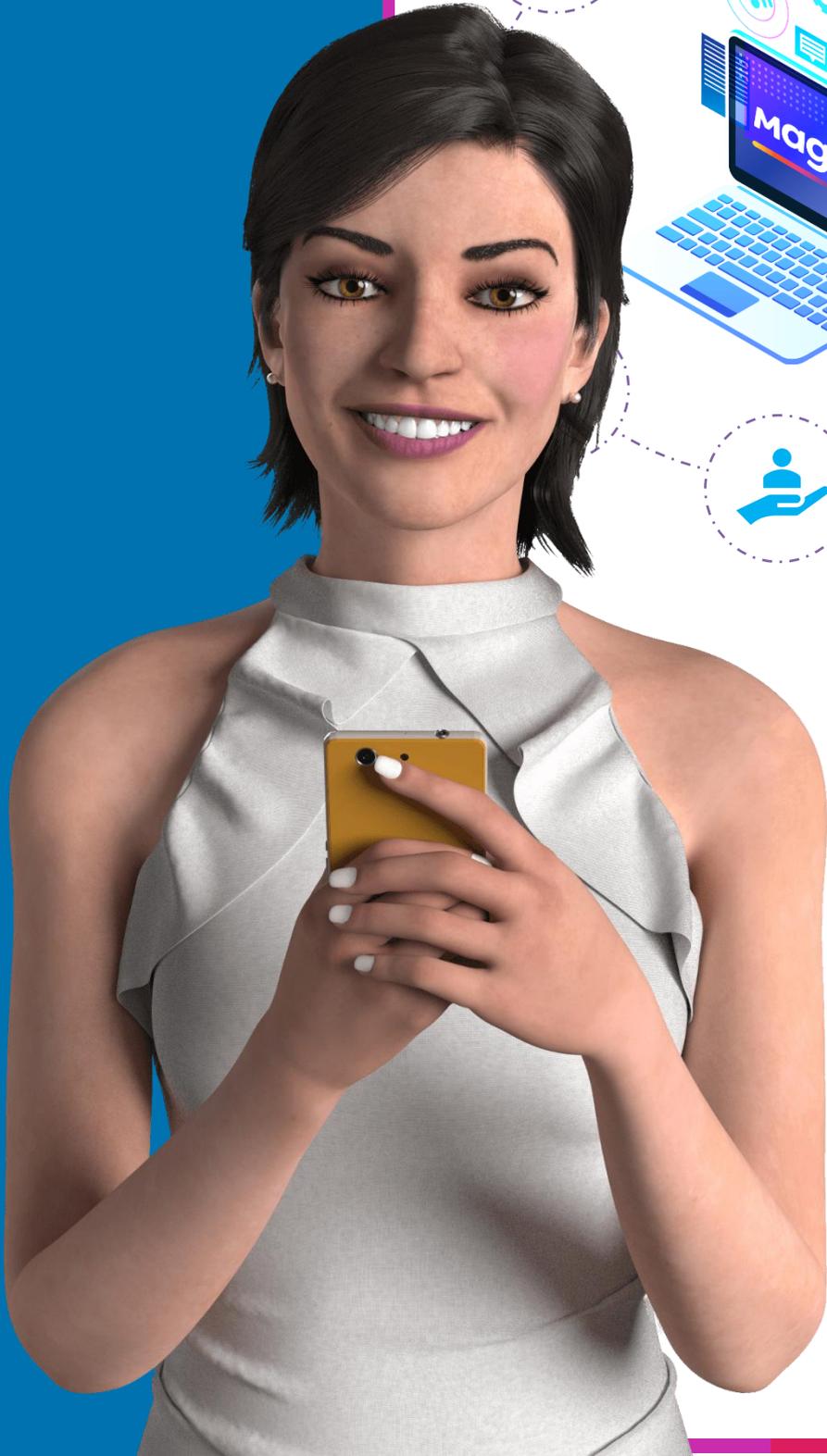


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Quarterly Information (ITR)

September 30, 2023



Magazine Luiza S.A. and Subsidiaries

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A free translation from Portuguese into English of Independent Auditor's Review Report on quarterly information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR)

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

To the Shareholders, Board of Directors and Officers of
Magazine Luiza S.A.
Franca - SP

Introduction

We have reviewed the individual and consolidated interim financial information of Magazine Luiza S.A. ("Company") contained in the Quarterly Information Form (ITR) for the quarter ended September 30, 2023, which comprises the statement of financial position as at September 30, 2023 and the related statements of profit or loss and of comprehensive income for the three- and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including explanatory information.

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

Scope of review

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

Basis for qualified conclusion

As mentioned in Note 34 to the financial statements for the year ended December 31, 2022, the Company management has adopted certain internal investigative actions for the purpose of determining and providing clarifications on anonymous reporting on March 6, 2023 of alleged business activities conducted in disagreement with the Company's Code of Conduct and Ethics. Based on the results of the internal investigations, the Company management identified, throughout the period ended September 30, 2023, errors in accounting for transactions related to commercial agreements with certain suppliers. As disclosed in Note 2.2 to the Quarterly Information as of September 30, 2023, the Company management determined that the correction of such errors resulted in the restatement of the opening balances as of January 1, 2022, which were examined by other independent auditors and, consequently, of the individual and consolidated statements of financial position as of December 31, 2022, statements of profit or loss and of comprehensive income for the three- and nine-month periods ended September 30, 2022, and statements of changes in equity and of cash flows for the nine-month period then ended, presented for comparison purposes, which were audited and reviewed by us, respectively.

As a result of this matter, it will be necessary to carry out certain additional and extensive audit procedures to conclude on the fairness of the amounts resulting from the correction of errors recorded by the Company and the sufficiency of the disclosures referring to September 30 and December 31, 2022, which were not performed by us, as well as on the opening balances as of January 1, 2022, to be conducted under the responsibility of other independent auditors, which have also not been performed to date.

Qualified conclusion on the individual and consolidated interim financial information

Based on our review, except for the potential effects from the matter described in the previous paragraph, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information, included in the quarterly information, was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the standards issued by the Brazilian Securities Commission (CVM).

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 2023, prepared under the responsibility of the Company's executive board, and presented as supplementary information for IAS 34 purposes. These statements were subject to review procedures conducted jointly with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 – Statement of Value Added. Based on our review, except for the possible effects on the value added as a result of the matter described in the Basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, according to this standard and consistently with the individual and consolidated interim financial information taken as a whole.

São Paulo, November 13, 2023.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC-SP-034519/O

Alexandre Rubio
Accountant CRC- SP-223361/O

Magazine Luiza S.A.

Statements of financial position at September 30, 2023 and December 31, 2022 (In thousands of reais - R\$)

	Note	Individual		Consolidated	
		09/30/2023	12/31/2022 <i>Restated</i>	09/30/2023	12/31/2022 <i>Restated</i>
Assets					
Current assets					
Cash and cash equivalents	5	1,303,189	808,764	2,804,023	2,420,045
Marketable securities	6	298,794	304,298	480,829	304,298
Accounts receivable	7	3,224,420	4,444,307	4,838,903	6,617,518
Inventories	8	6,712,780	6,608,969	7,899,395	7,790,069
Accounts receivable from related parties	9	1,796,325	3,305,722	1,306,402	2,576,572
Taxes recoverable	10	1,286,744	1,376,204	1,513,230	1,564,188
Income and social contribution taxes recoverable	11	135,112	258,838	230,140	314,457
Other current assets		141,324	70,436	402,904	208,237
Total current assets		14,898,688	17,177,538	19,475,826	21,795,384
Noncurrent assets					
Accounts receivable	7	38,550	17,156	38,550	17,156
Taxes recoverable	10	2,814,991	2,037,328	2,876,731	2,123,865
Deferred income and social contribution taxes	11	2,503,580	2,100,957	2,650,129	2,161,389
Judicial deposits	23	1,317,863	1,234,720	1,758,271	1,650,223
Other noncurrent assets		111,199	106,615	120,526	116,786
Long-term receivables		6,786,183	5,496,776	7,444,207	6,069,419
Investments in subsidiaries	12	4,484,338	4,379,731	-	-
Investments in jointly-controlled entities	13	264,046	338,833	264,046	338,833
Right of use - lease	14	3,345,211	3,473,159	3,380,887	3,511,497
Property and equipment	15	1,668,890	1,769,292	1,872,301	1,955,479
Intangible assets	16	1,010,145	896,749	4,481,693	4,427,510
Total noncurrent assets		17,558,813	16,354,540	17,443,134	16,302,738
Total assets		32,457,501	33,532,078	36,918,960	38,098,122

See accompanying notes.

Magazine Luiza S.A.

Statements of financial position at September 30, 2023 and December 31, 2022 (In thousands of reais - R\$)

	Note	Individual		Consolidated	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
			<i>Restated</i>		<i>Restated</i>
Liabilities and equity					
Current liabilities					
Trade accounts payable	17	5,609,869	5,858,967	6,476,438	6,995,414
Trade accounts payable - agreement	18	2,786,035	3,756,776	2,830,447	3,802,237
Partners and other deposits	19	-	-	1,533,678	1,552,643
Loans and financing	20	2,990,161	92,607	3,002,748	124,297
Salaries, vacation pay and social charges		247,712	242,906	449,147	420,496
Taxes payable		169,809	141,811	280,385	224,889
Accounts payable to related parties	9	236,267	256,707	209,286	152,511
Lease	14	446,361	604,140	455,993	619,788
Deferred revenue	21	122,407	52,009	146,296	76,908
Other current liabilities	22	1,200,182	1,621,391	1,741,920	2,118,136
Total current liabilities		13,808,803	12,627,314	17,126,338	16,087,319
Noncurrent liabilities					
Loans and financing	20	4,000,280	6,584,571	4,400,568	6,984,460
Taxes payable		4,614	4,614	7,836	7,836
Lease	14	3,112,947	3,047,523	3,143,591	3,073,728
Deferred income and social contribution taxes	11	-	-	135,107	108,822
Provision for tax, civil, and labor contingencies	23	889,927	814,836	1,289,924	1,193,765
Deferred revenue	21	969,664	238,354	1,139,352	423,464
Other noncurrent liabilities	22	138,612	488,282	143,590	492,144
Total noncurrent liabilities		9,116,044	11,178,180	10,259,968	12,284,219
Total liabilities		22,924,847	23,805,494	27,386,306	28,371,538
Equity					
Capital	24	12,352,498	12,352,498	12,352,498	12,352,498
Capital reserve		(2,069,418)	(1,896,383)	(2,069,418)	(1,896,383)
Treasury shares		(1,001,582)	(1,245,809)	(1,001,582)	(1,245,809)
Legal reserve		137,442	137,442	137,442	137,442
Income reserve		376,824	376,824	376,824	376,824
Equity adjustments		6,073	2,012	6,073	2,012
Loss for the period		(269,183)	-	(269,183)	-
Total equity		9,532,654	9,726,584	9,532,654	9,726,584
Total liabilities and equity		32,457,501	33,532,078	36,918,960	38,098,122

See accompanying notes.

