.0</b>	<b>100.0%</b>	<b>40,062.9</b>	<b>100.0%</b>	<b>5.3%</b>

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

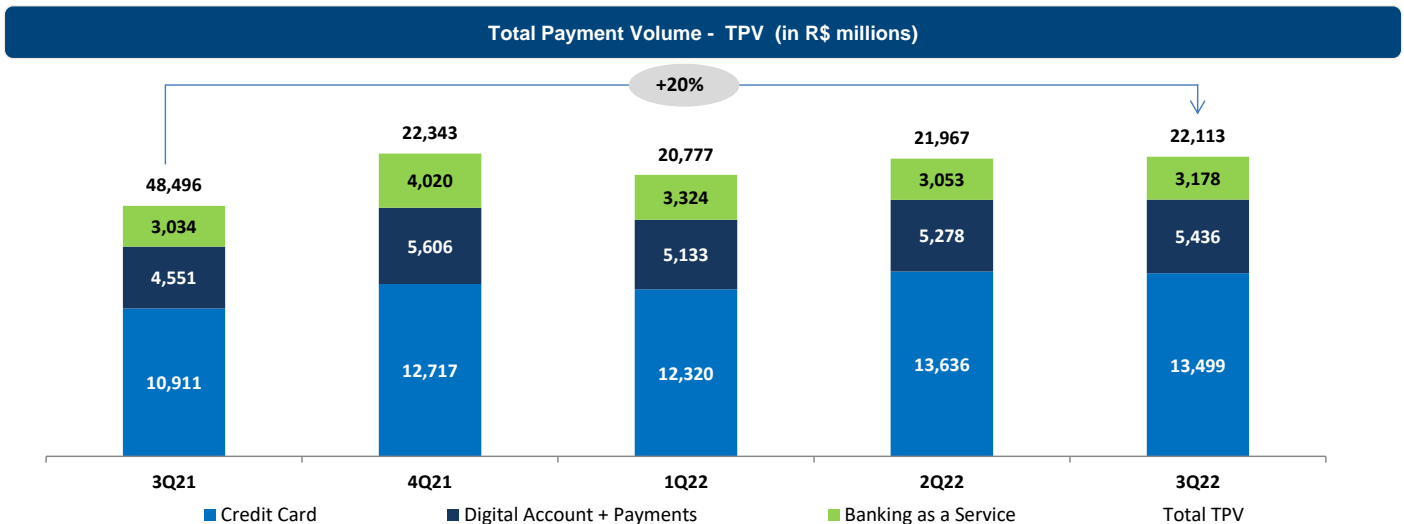
Number of stores per channel – End of the period	sep/22	Part(%)	sep/21	Part(%)	Growth
					Total
Virtual Stores	237	16.6%	219	15.5%	18
Conventional Stores	1,048	73.3%	1,010	71.5%	38
Kiosks	145	10.1%	184	13.0%	(39)
<b>Subtotal - Physical Stores</b>	<b>1,430</b>	<b>100.0%</b>	<b>1,413</b>	<b>100.0%</b>	<b>17</b>
<b>Total Sales Area (m<sup>2</sup>)</b>	<b>717,710</b>	<b>100.0%</b>	<b>700,331</b>	<b>100.0%</b>	<b>2.5%</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.