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Statements of profit or loss Nine- and three-month periods ended September 30, 2023 and 2022 (In thousands of reais - R\$)

	Note	Nine-month period ended:				Three-month period ended:			
		Individual		Consolidated		Individual		Consolidated	
		09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
			<i>Restated</i>		<i>Restated</i>		<i>Restated</i>		<i>Restated</i>
Net sales revenue	25	21,551,977	20,984,030	26,218,408	26,131,584	6,972,257	6,967,633	8,578,818	8,807,019
Cost of goods resold and services rendered	26	(15,632,700)	(15,770,168)	(18,520,824)	(19,098,549)	(4,976,083)	(5,179,801)	(5,969,408)	(6,388,867)
Gross profit		5,919,277	5,213,862	7,697,584	7,033,035	1,996,174	1,787,832	2,609,410	2,418,152
Operating income (expenses)									
Selling expenses	27	(3,946,313)	(3,830,110)	(4,966,026)	(4,707,205)	(1,375,656)	(1,216,351)	(1,724,566)	(1,548,232)
General and administrative expenses	27	(686,567)	(644,570)	(993,108)	(1,024,416)	(250,045)	(207,175)	(358,893)	(334,342)
Losses on doubtful accounts		(267,766)	(191,839)	(281,496)	(178,924)	(84,389)	(73,807)	(77,469)	(58,772)
Depreciation and amortization	14/15/16	(752,064)	(642,766)	(937,275)	(809,159)	(248,385)	(217,851)	(309,674)	(273,314)
Equity pickup	12/13	8,018	187,422	(28,353)	(25,944)	34,250	75,095	5,558	(10,403)
Other operating income, net	27/28	362,502	(108,924)	290,504	(109,716)	519,342	(11,523)	516,823	(6,870)
		(5,282,190)	(5,230,787)	(6,915,754)	(6,855,364)	(1,404,883)	(1,651,612)	(1,948,221)	(2,231,933)
Operating income before finance income (costs)		637,087	(16,925)	781,830	177,671	591,291	136,220	661,189	186,219
Finance income		567,199	425,550	709,614	542,324	312,709	116,122	345,165	182,062
Finance costs		(1,876,091)	(1,722,124)	(2,174,673)	(2,014,557)	(578,575)	(629,102)	(645,769)	(738,347)
Finance income (costs)	29	(1,308,892)	(1,296,574)	(1,465,059)	(1,472,233)	(265,866)	(512,980)	(300,604)	(556,285)
Operating income (loss) before income and social contribution taxes		(671,805)	(1,313,499)	(683,229)	(1,294,562)	325,425	(376,760)	360,585	(370,066)
Current and deferred income and social contribution taxes	11	402,622	648,368	414,046	629,431	5,804	185,895	(29,356)	179,201
Net income (loss) for the period		(269,183)	(665,131)	(269,183)	(665,131)	331,229	(190,865)	331,229	(190,865)
Income (loss) attributable to:									
Controlling shareholders		(269,183)	(665,131)	(269,183)	(665,131)	331,229	(190,865)	331,229	(190,865)
Earnings (loss) per share									
Basic (reais per share)	24	(0.040)	(0.100)	(0.040)	(0.100)	0.050	(0.029)	0.050	(0.029)
Diluted (reais per share)	24	(0.040)	(0.100)	(0.040)	(0.100)	0.049	(0.029)	0.049	(0.029)

See accompanying notes.

Magazine Luiza S.A.

Statements of comprehensive income Nine- and three-month periods ended September 30, 2023 and 2022 (In thousands of reais - R\$)

	Nine-month period		Quarter	
	Individual and Consolidated 09/30/2023	Individual and Consolidated 09/30/2022 <i>Restated</i>	Individual and Consolidated 09/30/2023	Individual and Consolidated 09/30/2022 <i>Restated</i>
Income (loss) for the period	(269,183)	(665,131)	331,229	(190,865)
Items that may be subsequently reclassified to profit or loss:				
Investments valued under the equity method - share in other comprehensive income (OCI)	(6,153)	2,188	(661)	4,108
Tax effects	2,092	(744)	225	(1,397)
Total items that may be subsequently reclassified to profit or loss	(4,061)	1,444	(436)	2,711
Total comprehensive income (loss) for the period, net of taxes	(273,244)	(663,687)	330,793	(188,154)
Attributable to:				
Controlling shareholders	(273,244)	(663,687)	330,793	(188,154)

See accompanying notes.

Magazine Luiza S.A.

Statements of changes in equity Nine- and three-month periods ended September 30, 2023 and 2022 (In thousands of reais - R\$)

Note	Capital	Capital reserve	Treasury shares	Legal reserve	Income reserve				Loss for the period	Equity adjustments	Total
					Reserve for working capital increase	Additional dividends proposed	Tax incentive reserve	Accumulated losses			
Balances at January 1, 2022	12,352,498	(1,637,055)	(1,449,159)	137,442	582,635	58,749	1,215,281	-	-	840	11,261,231
Correction of error in previous periods	-	-	-	-	-	-	-	(696,484)	-	-	(696,484)
Balances at January 1, 2022 - adjusted	12,352,498	(1,637,055)	(1,449,159)	137,442	582,635	58,749	1,215,281	(696,484)	-	840	10,564,747
Stock option plan	24	-	80,854	-	-	-	-	-	-	-	80,854
Treasury shares sold or delivered in stock option plans and business combinations	24	-	(196,008)	184,081	-	-	-	-	-	-	(11,927)
Reclassification of consideration due to acquisition		-	(4,501)	-	-	-	-	-	-	-	(4,501)
Additional dividends proposed	24	-	-	-	-	(58,749)	-	-	-	-	(58,749)
Loss for the period	24	-	-	-	-	-	-	-	(665,131)	-	(665,131)
		-	(119,655)	184,081	-	(58,749)	-	-	(665,131)	-	(659,454)
Other comprehensive income:											
Equity adjustments		-	-	-	-	-	-	-	-	1,444	1,444
Balances at September 30, 2022 - restated	12,352,498	(1,756,710)	(1,265,078)	137,442	582,635	-	1,215,281	(696,484)	(665,131)	2,284	9,906,737
Balances at December 31, 2022 - restated	12,352,498	(1,896,383)	(1,245,809)	137,442	83,660	-	1,215,281	(922,117)	-	2,012	9,726,584
Stock option plan	24	-	76,676	-	-	-	-	-	-	-	76,676
Treasury shares disposed of		-	(249,711)	244,227	-	-	-	-	-	-	(5,484)
Loss for the period	24	-	-	-	-	-	-	-	(269,183)	-	(269,183)
		-	(173,035)	244,227	-	-	-	-	(269,183)	-	(197,991)
Other comprehensive income:											
Equity adjustments		-	-	-	-	-	-	-	-	4,061	4,061
Balances at September 30, 2023	12,352,498	(2,069,418)	(1,001,582)	137,442	83,660	-	1,215,281	(922,117)	(269,183)	6,073	9,532,654

See accompanying notes.

Magazine Luiza S.A.

Statements of cash flows

Nine- and three-month periods ended September 30, 2023 and 2022

(In thousands of reais - R\$)

Note	Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Cash flows from operating activities				
Loss for the period	(269,183)	Restated (665,131)	(269,183)	Restated (665,131)
Adjustments to reconcile loss for the period to cash from operating activities:				
Income and social contribution taxes recognized in P&L	11	(402,622)	(648,368)	(414,046)
Depreciation and amortization	14 15 16	752,064	642,766	937,275
Accrued interest on loans, financing and lease	14 20	941,911	829,682	988,794
Gain (loss) on marketable securities		(19,039)	(30,110)	(22,627)
Equity pickup	12 13	(8,018)	(187,422)	28,353
Changes in the provision for losses on assets		425,731	351,324	438,535
Provision for tax, civil, and labor contingencies	23	107,544	68,634	129,729
Gain on disposal of property and equipment	28	1,224	462	9,090
Appropriation of deferred revenue	28	(58,396)	(49,493)	(75,573)
Stock option plan expenses		60,084	58,692	78,297
Adjusted net income for the period		1,531,300	371,036	1,828,644
				815,361
(Increase) decrease in operating assets:				
Accounts receivable		798,474	31,777	1,355,814
Marketable securities		24,543	1,292,436	(153,904)
Inventories		(129,523)	543,336	(146,454)
Accounts receivable from related parties		1,503,067	1,029,654	1,253,736
Taxes recoverable		(564,477)	(639,159)	(617,591)
Judicial deposits		(83,143)	(176,361)	(108,048)
Other assets		(75,472)	(136,459)	(198,407)
Changes in operating assets		1,473,469	1,945,224	1,385,146
				1,773,883
Increase (decrease) in operating liabilities:				
Trade accounts payable		(249,098)	(666,734)	(518,976)
Partners and other deposits		-	-	(18,965)
Salaries, vacation pay and social charges		4,806	4,546	28,651
Taxes payable		12,557	(47,039)	20,346
Accounts payable to related parties		(20,440)	21,060	56,775
Other accounts payable		(285,522)	30,618	(223,236)
Changes in operating liabilities		(537,697)	(657,549)	(655,405)
				(849,613)
Income and social contribution taxes paid		-	-	(27,746)
Dividends received		167,011	70,220	67,191
Cash flows from operating activities		2,634,083	1,728,931	2,597,830
				1,761,045
Cash flows from investing activities				
Acquisition of property and equipment	14 15	(75,489)	(184,127)	(124,814)
Acquisition of intangible assets	16	(262,868)	(221,387)	(343,116)
Capital increase at subsidiary	12	(159,206)	(85,566)	-
Payment for acquisition of subsidiary		(507,901)	(526,908)	(524,663)
Sale of exclusivity agreement and right of operation		850,000	-	850,000
Cash flows used in investing activities		(155,464)	(1,017,988)	(142,593)
				(1,090,468)
Cash flows from financing activities				
Loans and financing raised		-	-	-
Repayment of loans and financing	20	-	(6,062)	(4,583)
Payment of interest on loans and financing	20	(404,801)	(306,124)	(462,142)
Payment of lease	14	(368,064)	(312,784)	(388,493)
Payment of interest on lease	14	(240,588)	(216,421)	(244,251)
Decrease in trade accounts payable - agreement		(970,741)	(453,946)	(971,790)
Dividends paid		-	(99,966)	-
Cash flows used in financing activities		(1,984,194)	(1,395,303)	(2,071,259)
				(1,424,585)
Increase (decrease) in cash and cash equivalents		494,425	(684,360)	383,978
				(754,008)
Cash and cash equivalents at beginning of period		808,764	1,458,754	2,420,045
Cash and cash equivalents at end of the period		1,303,189	774,394	2,804,023
Increase (decrease) in cash and cash equivalents		494,425	(684,360)	383,978
				(754,008)