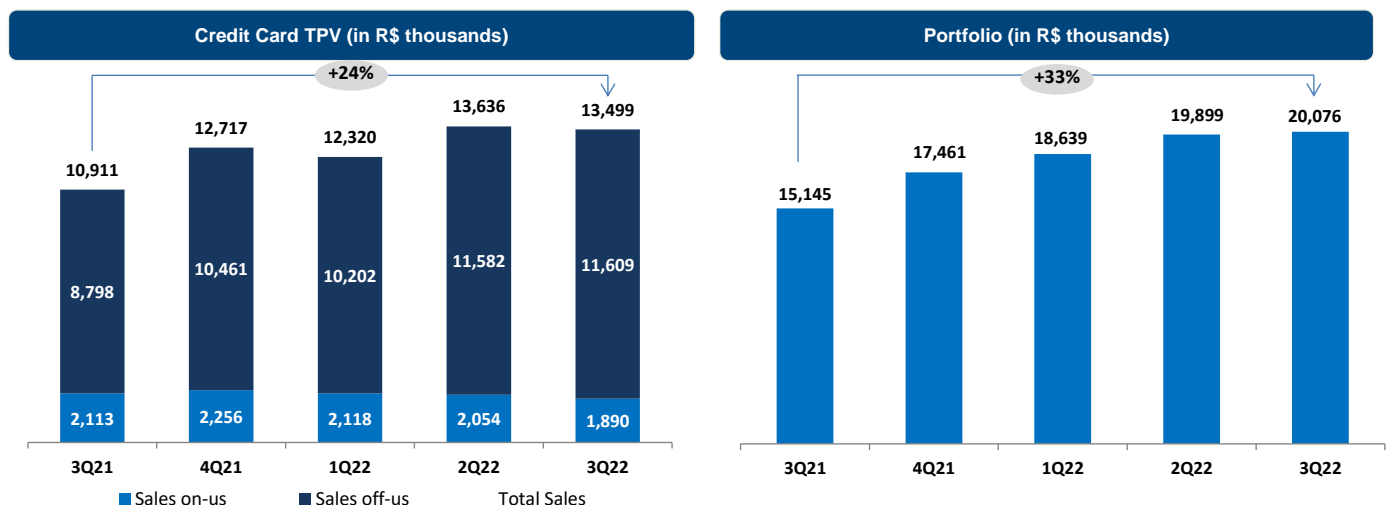
### | Operating Indicators

- Magalu’s total payment volume (TPV) reached R\$ 22.1 billion in 3Q22, growing 19.6%.

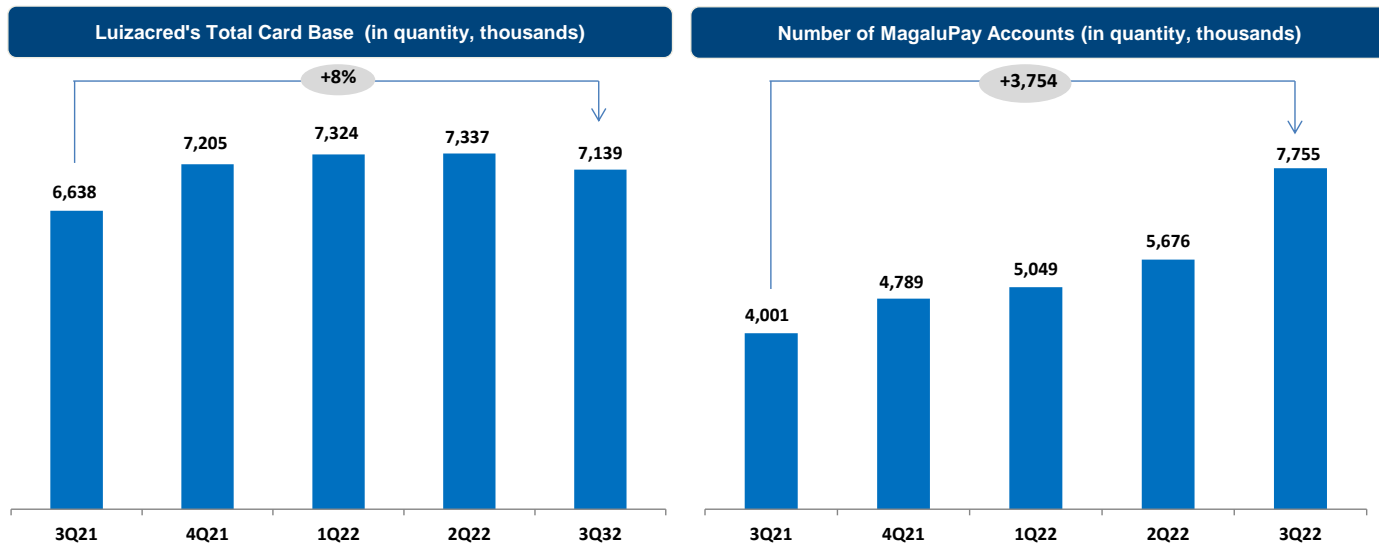


### | Credit Card

- Credit Card TPV grew a significant 23.7% in 3Q22, reaching R\$13.5 billion during the period. In-store sales to Luiza and Magalu Card customers, distinguished by their loyalty and higher purchase frequency, reached R\$1.9 billion in 3Q22. Sales outside Magalu grew 32.0% in 3Q22 to R\$11.6 billion.
- Luizacred's credit portfolio reached R\$20.1 billion at the end of 3Q22, an increase of 32.6% over 3Q21.