See accompanying notes.

Magazine Luiza S.A.

Statements of value added Nine- and three-month periods ended September 30, 2023 and 2022 (In thousands of reais - R\$)

	Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Revenues		<i>Restated</i>		<i>Restated</i>
Sales of goods, products and services	25,634,568	24,467,936	31,748,158	30,723,685
Allowance for doubtful accounts, net of reversals	(267,766)	(191,839)	(281,496)	(178,924)
Other operating income	587,339	53,729	582,965	75,113
	25,954,141	24,329,826	32,049,627	30,619,874
Bought-in inputs				
Cost of goods resold and services rendered	(16,886,493)	(16,704,305)	(19,766,740)	(19,968,830)
Materials, energy, third-party services and other expenses	(3,324,607)	(3,116,870)	(4,136,967)	(3,996,008)
Loss/recovery of receivables	(21,533)	(60,120)	(58,230)	(65,470)
	(20,232,633)	(19,881,295)	(23,961,937)	(24,030,308)
Gross value added	5,721,508	4,448,531	8,087,690	6,589,566
Depreciation and amortization	(752,064)	(642,766)	(937,275)	(809,159)
Net value added produced by the Company	4,969,444	3,805,765	7,150,415	5,780,407
Value added received in transfer				
Equity pickup	8,018	187,422	(28,353)	(25,944)
Finance income	567,199	425,550	709,614	542,324
Total value added to be distributed	5,544,661	4,418,737	7,831,676	6,296,787
Distribution of value added				
Personnel and charges:				
Salaries	1,191,215	1,216,943	1,743,890	1,729,380
Benefits	227,267	239,583	339,676	319,735
Unemployment Compensation Fund (FGTS)	93,049	101,345	162,762	155,924
	1,511,531	1,557,871	2,246,328	2,205,039
Taxes, charges and contributions:				
Federal	137,832	8,965	795,812	648,966
State	2,203,308	1,708,617	2,715,064	1,933,723
Local	78,356	63,608	122,745	102,636
	2,419,496	1,781,190	3,633,621	2,685,325
Debt remuneration:				
Interest	1,748,675	1,631,632	1,978,552	1,907,993
Rent	44,297	58,254	52,700	68,925
Other	89,845	54,921	189,658	94,636
	1,882,817	1,744,807	2,220,910	2,071,554
Equity remuneration:				
Accumulated losses	(269,183)	(665,131)	(269,183)	(665,131)
	(269,183)	(665,131)	(269,183)	(665,131)
	5,544,661	4,418,737	7,831,676	6,296,787

See accompanying notes.

Notes to quarterly information

1. Operations

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

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

As at September 30, 2023, the Company owned 1,303 stores and 21 distribution centers (1,399 stores and 23 distribution centers as at December 31, 2022) located in all regions in Brazil. The Company also operates on the electronic commerce sites www.magazineluiza.com.br, www.epocacosmeticos.com.br, www.netshoes.com.br, www.zattini.com.br, www.shoestock.com.br, www.kabum.com.br; and related mobile apps, as well as through the *food* delivery apps AiQfome, Tônulucro and Plus Delivery.

On November 13, 2023, the Board of Directors authorized the issue of this quarterly information.

1.1. Merger of Magalu Pagamentos Ltda. and Hub Instituição de Pagamentos S.A.

As part of the Company's strategic plan, on May 31, 2023, the organizational structures of the payment institutions were merged for purposes of streamlining, optimizing the governance of the Magazine Luiza Group, and reducing costs to increase the operational efficiency of the activities that are now carried out through a single payment institution – Hub Instituição de Pagamentos S.A. ("MagaluPay").

2. Presentation and preparation of the quarterly information

2.1. Accounting policies

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

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

The practices, policies and key accounting judgments and sources of uncertainty about estimates adopted in the preparation of the individual and consolidated quarterly information are consistent with those adopted and disclosed in the notes to the financial statements for the year ended December 31, 2022, which were disclosed on March 9, 2023 and should be read together.

The objective of the statement of value added (SVA) is to present information on the wealth created by the Company and its subsidiaries and its distribution over a given period. It is presented as required by the rules issued by the Brazilian Securities and Exchange Commission (CVM), as this statement is not provided for nor mandatory under the International Financial Reporting Standards (IFRS).

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

2.2. Restatement of corresponding comparative amounts

On March 6, 2023, management became aware of an anonymous reporting concerning alleged practices in disagreement with the Company's Code of Conduct and Ethics, specifically with regard to alleged irregularities involving operations with certain distributors and suppliers. According to the anonymous report, the practices involved supplier bonus operations and mentioned three distributors, which accounted for approximately 3.5% of the total purchase value of goods over the course of 2022. Accordingly, the Board of Directors requested that the Audit, Risk and Compliance Committee investigate the reported facts, assisted by independent external experts. The investigation of the facts was completed before the disclosure of this quarterly information, reaching the conclusion that the anonymous report was groundless.

However, during the investigation and review of the processes subject matter of the anonymous reporting, errors related to recognition of the bonuses were identified. The main aspect identified refers to the use of certain Debit Notes, which are documents issued by the Company and signed by suppliers for recognition of bonus revenues, without accurately observing the fulfillment of performance obligations (that, given the dynamism and complexity, these may vary according to the specific characteristics of each negotiation) at a specific moment in time, which would be the appropriate form of recognition of bonus revenue pursuant to CPC 47 – Revenue from Contracts with Customers.

In possession of the information on the inaccuracies identified, management determined changes and improvements in the Company's internal controls, such as:

- Revision of risk matrices, policies, guidelines and internal controls of the commercial negotiation process;
- Adoption of additional segregation of duties processes related to execution of the stages of the bonus negotiation and appropriation process;
- Improvement of the automated system as a primary tool for managing supplier funds and mechanisms that allow monitoring the fulfillment of the performance obligations of each negotiation;
- Revision and improvement of the plan and monthly routine of internal audit on commercial negotiation processes, reporting to the Audit, Risk and Compliance Committee.

In view of the facts described above, management determined the necessary adjustments for the recognition of bonuses in the correct accrual period, observing the fulfillment of performance obligations, and the restatement of the corresponding comparative effects, in accordance with CPC 23 – Accounting Policies, Changes in Accounting Estimates and Errors, in the presentation of this quarterly information. Such adjustments did not result in increase or decrease in the previously presented cash balances, nor in breaches of loan and financing covenants.

The Company presents below the corresponding comparative effects (not audited) for the statement of financial position as of December 31, 2022, the statements of profit or loss and of comprehensive income for the three- and nine-month periods ended September 30, 2022, and the statements of changes in equity, of value added and of cash flows for the nine-month period ended September 30, 2022.

2.2.1 Statement of financial position as of December 31, 2022

	Individual			Consolidated		
	12/31/2022			12/31/2022		
	Published	Adjustments (not audited)	Restated	Published	Adjustments (not audited)	Restated
Assets						
Accounts receivable (a)	4,587,059	(142,752)	4,444,307	6,760,270	(142,752)	6,617,518
Total current assets	17,320,290	(142,752)	17,177,538	21,938,136	(142,752)	21,795,384
Deferred income and social contribution taxes (b)	1,625,928	475,029	2,100,957	1,686,360	475,029	2,161,389
Total noncurrent assets	15,879,511	475,029	16,354,540	15,827,709	475,029	16,302,738
Total assets	33,199,801	332,277	33,532,078	37,765,845	332,277	38,098,122
	Individual			Consolidated		
	12/31/2022			12/31/2022		
	Published	Adjustments (not audited)	Restated	Published	Adjustments (not audited)	Restated
Liabilities and equity						
Trade accounts payable (a)	4,604,573	1,254,394	5,858,967	5,741,020	1,254,394	6,995,414
Total current liabilities	11,372,920	1,254,394	12,627,314	14,832,925	1,254,394	16,087,319
Equity						
Accumulated losses (c)	-	(922,117)	(922,117)	-	(922,117)	(922,117)
Total equity	10,648,701	(922,117)	9,726,584	10,648,701	(922,117)	9,726,584
Total liabilities and equity	33,199,801	332,277	33,532,078	37,765,845	332,277	38,098,122

- (a) Refers to adjustments arising from notes receivable from bonus for which the fulfillment of the performance obligation as of the reporting date was not precisely observed.
(b) Impact of deferred income and social contribution taxes on adjusted notes.
(c) Impact of the above adjustments, net of taxes.

2.2.2 Statements of profit or loss and of comprehensive income for the three- and nine-month periods ended September 30, 2022

	Individual					
	09/30/2022			3Q22		
	Published	Adjustments (not audited)	Restated	Published	Adjustments (not audited)	Restated
Net sales revenue	20,984,030	-	20,984,030	6,967,633	-	6,967,633
Cost of goods resold and services rendered (a)	(15,464,004)	(306,164)	(15,770,168)	(5,143,279)	(36,522)	(5,179,801)
Gross profit	5,520,026	(306,164)	5,213,862	1,824,354	(36,522)	1,787,832
Current and deferred income and social contribution taxes (b)	544,272	104,096	648,368	173,478	12,417	185,895
Loss for the period	(463,063)	(202,068)	(665,131)	(166,760)	(24,105)	(190,865)
Loss attributable to:						
Controlling shareholders	(463,063)	(202,068)	(665,131)	(166,760)	(24,105)	(190,865)
Loss per share						
Basic (reais per share)	(0.069)	(0.030)	(0.100)	(0.025)	(0.004)	(0.029)
Diluted (reais per share)	(0.069)	(0.030)	(0.100)	(0.025)	(0.004)	(0.029)
Comprehensive income (loss) for the period, net of taxes	(461,619)	(202,068)	(663,687)	(164,049)	(24,105)	(188,154)

	Consolidated					
	09/30/2022			3Q22		
	Published	Adjustments (not audited)	Restated	Published	Adjustments (not audited)	Restated
Net sales revenue	26,131,584		26,131,584	8,807,019		8,807,019
Cost of goods resold and services rendered (a)	(18,792,385)	(306,164)	(19,098,549)	(6,352,345)	(36,522)	(6,388,867)
Gross profit	7,339,199	(306,164)	7,033,035	2,454,674	(36,522)	2,418,152
Current and deferred income and social contribution taxes (b)	525,335	104,096	629,431	166,784	12,417	179,201
Loss for the period	(463,063)	(202,068)	(665,131)	(166,760)	(24,105)	(190,865)
Loss attributable to:						
Controlling shareholders	(463,063)	(202,068)	(665,131)	(166,760)	(24,105)	(190,865)
Loss per share						
Basic (reais per share)	(0.069)	(0.030)	(0.100)	(0.025)	(0.004)	(0.029)
Diluted (reais per share)	(0.069)	(0.030)	(0.100)	(0.025)	(0.004)	(0.029)
Comprehensive income (loss) for the period, net of taxes	(461,619)	(202,068)	(663,687)	(461,619)	(24,105)	(485,724)

(a) Refers to adjustments arising from bonus for which the fulfillment of the performance obligation as of the reporting date was not precisely observed.

(b) Impact of deferred income and social contribution taxes on adjusted notes.

2.2.3 Statement of changes in equity for the nine-month period ended September 30, 2022

	Capital	Capital reserve	Treasury shares	Legal reserve	Income reserve				Loss for the period	Equity adjustments	Total
					Reserve for working capital increase	Additional dividends proposed	Tax incentive reserve	Accumulated losses			
Balances at January 1, 2022	12,352,498	(1,637,055)	(1,449,159)	137,442	582,635	58,749	1,215,281	-	-	840	11,261,231
Correction of error in previous periods (not audited)	-	-	-	-	-	-	-	(696,484)	-	-	(696,484)
Balances at January 1, 2022 - adjusted	12,352,498	(1,637,055)	(1,449,159)	137,442	582,635	58,749	1,215,281	(696,484)	-	840	10,564,747
Stock option plan	-	80,854	-	-	-	-	-	-	-	-	80,854
Treasury shares disposed of	-	(196,008)	184,081	-	-	-	-	-	-	-	(11,927)
Reclassification of consideration due to acquisition	-	(4,501)	-	-	-	-	-	-	-	-	(4,501)
Additional dividends proposed	-	-	-	-	-	(58,749)	-	-	-	-	(58,749)
Loss for the period - restated	-	-	-	-	-	-	-	(665,131)	-	-	(665,131)
	-	(119,655)	184,081	-	-	(58,749)	-	(665,131)	-	-	(659,454)
Other comprehensive income:											
Equity adjustments	-	-	-	-	-	-	-	-	-	1,444	1,444
Balances at September 30, 2022 - restated	12,352,498	(1,756,710)	(1,265,078)	137,442	582,635	-	1,215,281	(696,484)	(665,131)	2,284	9,906,737

2.2.4 Statement of value added for the nine-month period ended September 30, 2022

	Individual 09/30/2022			Consolidated 09/30/2022		
	Published	Adjustments (not audited)	Restated	Published	Adjustments (not audited)	Restated
Bought-in inputs (a)	(19,679,227)	(202,068)	(19,881,295)	(23,828,240)	(202,068)	(24,030,308)
Total value added to be distributed	4,620,805	(202,068)	4,418,737	6,498,855	(202,068)	6,296,787
Equity remuneration (a)	(463,063)	(202,068)	(665,131)	(463,063)	(202,068)	(665,131)
Distribution of value added	4,620,805	(202,068)	4,418,737	6,498,855	(202,068)	6,296,787

a) Refers to adjustments arising from bonus for which the fulfillment of the performance obligation as of the reporting date was not precisely observed, net of taxes.

2.2.5 Statement of cash flows for the nine-month period ended September 30, 2022

	Individual			Consolidated		
	09/30/2022			09/30/2022		
	Published/ reclassified (a)	Adjustments (not audited)	Restated	Published/ reclassified (a)	Adjustments (not audited)	Restated
Loss for the period (b)	(463,063)	(202,068)	(665,131)	(463,063)	(202,068)	(665,131)
Income and social contribution taxes recognized in P&L (c)	(544,272)	(104,096)	(648,368)	(525,335)	(104,096)	(629,431)
Adjusted net income for the period	677,200	(306,164)	371,036	1,121,525	(306,164)	815,361
Accounts receivable (d)	148,552	(116,775)	31,777	(48,418)	(116,775)	(165,193)
Trade accounts payable (d)	(1,089,673)	422,939	(666,734)	(1,025,854)	422,939	(602,915)
Cash flows from operating activities	1,728,931	-	1,728,931	1,761,045	-	1,761,045
Decrease in trade accounts payable - agreement	(453,946)	-	(453,946)	(466,322)	-	(466,322)
Cash flows used in financing activities	(1,395,303)	-	(1,395,303)	(1,424,585)	-	(1,424,585)
Decrease in the balance of cash and cash equivalents	(684,360)	-	(684,360)	(754,008)	-	(754,008)

- a) To comply with the guidance published by the CVM in Memorandum Circular No. 01/22 and previous guidance, the Company reclassified the balances related to the supplier agreement transaction in the statement of cash flows for the nine-month period ended September 30, 2022.
- b) Refers to adjustments arising from bonus for which the fulfillment of the performance obligation as of the reporting date was not precisely observed.
- c) Effect of deferred income and social contribution taxes on the adjustment identified above.
- d) Change in adjustments to notes receivable for which the related performance obligations have not been identified.

2.2.6 Additional information on the last current periods presented

In addition to the corresponding comparative information shown above, the Company presents below the adjustments related to the statements of financial position published in the current period:

	Individual			Consolidated		
	06/30/2023			06/30/2023		
	Published	Adjustments (not audited)	Restated	Published	Adjustments (not audited)	Restated
Assets						
Accounts receivable (a)	3,438,946	2,496	3,441,442	5,532,905	2,496	5,535,401
Total current assets	14,806,660	2,496	14,809,156	19,085,538	2,496	19,088,034
Deferred IR/CS (b)	2,070,427	427,349	2,497,776	2,188,890	427,349	2,616,239
Total noncurrent assets	16,578,024	427,349	17,005,373	16,513,339	427,349	16,940,688
Total assets	31,384,684	429,845	31,814,529	35,598,877	429,845	36,028,722
Liabilities and equity						
Trade accounts payable (a)	4,191,627	1,259,406	5,451,033	5,112,678	1,259,406	6,372,084
Total current liabilities	12,143,281	1,259,406	13,402,687	15,252,305	1,259,406	16,511,711
Equity						
Accumulated losses (c)	-	(829,561)	(829,561)	-	(829,561)	(829,561)
Total equity	10,011,498	(829,561)	9,181,937	10,011,498	(829,561)	9,181,937
Total liabilities and equity	31,384,684	429,845	31,814,529	35,598,877	429,845	36,028,722

	Individual			Consolidated		
	03/31/2023			03/31/2023		
	Published	Adjustments (not audited)	Restated	Published	Adjustments (not audited)	Restated
Assets						
Accounts receivable (a)	2,780,959	(169,545)	2,611,414	4,720,362	(169,545)	4,550,817
Total current assets	14,056,788	(169,545)	13,887,243	18,175,897	(169,545)	18,006,352
Deferred income and social contribution taxes (b)	1,834,973	448,710	2,283,683	1,917,143	448,710	2,365,853
Total noncurrent assets	16,020,502	448,710	16,469,212	16,040,671	448,710	16,489,381
Total assets	30,077,290	279,165	30,356,455	34,216,568	279,165	34,495,733
Trade accounts payable (a)	4,064,460	1,150,190	5,214,650	4,823,153	1,150,190	5,973,343
Total current liabilities	9,755,264	1,150,190	10,905,454	12,780,677	1,150,190	13,930,867
Accumulated losses (c)	-	(871,025)	(871,025)	-	(871,025)	(871,025)
Total equity	10,290,687	(871,025)	9,419,662	10,290,687	(871,025)	9,419,662
Total liabilities and equity	30,077,290	279,165	30,356,455	34,216,568	279,165	34,495,733

(a) Refers to adjustments arising from notes receivable from bonus for which the fulfillment of the performance obligation as of the reporting date was not precisely observed.

(b) Impact of deferred income and social contribution taxes on adjusted notes.

(c) Impact of the above adjustments, net of taxes.

3. New accounting standards, amendments and interpretations

The amended standards and interpretations effective for the year beginning January 1, 2023 did not affect this interim financial information. A number of other revised standards and interpretations are underway by the IASB and the Company will assess them in due course.