- In September 2022, Luizacred's total card base reached 7.1 million cards (+7.5% versus September 2022). This includes Luiza Card and the Magalu Card.



## | Digital Account and Payments

- In September 2022, Magalu's digital banking initiative, MagaluPay, reached 7.8 million accounts, representing an increase of 2.1 million new accounts opened 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\$5.4 billion in 3Q22, growing 19.4% during the period.
- Magalu also continued to expand credit offerings to marketplace sellers via our FIDC.
- As of this quarter, Magalu marketplace sellers now have access to fully-functional digital accounts with associated prepaid cards. The card is free and features 1% cashback on purchases. The digital account adds another product to Magalu's rapidly expanding portfolio of financial services. In the future, all payments for sales made on Magalu's platform will be deposited into the sellers' digital account.

## | Banking as a Service (BaaS)

- Total payment volume (TPV) in the Banking as a Service segment reached R\$3.3 billion in 3Q22, growing 10.2% during the period.

ANNEX VIII  
LUIZACRED

| Income Statement in IFRS

LUIZACRED – Income (R\$ million)	3Q22	V.A.	3Q21	V.A.	% Chg	9M22	V.A.	9M21	V.A.	% Chg
Financial Intermediation Revenue	684.6	100.0%	403.5	100.0%	69.6%	1,899.9	100.0%	1,116.6	100.0%	70.1%
Financial Intermediation Expenses	(782.6)	-114.3%	(244.0)	-60.5%	220.7%	(2,159.1)	-113.6%	(830.6)	-74.4%	160.0%
Market Funding Operations	(192.2)	-28.1%	(51.3)	-12.7%	274.7%	(450.0)	-23.7%	(104.3)	-9.3%	331.6%
Provision for Loan Losses	(590.4)	-86.2%	(192.7)	-47.8%	206.4%	(1,709.1)	-90.0%	(726.3)	-65.0%	135.3%
<b>Gross Financial Intermediation Income</b>	<b>(98.1)</b>	<b>-14.3%</b>	<b>159.5</b>	<b>39.5%</b>	<b>-</b>	<b>(259.2)</b>	<b>-13.6%</b>	<b>286.1</b>	<b>25.6%</b>	<b>-</b>
Service Revenue	362.3	52.9%	302.3	74.9%	19.8%	1,055.9	55.6%	828.4	74.2%	27.4%
Other Operating Revenues (Expenses)	(320.2)	-46.8%	(298.2)	-73.9%	7.4%	(944.3)	-49.7%	(827.4)	-74.1%	14.1%
Personnel Expenses	(4.1)	-0.6%	(3.4)	-0.8%	20.0%	(18.4)	-1.0%	(9.8)	-0.9%	87.2%
Other Administrative Expenses	(219.4)	-32.0%	(219.0)	-54.3%	0.1%	(647.6)	-34.1%	(626.2)	-56.1%	3.4%
Depreciation and Amortization	(3.0)	-0.4%	(3.0)	-0.7%	-0.3%	(9.0)	-0.5%	(8.9)	-0.8%	0.4%
Tax Expenses	(55.3)	-8.1%	(41.1)	-10.2%	34.5%	(160.7)	-8.5%	(114.6)	-10.3%	40.2%
Other Operating Revenues (Expenses)	(38.5)	-5.6%	(31.7)	-7.9%	21.4%	(108.6)	-5.7%	(67.8)	-6.1%	60.2%
<b>Income Before Tax</b>	<b>(55.9)</b>	<b>-8.2%</b>	<b>163.6</b>	<b>40.5%</b>	<b>-</b>	<b>(147.6)</b>	<b>-7.8%</b>	<b>287.2</b>	<b>25.7%</b>	<b>-</b>
Income Tax and Social Contribution	25.4	3.7%	(80.0)	-19.8%	-	61.6	3.2%	(119.7)	-10.7%	-
<b>Net Income</b>	<b>(30.5)</b>	<b>-4.5%</b>	<b>83.6</b>	<b>20.7%</b>	<b>-</b>	<b>(86.0)</b>	<b>-4.5%</b>	<b>167.5</b>	<b>15.0%</b>	<b>-</b>

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

LUIZACRED – Income (R\$ million)	3Q22	V.A.	3Q21	V.A.	% Chg	9M22	V.A.	9M21	V.A.	% Chg
Financial Intermediation Revenue	684.6	100.0%	403.5	100.0%	69.7%	1,900.0	100.0%	1,116.6	100.0%	70.2%
Financial Intermediation Expenses	(848.9)	-124.0%	(304.5)	-75.5%	178.8%	(2,123.1)	-111.7%	(695.2)	-62.3%	205.4%
Market Funding Operations	(192.2)	-28.1%	(51.3)	-12.7%	274.7%	(450.0)	-23.7%	(104.3)	-9.3%	331.6%
Provision for Loan Losses	(656.7)	-95.9%	(253.2)	-62.7%	159.4%	(1,673.2)	-88.1%	(590.9)	-52.9%	183.1%
<b>Gross Financial Intermediation Income</b>	<b>(164.3)</b>	<b>-24.0%</b>	<b>99.1</b>	<b>24.5%</b>	<b>-</b>	<b>(223.1)</b>	<b>-11.7%</b>	<b>421.4</b>	<b>37.7%</b>	<b>-</b>
Service Revenue	362.3	52.9%	302.3	74.9%	19.8%	1,055.9	55.6%	828.4	74.2%	27.4%
Other Operating Revenues (Expenses)	(320.2)	-46.8%	(298.2)	-73.9%	7.4%	(944.3)	-49.7%	(827.4)	-74.1%	14.1%
Personnel Expenses	(4.1)	-0.6%	(3.4)	-0.8%	20.0%	(18.4)	-1.0%	(9.8)	-0.9%	87.2%
Other Administrative Expenses	(219.4)	-32.0%	(219.0)	-54.3%	0.1%	(647.6)	-34.1%	(626.2)	-56.1%	3.4%
Depreciation and Amortization	(3.0)	-0.4%	(3.0)	-0.7%	-0.3%	(9.0)	-0.5%	(8.9)	-0.8%	0.4%
Tax Expenses	(55.3)	-8.1%	(41.1)	-10.2%	34.5%	(160.7)	-8.5%	(114.6)	-10.3%	40.2%
Other Operating Revenues (Expenses)	(38.5)	-5.6%	(31.7)	-7.9%	21.4%	(108.6)	-5.7%	(67.8)	-6.1%	60.2%
<b>Income Before Tax</b>	<b>(122.2)</b>	<b>-17.8%</b>	<b>103.2</b>	<b>25.6%</b>	<b>-</b>	<b>(111.6)</b>	<b>-5.9%</b>	<b>422.5</b>	<b>37.8%</b>	<b>-</b>
Income Tax and Social Contribution	52.0	7.6%	(55.8)	-13.8%	-	47.2	2.5%	(173.8)	-15.6%	-
<b>Net Income</b>	<b>(70.2)</b>	<b>-10.3%</b>	<b>47.4</b>	<b>11.7%</b>	<b>-</b>	<b>(64.4)</b>	<b>-3.4%</b>	<b>248.7</b>	<b>22.3%</b>	<b>-</b>



## | Revenue from Financial Intermediation

In 3Q22, revenues from financial intermediation were R\$684.6 million, up a significant 69.6% compared to 3Q21. The increase was driven by growth in the sales and card base.

## | Provision for Loan Losses

The portfolio of loans overdue from 15 to 90 days (NPL 15) accounted for only 3.4% of the total portfolio in Sept/22, an increase of 130 bps. compared to Sept/21. The percentage of the portfolio overdue for more than 90 days (NPL 90) reached 9.2% in September 2022, an increase of 570 bps. compared to Sept/21. This variation is related to the growth of the customer base (new customers) and due to the normalization of the non-performing loan indicators, which were artificially reduced by government aid payments during the pandemic. Luizacred's conservative credit policy and the collection efforts carried out by the stores and collection centers were fundamental in minimizing the impact of recent macroeconomic conditions on the portfolio.