4. Notes to the financial statements as of December 31, 2022 that are not presented in this quarterly information

The quarterly information is presented in accordance with accounting pronouncements CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), in compliance with the provisions contained in CVM/SNC/SEP Memorandum Circular No. 003/2011 of April 28, 2011. The preparation of this quarterly information involves judgment by the Company's management in connection with the relevance and changes that should be disclosed in the explanatory notes. Accordingly, this quarterly information presents selected explanatory notes and does not include all explanatory notes disclosed in the financial statements for the year ended December 31, 2022. As permitted by Memorandum Circular No. 03/2011, issued by the Brazilian Securities and Exchange Commission (CVM), the following explanatory notes and their references to the financial statements as of December 31, 2022 are not presented:

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

5. Cash and cash equivalents

	Rate	Individual		Consolidated	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash		123,457	95,911	124,425	96,583
Banks		20,596	106,752	43,342	153,431
Short-term deposits	From 88% to 103% of the CDI	1,159,136	606,101	2,586,959	2,132,556
Non-boutique investment funds	From 97% to 100% of the CDI	-	-	49,297	37,475
		1,303,189	808,764	2,804,023	2,420,045

Credit risk and sensitivity analyses are described in Note 31.

6. Marketable securities

	Rate	Individual		Consolidated	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
Non-boutique investment funds	100% to 105% of the CDI	4,719	14,525	4,719	14,525
Credit right investment funds		47,329	44,500	3,615	44,500
Boutique investment funds:	(a)				
Federal government securities		181,129	245,273	406,878	245,273
Repurchase agreements		65,617	-	65,617	-
		298,794	304,298	480,829	304,298

- (a) Refers to boutique fixed income investment funds held with Banco Itaú S.A. and Banco do Brasil S.A. As of September 30, 2023 and December 31, 2022, the portfolio comprised the investments described in the table above, which are linked to securities and financial transactions and referenced to the variation of the Interbank Deposit Certificate (CDI), with the objective of returning to the average yield of 100% of the CDI for the Company.

Credit risk and sensitivity analyses are described in Note 31.

7. Accounts receivable

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Trade accounts receivable:		<i>Restated</i>		<i>Restated</i>
Credit cards (a)	2,206,435	3,430,696	3,618,397	5,383,828
Debit cards (a)	8,384	11,375	8,434	12,041
Direct consumer credit (b)	1,208,517	1,197,994	1,208,517	1,197,994
Customer services (c)	279,659	230,431	286,809	257,661
Other receivables (d)	7,311	15,381	148,411	134,417
Total trade accounts receivable	3,710,306	4,885,877	5,270,568	6,985,941
From commercial agreements (e)	183,273	172,826	242,591	250,025
Allowance for expected credit losses	(339,452)	(266,709)	(344,549)	(270,761)
Present value adjustment	(291,157)	(330,531)	(291,157)	(330,531)
	3,262,970	4,461,463	4,877,453	6,634,674
Current assets	3,224,420	4,444,307	4,838,903	6,617,518
Noncurrent assets	38,550	17,156	38,550	17,156

Days sales outstanding is of 44 and 51 days, individual and consolidated, respectively, as of September 30, 2023 (45 and 51 days, individual and consolidated, respectively, as of December 31, 2022).

- Accounts receivable arising from sales made through credit and debit cards, which the Company receives from the buyers in amounts, terms and number of installments defined at the time the products are sold. The consolidated information includes receivables from buyers transacted through MagaluPay, to be transferred to the partners (sellers) as described in Note 19. As of September 30, 2023, the Company recorded credits assigned to certain buyers and financial institutions amounting to R\$2,825,328 (R\$2,693,143 as of December 31, 2022), individual, and R\$5,735,152 (R\$4,944,607 as of December 31, 2022), consolidated, on which a discount ranging from 104.3% to 109.6% of the CDI is applied. Through assignment of receivables from cards, the Company transfers to the buyers and financial institutions all risks from customer receivables and, thus, settles the amounts receivable related to these credits.
- Refers to receivables from sales financed by the Company and by other financial institutions.
- Refers substantially to sales intermediated by the Company for Luizaseg and Cardif do Brasil Seguros e Garantias S.A. The Company allocates to its partners the extended warranty and other insurance, in full, in the month following the sale, and receives from customers in accordance with the agreed transaction term. Additionally, receivables for marketplace services and other services are allocated to this account.
- Refers mostly to receivables for transportation services of subsidiaries Magalog and GFL Logística to third parties, as well as services rendered and additions to MagaluPay's payment accounts.
- Refers to bonuses to be received from suppliers, arising from the fulfillment of the purchase volume or promotional campaigns, as well as from agreements that define the share of suppliers in disbursements related to advertising and promotion (joint advertising). The balance presented is net of the amount to be offset by matching of accounts with balances payable from the respective suppliers, provided for in a partnership agreement between the parties.

Changes in allowance for expected credit losses are as follows:

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Opening balance	(266,709)	(151,426)	(270,761)	(169,588)
(+) Additions	(400,019)	(344,453)	(401,407)	(342,551)
(-) Write-offs	327,276	229,170	327,619	241,378
Closing balance	(339,452)	(266,709)	(344,549)	(270,761)

The credit risk analysis is detailed in Note 31.

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

	Trade accounts receivable				From commercial agreements			
	Individual		Consolidated		Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Falling due:								
Within 30 days	280,559	255,845	460,357	452,821	36,205	25,775	54,359	51,582
31 to 60 days	260,270	279,652	314,040	348,570	37,787	27,893	52,232	62,323
61 to 90 days	359,220	716,831	443,799	824,887	16,338	58,374	18,169	61,849
91 to 180 days	1,550,531	2,134,903	2,283,007	3,246,201	82,153	20,948	82,153	21,157
181 to 360 days	994,789	1,244,850	1,490,022	1,858,988	-	531	-	614
More than 361 days	59,045	53,802	59,045	53,885	-	-	-	-
	3,504,414	4,685,883	5,050,270	6,785,352	172,483	133,521	206,913	197,525
Overdue:								
Within 30 days	49,771	45,820	64,177	46,415	4,567	20,421	16,184	21,428
31 to 60 days	34,472	36,293	34,472	36,293	1,780	880	5,894	5,562
61 to 90 days	30,139	30,924	30,139	30,924	816	241	8,214	3,742
91 to 180 days	91,510	86,957	91,510	86,957	3,627	17,763	5,386	21,768
	205,892	199,994	220,298	200,589	10,790	39,305	35,678	52,500
	3,710,306	4,885,877	5,270,568	6,985,941	183,273	172,826	242,591	250,025

8. Inventories

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Goods for resale	6,830,127	6,755,508	8,029,497	7,943,173
Consumption materials	24,687	15,929	37,294	31,380
Provision for inventory losses	(142,034)	(162,468)	(167,396)	(184,484)
	6,712,780	6,608,969	7,899,395	7,790,069

As of September 30, 2023, the Company recorded inventories of goods for resale given in guarantee of legal proceedings, under enforcement, in the approximate amount of R\$21,650 (R\$21,834 as of December 31, 2022).

Changes in the provision for inventory losses are shown below:

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Opening balance	(162,468)	(142,526)	(184,484)	(163,556)
Reversal (setup) of provision	(25,712)	(159,015)	(37,128)	(170,107)
Inventories written off or sold	46,146	139,073	54,216	149,179
Closing balance	(142,034)	(162,468)	(167,396)	(184,484)

9. Transactions with related parties

Company	Assets (liabilities)				P&L for the nine-month period				P&L for the quarter			
	Individual		Consolidated		Individual		Consolidated		Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Luizacred (i)												
Commissions for services rendered	1,769	4,255	1,769	4,255	185,115	182,741	185,115	182,741	61,747	59,575	61,747	59,575
Credit card	1,157,416	2,500,360	1,157,416	2,500,360	(285,208)	(258,189)	(285,208)	(258,189)	(79,974)	(77,280)	(79,974)	(77,280)
Transfers of receivables	(58,357)	(69,879)	(58,357)	(69,879)	-	-	-	-	-	-	-	-
Reimbursement of shared expenses	33,175	7,191	33,175	7,191	104,127	103,807	104,127	103,807	29,261	35,280	29,261	35,280
	1,134,003	2,441,927	1,134,003	2,441,927	4,034	28,359	4,034	28,359	11,034	17,575	11,034	17,575
Luizaseg (ii)												
Commissions for services rendered	44,105	57,531	44,105	57,531	373,373	352,051	373,373	352,051	131,625	118,106	131,625	118,106
Dividends receivable	-	8,831	-	8,831	-	-	-	-	-	-	-	-
Transfers of receivables	(74,963)	(80,301)	(74,963)	(80,301)	-	-	-	-	-	-	-	-
	(30,858)	(13,939)	(30,858)	(13,939)	373,373	352,051	373,373	352,051	131,625	118,106	131,625	118,106
Total jointly-controlled entities	1,103,145	2,427,988	1,103,145	2,427,988	377,407	380,410	377,407	380,410	142,659	135,681	142,659	135,681
Netshoes (iii)												
Reimbursement of expenses	35,398	22,352	-	-	-	-	-	-	-	-	-	-
Commissions for services rendered	16	-	-	-	16,582	14,037	-	-	6,181	5,400	-	-
	35,414	22,352	-	-	16,582	14,037	-	-	6,181	5,400	-	-
Época Cosméticos (iv)												
Commissions for services rendered	251	1,614	-	-	3,114	5,119	-	-	974	1,696	-	-
Kabum (v)												
Commissions for services rendered	6,503	3,924	-	-	10,417	10,762	-	-	7,606	826	-	-
Capital decrease	-	21,488	-	-	-	-	-	-	-	-	-	-
	6,503	25,412	-	-	10,417	10,762	-	-	7,606	826	-	-
Consórcio Luiza (vi)												
Commissions for services rendered	2,528	1,378	-	-	12,360	11,458	-	-	3,744	3,867	-	-
Dividends receivable	-	4,633	-	-	-	-	-	-	-	-	-	-
Group of consortia	147	(804)	147	(804)	-	-	-	-	-	-	-	-
	2,675	5,207	147	(804)	12,360	11,458	-	-	3,744	3,867	-	-
Magalog (vii)												
Transfers of receivables	(79,064)	(61,358)	-	-	-	-	-	-	-	-	-	-
Freight	-	-	-	-	(1,317,759)	(1,108,628)	-	-	(455,144)	(386,910)	-	-
	(79,064)	(61,358)	-	-	(1,317,759)	(1,108,628)	-	-	(455,144)	(386,910)	-	-
MagaluPay (viii)												
Transfers of receivables	498,287	644,887	-	-	(219,253)	(76,448)	-	-	(65,941)	(21,686)	-	-
Jovem Nerd (ix)												
Transfers of receivables	(977)	(940)	-	-	(977)	(409)	-	-	(596)	(409)	-	-
Luizalabs (x)												
System development	-	(13,094)	-	-	-	-	-	-	(12)	-	-	-
Total Subsidiaries	463,089	624,080	147	(804)	(1,495,516)	(1,144,109)	-	-	(503,188)	(397,216)	-	-
MTG Participações (xi)												
Rent and other transfers	(2,677)	(2,713)	(2,677)	(2,783)	(57,479)	(31,364)	(57,479)	(31,364)	(20,713)	(11,401)	(20,713)	(11,401)
PJD Agropastoril (xii)												
Rent, freight and other transfers	(56)	(104)	(56)	(104)	(709)	(896)	(709)	(896)	(221)	(284)	(221)	(284)
LH Participações (xiii)												
Rent	(216)	(201)	(216)	(201)	(1,943)	(1,609)	(1,943)	(1,609)	(648)	(402)	(648)	(402)
ASENOVE Administração (xiv)												
Rent	(15)	-	(15)	-	(132)	-	(132)	-	(45)	-	(45)	-
ETCO – SCP (xv)												
Agency fee	-	-	-	-	(5,858)	(7,098)	(5,858)	(7,098)	(1,723)	(3,109)	(1,723)	(3,109)
Marketing expenses	(3,212)	(35)	(3,212)	(35)	(183,078)	(221,817)	(183,078)	(221,817)	(53,850)	(97,157)	(53,850)	(97,157)
	(3,212)	(35)	(3,212)	(35)	(188,936)	(228,915)	(188,936)	(228,915)	(55,573)	(100,266)	(55,573)	(100,266)
Total other related parties	(6,176)	(3,053)	(6,176)	(3,123)	(249,199)	(262,784)	(249,199)	(262,784)	(77,200)	(112,353)	(77,200)	(112,353)
Total related parties	1,560,058	3,049,015	1,097,116	2,424,061	(1,367,308)	(1,026,483)	128,208	117,626	(437,729)	(373,888)	65,459	23,328