Provisions for bad debt expenses, net of recovery, represented 2.9% of the total portfolio in 3Q22. The overdue portfolio coverage ratio was 148% in September 2022. It is worth noting that the amount of provisions remained at very high levels, significantly higher than in Sept/21 and Jun/22.

PORTFOLIO - OVERDUE	Sep-22		Jun-22		Mar-22		Dec-21		Sep-21	
000 to 014 days	17,534	87.3%	17,770	89.3%	16,816	90.2%	16,043	91.9%	14,081	93.0%
015 to 030 days	136	0.7%	115	0.6%	140	0.8%	103	0.6%	75	0.5%
031 to 060 days	229	1.1%	192	1.0%	196	1.1%	143	0.8%	108	0.7%
061 to 090 days	327	1.6%	291	1.5%	253	1.4%	196	1.1%	135	0.9%
091 to 120 days	299	1.5%	242	1.2%	211	1.1%	185	1.1%	130	0.9%
121 to 150 days	254	1.3%	257	1.3%	195	1.0%	148	0.9%	112	0.7%
151 to 180 days	249	1.2%	212	1.1%	170	0.9%	119	0.7%	108	0.7%
180 to 360 days	1,048	5.2%	820	4.1%	658	3.5%	524	3.0%	397	2.6%
<b>Portfolio (R\$ million)</b>	<b>20,076</b>	<b>100.0%</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>
Receipt expectation of loan portfolio overdue above 360 days	215		203		195		187		189	
<b>Total Portfolio in IFRS 9 (R\$ million)</b>	<b>20,291</b>		<b>20,102</b>		<b>18,834</b>		<b>17,649</b>		<b>15,334</b>	
Overdue 15-90 days	691	3.4%	598	3.0%	589	3.2%	442	2.5%	318	2.1%
Overdue Above 90 days	1,851	9.2%	1,532	7.7%	1,235	6.6%	977	5.6%	747	4.9%
<b>Total Overdue</b>	<b>2,542</b>	<b>12.7%</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>
Provisions for loan losses on Portfolio	2,406	12.0%	2,076	10.4%	1,766	9.5%	1,453	8.3%	1,078	7.1%
Provisions for loan losses on available limit	329	1.6%	373	1.9%	368	2.0%	333	1.9%	398	2.6%
<b>Total Provisions for loan losses in IFRS 9</b>	<b>2,735</b>	<b>13.6%</b>	<b>2,449</b>	<b>12.3%</b>	<b>2,135</b>	<b>11.5%</b>	<b>1,786</b>	<b>10.2%</b>	<b>1,477</b>	<b>9.8%</b>
Coverage of Portfolio (%)	130%		136%		143%		149%		144%	
Coverage of Total Portfolio (%)	148%		160%		173%		183%		198%	

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\$98.1 million in 3Q22, driven in large part by conservative provisioning due to the strong growth of the portfolio and by the increase in interest rates.

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

Service revenues grew 19.8% in 3Q22, reaching R\$362.3 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\$320.2 million, growing by only 7.4%.

## | Operating Income and Net Income

In 3Q22, Luizacred recorded a net loss of R\$30.5 million under IFRS. Using the accounting practices established by the Brazilian Central Bank, the net loss was R\$70.2 million during the period.

## | Shareholders' Equity

In compliance with the same practices, Luizacred posted shareholders' equity of R\$1.1 billion in September 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\$767.0 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	
	3Q22	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>	1.430	1.560	1.680
<b>Total Storage Area</b>	1.300	1.630	2.000

## CONFERENCE CALL DETAILS

Conference Call in Portuguese with simultaneous translation to English

Friday, Nov 11th, 2022

11:00 – Brasilia time

09:00 – New York time (EST)

## Conference Call Access

Twitter:

@ri\_magalu

## Investor Relations

**Roberto Bellissimo**  
CFO and IR Director

**Simon Olson**  
Director IR and  
New Business

**Vanessa Rossini**  
IR Manager

**Lucas Ozorio**  
IR Coordinator

**Natassia Lima**  
IR Analyst

**Tiemi Akiyama**  
IR Analyst

Tel: +55 11 3504-2727

[ri@magazineluiza.com.br](mailto:ri@magazineluiza.com.br)

## 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 1,430 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 around 2,000 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 73% 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.