	Assets (liabilities)				P&L for the nine-month period				P&L for the quarter			
	Individual		Consolidated		Individual		Consolidated		Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Boutique investment fund transactions – classified as Marketable securities (xvi)	246,746	245,273	472,495	245,273	20,997	9,800	20,997	9,800	4,340	1,538	4,340	1,538

Reconciliation	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Accounts receivable from related parties	1,796,325	3,305,722	1,306,402	2,576,572
Accounts payable to related parties	(236,267)	(256,707)	(209,286)	(152,511)
	1,560,058	3,049,015	1,097,116	2,424,061

- I. Transactions with Luizacred, jointly-owned entity with Banco Itaúcard S.A., refer to the following activities:
 - (a) Receivables under private label credit cards and finance costs with advance of such receivables;
 - (b) Balance receivable from the sale of products financed to customers by Luizacred, received by the Company;
 - (c) Commissions on services provided monthly by the Company, including attraction of new customers, management and administration of consumer credit transactions, control and collection of financing granted, indication of insurance linked to financial services and products. The amounts payable (current liabilities) refer to the receipt of customer installments at the Company's store cashiers, which are transferred to Luizacred;
- II. The amounts receivable (current assets) and revenues of Luizaseg, jointly-owned entity with NCVF Participações Societárias S.A., a subsidiary of Cardif do Brasil Seguros e Previdência S.A., arise from commissions on services provided monthly by the Company, relating to the sale of extended warranties and proposed dividends. The amounts payable (current liabilities) refer to transfers of extended warranties sold, to Luizaseg, in full, on the month following the sale.
- III. The amounts of Netshoes, a wholly-owned subsidiary, refer to commissions for sales made via the Parent Company's Marketplace platform and reimbursement of shared expenses.
- IV. Transactions with Época Cosméticos, a wholly-owned subsidiary, refer to commissions for sales made via the Parent Company's Marketplace platform.
- V. Transactions with KaBuM, a wholly-owned subsidiary, refer to commissions for sales made via the Parent Company's Marketplace platform. In 2022, the Company approved a capital reduction at the subsidiary KaBuM, in the amount of R\$50 million (Note 12), fully settled during 2023.
- VI. The amounts receivable (current assets) from Consórcio Luiza (LACs), a wholly-owned subsidiary, refer to proposed dividends and commissions for sales made by the Parent Company as an agent for consortium operations. The amounts payable (current liabilities) refer to unrealized transfers to LAC relating to consortia installments received by the Parent Company through cashiers at the points of sale.
- VII. Transactions with Magalog, a wholly-owned subsidiary, refer to freight expenses and transfer of receivables.
- VIII. Transactions with MagaluPay, a wholly-owned subsidiary, refer to commissions receivable for sales made via its platform by Marketplace sellers, as well as fees paid for the use of the sub-acquisition operation offered.
- IX. Transactions with Jovem Nerd, a wholly-owned subsidiary, refer to advertising.
- X. Refers to provision of system development services by the subsidiary Luizalabs Computação e Sistemas de Informação Ltda.
- XI. Transactions with MTG Administração, Assessoria e Participações S.A., controlled by the same controlling shareholders of the Company, refer to expenses with rent of commercial buildings for its stores, as well as distribution centers, and reimbursement of expenses.
- XII. Transactions with PJD Agropastoril Ltda., a company controlled by the Company's indirect controlling shareholders, refer to expenses with truck rentals for shipping of goods.

- XIII. Transactions with LH Agropastoril, Administração Participações Ltda., controlled by the same controlling shareholders of the Company, refer to expenses with rent of commercial buildings and central office.
- XIV. Transactions ASENOVE Administração e Participações Ltda., controlled by a controlling shareholder of the Company, refer to expenses with rent of commercial building.
- XV. Transactions with ETCO Sociedade em Conta de Participação, whose participating partner is a company controlled by the chairman of the Company's Board of Directors, refer to contracts for provision of promotion and advertising services, including transfers related to broadcasting, media production and graphic creation services.
- XVI. Refers to investments, redemptions and income from boutique investment funds (ML Renda Fixa Crédito Privado FI and BB MGL Fundo de Investimento RF Longo Prazo - Note 6 – Marketable securities).

Management compensation

	09/30/2023		09/30/2022	
	Board of Directors	Executive Board	Board of Directors	Executive Board
Fixed and variable compensation	3,014	6,644	3,042	3,759
Stock option plan	4,430	17,015	9,821	11,858

The Company does not offer post-employment benefits, severance pay, or other long-term benefits. Short-term benefits for the statutory board correspond to those granted to the other Company employees, and certain eligible employees are beneficiaries of a share-based incentive plan, as mentioned in Note 24. The Company's internal policy determines the payment of Profit Sharing to its employees. These amounts are accrued on a monthly basis by the Company, according to estimated achievement of goals. Total management compensation was approved at the Annual General Meeting held on April 26, 2023, in which the limit of R\$51,790 was established for 2023.

10. Taxes recoverable

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
ICMS recoverable (a)	2,599,991	2,689,730	2,653,696	2,748,199
PIS and COFINS recoverable (b)	1,498,130	720,188	1,717,154	929,340
Other	3,614	3,614	19,111	10,514
	4,101,735	3,413,532	4,389,961	3,688,053
Current assets	1,286,744	1,376,204	1,513,230	1,564,188
Noncurrent assets	2,814,991	2,037,328	2,876,731	2,123,865

- (a) Refer to accumulated credits of Company State VAT (ICMS) and due to tax substitution, arising from the application of different rates on interstate receiving and shipping operations. These credits are realized by means of request for refund and offset of debts of the same nature with states of origin of the credit.
- (b) In a recent judgment held in 2023, the High Court of Justice (STJ) established its understanding in the sense of the non-levy of Contribution Tax on Gross Revenue for Social Integration Program (PIS) and Contribution Tax on Gross Revenue for Social Security Financing (COFINS) on discounts, bonuses and rebates received by retail companies from their suppliers. Thus, based on judicial precedents and on the legal advisors' opinion, the Company completed the calculations and amendments in the quarter ended September 30, 2023 of the PIS/COFINS accessory obligations for the periods prior to 2022, with a view to excluding the bonuses received from the tax base. As a result, the Company recorded the effects of the reduction of PIS/COFINS debts and the consequent return of the credits overused in the past to the taxes recoverable account, as previously unused credit. The amount recorded as a result of the amendments totaled R\$688,698, of which R\$533,134 refers to principal, recognized as other operating revenues, and R\$155,564 to monetary restatement, accounted for as finance income.

11. Income and social contribution taxes

a) *Income and social contribution taxes recoverable*

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
IRPJ and CSLL recoverable (a)	64,454	218,403	137,743	243,581
Withholding Income Tax (IRRF) recoverable	70,658	40,435	92,397	70,876
	135,112	258,838	230,140	314,457

- (a) Considering the progress of discussions and case laws on the application of Supplementary Law No. 160/2017, the Company, together with its legal and tax advisors, reviewed its application considering ICMS tax incentives and benefits as investment grants, without distinction in relation to their form of granting. As such, previously unused income and social contribution tax credits on net income referring to the period from 2017 to 2020 were recognized based on assessment that a favorable outcome in the event of inquiries is possible tending to probable, according to ICPC 22 – Uncertainties over Income Tax Treatments (equivalent to IFRIC 23). As such, the Company reviewed its tax calculations and recorded the entry against current and deferred income and social contribution taxes in P&L for the period. Tax credits are offset against income and social contribution taxes or other federal taxes.

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

	Nine-month period ended:				Three-month period ended:			
	Individual		Consolidated		Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
	<i>Restated</i>		<i>Restated</i>		<i>Restated</i>		<i>Restated</i>	
Loss before income and social contribution taxes	(671,805)	(1,313,499)	(683,229)	(1,294,562)	325,425	(376,760)	360,585	(370,066)
Current statutory rate	34%	34%	34%	34%	34%	34%	34%	34%
Expected income and social contribution tax credit at current rates	228,414	446,590	232,298	440,151	(110,645)	128,098	(122,599)	125,822
Reconciliation to effective rate (effects of application of tax rates):								
Exclusion - equity pickup	2,726	63,723	(9,640)	(8,821)	11,645	25,532	1,890	(3,537)
Unrecognized deferred IR/CS - Netshoes/Kabum	-	-	29,834	53,235	-	-	11,570	22,078
Effect of government grant (1)	111,771	78,027	118,494	88,044	43,567	25,745	44,582	29,385
Interest of taxes paid in error (2)	66,274	64,812	70,010	64,812	65,139	8,667	68,875	8,667
Other permanent exclusions, net	(6,563)	(4,784)	(26,950)	(7,990)	(3,902)	(2,147)	(33,675)	(3,214)
Income and social contribution tax debit	402,622	648,368	414,046	629,431	5,804	185,895	(29,357)	179,201
Current	-	-	(48,408)	(55,549)	-	-	(18,897)	(13,671)
Deferred	402,622	648,368	462,454	684,980	5,804	185,895	(10,460)	192,872
Total	402,622	648,368	414,046	629,431	5,804	185,895	(29,357)	179,201
Effective rate	59.9%	49.4%	60.6%	48.6%	-1.8%	49.3%	8.1%	48.4%

- (1) As mentioned in item "a" above, the Company, in performing its regular activities, takes advantage of a series of tax benefits granted by the states. Based on the concept brought by Supplementary Law No. 160/2017, these benefits are considered investment grants and, according to CPC 07 – Government grants and assistance, they are recorded in P&L for the year.
- (2) On September 24, 2021, in a decision of the Federal Supreme Court with recognized general repercussion effect, the levy of IRPJ and CSLL on amounts related to the Selic (Central Bank benchmark rate) received due to claim to refund taxes paid in error was declared unconstitutional. The Company has a writ of mandamus, dated before the judgment of the Federal Supreme Court, whose subject matter is precisely the recognition of the illegitimacy of the levy of IRPJ and CSLL on Selic in tax credits. Based on the decision of the STF, the Company permanently excluded these amounts from the tax base, considering that it is likely that the decision will be accepted by the tax authorities, pursuant to ICPC 22 – Uncertainty over Income Tax Treatments (equivalent to IFRIC 23).

Deferred income and social contribution taxes

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

	Individual			Consolidated		
	Balance at 12/31/2022	P&L	Balance at 09/30/2023	Balance at 12/31/2022	P&L	Balance at 09/30/2023
	<i>Restated</i>			<i>Restated</i>		
Deferred income and social contribution taxes on:						
Income and social contribution tax loss	1,508,439	350,075	1,858,515	1,571,139	393,998	1,965,137
Allowance for expected credit losses	90,681	24,733	115,414	90,681	28,703	119,384
Provision for inventory losses	55,239	(6,947)	48,292	55,542	(7,431)	48,111
Provision for present value adjustments	83,998	(8,523)	75,475	83,998	(8,523)	75,475
Provision for tax, civil, and labor contingencies	277,044	25,531	302,575	392,931	20,736	413,667
Provision for stock option plan	127,528	9,826	137,354	127,528	9,826	137,354
Temporary differences on leases	102,967	16,606	119,573	102,967	16,606	119,573
Temporary differences on fair value in acquisitions	(41,679)	-	(41,679)	(258,028)	20,808	(237,220)
Judicial deposits	617	(11)	606	617	(11)	606
Deferred tax credits ¹	(102,149)	-	(102,149)	(131,605)	-	(131,605)
Other provisions	(1,728)	(8,668)	(10,396)	16,798	(12,258)	4,540
Deferred income and social contribution tax assets (liabilities)	2,100,957	402,622	2,503,580	2,052,568	462,454	2,515,022

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

	Individual			Consolidated			
	Balance at 12/31/2021	P&L	Balance at 09/30/2022	Balance at 12/31/2021	P&L	Business combination (1)	Balance at 09/30/2022
	<i>Restated</i>	<i>Restated</i>	<i>Restated</i>	<i>Restated</i>	<i>Restated</i>	<i>Restated</i>	<i>Restated</i>
Deferred income and social contribution taxes on:							
Income and social contribution tax loss	862,617	479,439	1,342,056	906,029	488,000	-	1,394,029
Allowance for expected credit losses	51,485	20,728	72,213	51,485	20,728	-	72,213
Provision for inventory losses	48,459	5,559	54,018	48,762	5,559	-	54,321
Provision for present value adjustments	80,605	(8,517)	72,088	80,605	(8,517)	-	72,088
Provision for tax, civil, and labor contingencies	220,466	42,313	262,779	336,353	42,313	-	378,666
Provision for stock option plan	109,602	5,524	115,126	109,602	5,524	-	115,126
Temporary differences on leases	70,026	21,335	91,361	70,026	21,335	-	91,361
Temporary differences on fair value in acquisitions	(41,679)	-	(41,679)	(294,344)	57,610	(30,268)	(267,002)
Judicial deposits	628	(11)	617	628	(11)	-	617
Deferred tax credits	(169,164)	85,527	(83,637)	(169,164)	55,796	-	(113,368)
Other provisions	(19)	(3,529)	(3,548)	20,024	(3,357)	-	16,667
Deferred income and social contribution tax assets (liabilities)	1,233,026	648,368	1,881,394	1,160,006	684,980	(30,268)	1,814,718

(1) As a result of the completion of the purchase price allocation of the subsidiary KaBuM, within the measurement period allowed by the accounting standard, the Company supplemented deferred IR/CS on the fair value of the identified intangible assets.

Breakdown of deferred income and social contribution taxes by company

	Balance at 12/31/2022	Deferred tax assets	Deferred tax liabilities	Balance at 09/30/2023
	<i>Restated</i>			
Individual	2,100,957	2,503,580	-	2,503,580
Netshoes	2,474	3,135	-	3,135
KaBuM	(98,953)	-	(80,015)	(80,015)
Consórcio Luiza	1,399	20,410	(23,816)	(3,406)
Época Cosméticos	8,283	19,288	-	19,288
Magalog	42,402	73,163	-	73,163
Softbox	5,874	11,340	-	11,340
MagaluPay	(9,869)	19,213	(31,276)	(12,063)
Consolidated	2,052,568	2,650,129	(135,107)	2,515,022

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

12. Investments in subsidiaries

a. Changes in investments in subsidiaries

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

Position at 09/30/2023

Financial information	Netshoes	KaBuM	Época Cosméticos	MagaluPay	Consórcio Luiza	Magalog	Luizalabs
Shares/units of interest	1,514,532,428	1,976,774	34,405,475	2,000,000	6,500	16,726	23,273,616
Interest (%)	100%	100%	100%	100%	100%	100%	100%
Current assets	739,890	1,540,207	173,480	2,290,138	170,119	321,053	65,175
Noncurrent assets	517,763	116,942	228,171	532,901	35,422	365,697	271,673
Current liabilities	546,697	589,589	100,298	2,270,680	80,604	396,945	85,678
Noncurrent liabilities	224,611	529,721	25,790	163,603	26,943	48,830	9,904
Capital	634,910	250,882	145,955	470,489	50,050	333,013	162,353
Equity	486,345	537,839	275,563	388,756	97,994	240,975	241,266
Net revenue	1,349,779	2,202,490	392,688	671,092	97,823	1,457,502	18,646
Net income (loss)	15,996	87,748	8,910	57,035	22,451	(104,736)	(13,199)

Changes	Netshoes	Kabum	Época Cosméticos	MagaluPay	Consórcio Luiza	Magalog	Luizalabs	Total
Balance at December 31, 2022	1,168,083	1,922,997	270,263	430,028	75,363	275,124	237,873	4,379,731
Future capital contribution	4,238	-	37,950	2,010	-	78,507	36,501	159,206
Other comprehensive income (loss)	(262)	-	-	-	-	-	-	(262)
Action plan	(1,018)	(1,623)	(6)	(317)	-	(557)	12,633	9,112
Dividends	-	-	-	(100,000)	180	-	-	(99,820)
Equity pickup	359	66,625	8,910	57,035	22,452	(105,227)	(13,783)	36,371
Balance at September 30, 2023	1,171,400	1,987,999	317,117	388,756	97,995	247,847	273,224	4,484,338

Position at 12/31/2022

Financial information	Netshoes	Kabum	Época Cosméticos	Magalu Pagamentos	Consórcio Luiza	Magalog	Luizalabs
Shares/units of interest	1,514,532,428	1,976,774	34,405,475	2,000,000	6,500	16,726	23,273,616
Interest (%)	100%	100%	100%	100%	100%	100%	100%
Current assets	824,577	1,568,602	263,682	2,369,705	92,694	304,537	87,600
Noncurrent assets	581,208	123,749	162,785	534,781	10,798	329,042	228,291
Current liabilities	706,539	735,826	197,744	2,277,381	23,770	311,320	99,734
Noncurrent liabilities	231,852	504,811	13	197,077	4,359	54,500	10,828
Capital	630,683	250,882	108,005	2,000	50,050	254,507	125,851
Equity	467,394	451,714	228,710	430,028	75,363	267,759	205,329
Net revenue	2,449,574	3,248,679	864,724	829,461	146,409	1,756,663	23,649
Net income (loss)	56,498	178,958	75,996	66,790	19,495	(33,202)	(15,193)

Changes	Netshoes	Kabum	Época Cosméticos	Magalu Pagamentos	Consórcio Luiza	Magalog	Luizalabs	Total
Balance at December 31, 2021	1,098,743	1,738,137	175,727	563,283	60,817	238,986	221,912	4,097,605
Future capital contribution (capital reduction) ¹	12,763	(50,000)	18,600	-	-	71,877	20,554	73,794
Other comprehensive income (loss)	(661)	-	-	-	(316)	-	-	(977)
Action plan	3,484	9,411	(60)	(45)	-	809	14,202	27,801
Reclassification of consideration due to acquisition	-	-	-	-	-	(3,000)	(1,500)	(4,500)
Dividends paid	-	-	-	(200,000)	(4,633)	-	-	(204,633)
Remeasurement of goodwill	-	68,037	-	-	-	-	-	68,037
Equity pickup	53,754	157,412	75,996	66,790	19,495	(33,548)	(17,295)	322,604
Balance at December 31, 2022	1,168,083	1,922,997	270,263	430,028	75,363	275,124	237,873	4,379,731

- (1) On September 16, 2022, the Company approved capital reduction at the subsidiary KaBuM, as it is considered excessive in relation to the activities developed, in the amount of R\$50,000, without cancelation of issued shares.

b. Reconciliation of the carrying amount

Subsidiary	Equity	Goodwill from acquisition	Revaluation surplus ¹	Balance at 09/30/2023
Netshoes	486,345	486,718	198,337	1,171,400
Kabum	537,839	710,911	739,250	1,988,000
Época Cosméticos	275,563	36,826	4,728	317,117
MagaluPay	388,756	-	-	388,756
Consórcio Luiza	97,994	-	-	97,994
Magalog	240,975	3,756	3,116	247,847
Luizalabs	241,266	25,421	6,537	273,224
	2,268,738	1,263,632	951,968	4,484,338

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

Subsidiary	Equity	Goodwill from acquisition	Revaluation surplus ¹	Balance at 09/30/2022
Netshoes	440,470	486,718	219,184	1,146,372
Kabum	393,312	710,911	765,760	1,869,983
Época Cosméticos	201,572	36,826	4,727	243,125
Magalu Pay	602,418	-	-	602,418
Consórcio Luiza	73,722	-	-	73,722
Magalog	249,534	3,756	3,617	256,907
Luizalabs	203,062	25,421	7,648	236,131
	2,164,090	1,263,632	1,000,936	4,428,658

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

13. Investments in jointly-controlled entities

Position at 09/30/2023

Interest	Luizacred	Luizaseg
Shares/units of interest	31,056,244	12,855
Interest (%)	50%	50%
Current assets	16,687,506	297,797
Noncurrent assets	1,981,192	452,702
Current liabilities	17,946,222	347,642
Noncurrent liabilities	84,948	183,537
Capital	596,000	133,883
Equity	637,528	219,320
Net revenue	3,334,336	478,293
Net income (loss)	(116,036)	73,853

Changes	Luizacred	Luizaseg	Total
Balance at December 31, 2022	370,550	(31,717)	338,833
Other comprehensive income (loss)	(216)	4,539	4,323
Dividends declared	-	(50,757)	(50,757)
Unearned income/difference in practice	691	(7,953)	(7,262)
Equity pickup	(58,018)	36,927	(21,091)
Balance at September 30, 2023	313,007	(48,961)	264,046

Position at 12/31/2022

Interest	Luizacred	Luizaseg
Shares/units of interest	31,056,244	12,855
Interest (%)	50%	50%
Current assets	17,695,963	376,397
Noncurrent assets	1,982,452	448,698
Current liabilities	18,853,006	385,231
Noncurrent liabilities	71,413	201,962
Capital	596,000	133,883
Equity	753,996	237,902
Net revenue	4,208,911	732,367
Net income (loss)	(99,179)	70,651

Changes	Luizacred	Luizaseg	Total
Balance at December 31, 2021	426,422	(18,642)	407,780
Other comprehensive income (loss)	166	1,983	2,149
Dividends declared	-	(35,358)	(35,358)
Unearned income/difference in practice	(6,448)	(15,026)	(21,474)
Equity pickup	(49,590)	35,326	(14,264)
Balance at December 31, 2022	370,550	(31,717)	338,833

Total investments in jointly-controlled entities

	09/30/2023	12/31/2022
Luizacred (a)	318,764	376,998
Luizacred – Difference in practice (b)	(5,757)	(6,448)
Luizaseg (c)	109,660	118,951
Luizaseg – Unrealized income (d)	(158,621)	(150,668)
	264,046	338,833

- (a) Interest of 50% of the voting capital representing the contractually agreed sharing of the control of the business, requiring the unanimous consent of the parties about significant decisions and financial and operating activities. Luizacred is jointly controlled with Banco Itaúcard S.A. and is engaged in the supply, distribution and trade of financial products and services to customers at the Company's chain of stores.
- (b) Adjustment of difference in accounting practice related to recognition of revenue arising from the association agreement between the parties and described in Note 21, item b.
- (c) Interest of 50% of the voting capital representing the contractually agreed sharing of the control of the business, requiring the unanimous consent of the parties about significant decisions and warranty and operating activities. Luizaseg is jointly controlled with NCVP Participações Societárias S.A. (NCVP), subsidiary of Cardif do Brasil Seguros e Previdência S.A., and is engaged in the development, sale and administration of extended warranties for any type of product sold in Brazil through the Company's chain of stores. On May 10, 2023, as part of the renegotiation of the strategic alliance agreement between the BNP Paribas Cardif Group, Magazine Luiza and Luizaseg, the future purchase and sale agreement was signed for the sale of the totality of the interest held by Magazine Luiza in Luizaseg to NCVP, for R\$160 million. As of September 30, 2023, the completion of the sale of the stake was subject to the fulfillment of certain conditions precedent, including approval by the Brazilian Antitrust Agency (CADE) and Brazil's Private Insurance Supervisory Office (SUSEP), which is why there was no financial inflow nor accounting reflections arising from such transaction. As disclosed in Note 34, the disposal of said equity interest was completed on October 31, 2023.
- (d) Unrealized income from transactions involving intermediation of extended warranty insurance for the jointly-controlled entity Luizaseg.

14. Lease

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

Changes in the right of use in the nine-month periods ended September 30, 2023 and 2022 were as follows:

	Individual		Consolidated	
	2023	2022	2023	2022
Balance at January 1	3,473,159	3,324,747	3,511,497	3,362,998
Additions/remeasurements	383,332	541,745	402,185	562,644
Direct costs	8,198	1,705	8,198	1,705
Write-offs	(83,355)	(95,815)	(83,355)	(95,815)
Depreciation	(436,123)	(389,322)	(457,638)	(405,642)
Balance at September 30	3,345,211	3,383,060	3,380,887	3,425,890
Breakdown at September 30				
Cost value	5,514,991	4,920,538	5,614,621	5,001,240
Accumulated amortization	(2,169,780)	(1,537,478)	(2,233,734)	(1,575,350)
	3,345,211	3,383,060	3,380,887	3,425,890

Changes in the lease liabilities in the nine-month periods ended September 30, 2023 and 2022 were as follows:

	Individual		Consolidated	
	2023	2022	2023	2022
Balance at January 1	3,651,663	3,412,288	3,693,516	3,454,678
Additions/remeasurements	383,332	547,120	402,184	567,872
Payment of principal	(368,064)	(312,784)	(388,493)	(327,954)
Payment of interest	(240,588)	(216,421)	(244,251)	(219,723)
Accrued interest	223,847	200,745	227,510	204,047
Write-offs	(90,882)	(102,465)	(90,882)	(104,443)
Balance at September 30	3,559,308	3,528,483	3,599,584	3,574,477
Balance at September 30				
Current liabilities	446,361	409,676	455,993	428,142
Noncurrent liabilities	3,112,947	3,118,807	3,143,591	3,146,335

15. Property and equipment

Changes in property and equipment in the nine-month periods ended September 30, 2023 and 2022 were as follows:

	Individual		Consolidated	
	2023	2022	2023	2022
Balance at January 1	1,769,292	1,777,788	1,955,479	1,938,713
Additions	67,291	182,422	116,616	214,055
Write-offs	(1,100)	(462)	(8,966)	(701)
Depreciation	(166,593)	(157,486)	(190,828)	(172,299)
Balance at September 30	1,668,890	1,802,262	1,872,301	1,979,768
Cost value	2,731,160	2,695,036	3,103,787	3,012,981
Accumulated depreciation	(1,062,270)	(892,774)	(1,231,486)	(1,033,213)
	1,668,890	1,802,262	1,872,301	1,979,768

No indication of impairment was identified in the nine-month period ended September 30, 2023.

16. Intangible assets

Changes in intangible assets in the nine-month periods ended September 30, 2023 and 2022 were as follows:

	Individual		Consolidated	
	2023	2022	2023	2022
Balance at January 1	896,749	728,998	4,427,510	4,306,587
Additions	262,868	221,387	343,116	307,951
Additions from business combination	-	-	-	23,094
Write-offs	(124)	-	(124)	-
Amortization	(149,348)	(95,958)	(288,809)	(231,218)
Balance at September 30	1,010,145	854,427	4,481,693	4,406,414
Breakdown at September 30				
Cost value	1,603,899	1,267,043	5,606,953	5,213,545
Accumulated amortization	(593,754)	(412,616)	(1,125,260)	(807,131)
	1,010,145	854,427	4,481,693	4,406,414

17. Trade accounts payable

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Goods for resale	5,625,160	5,916,041	<i>Restated</i> 6,427,458	<i>Restated</i> 6,994,632
Other suppliers	144,694	113,624	217,163	182,534
Present value adjustment	(159,985)	(170,698)	(168,183)	(181,752)
	5,609,869	5,858,967	6,476,438	6,995,414

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

18. Trade accounts payable - agreement

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Trade accounts payable - agreement	2,786,035	3,756,776	2,830,447	3,802,237

The Company has agreements with partnering banks to structure a factoring transaction with its main suppliers, where the Company is a legitimate debtor. In this transaction, suppliers transfer to the bank the right to receive the notes in exchange for early receipt. The bank then becomes a creditor of the operation. The Company settles the note on the date originally agreed upon with its supplier. In addition, the Company, by confirming the existence of receivables from suppliers to the banks, assures the latter of the certainty and liquidity of their maturities and, as a result, receives a premium from the banks, which is recognized as finance income in the same period as the closing of the transaction. Outstanding transactions as of September 30, 2023 were contracted with an average term of 52 days (54 days as of December 31, 2022). For a better presentation of the comparative balance of 2022, the Company reclassified the related balances in the Statements of cash flows.

19. Partners and other deposits

	Consolidated	
	09/30/2023	12/31/2022
Transfers to sellers – marketplace (a)	1,339,031	1,244,615
Payment arrangements to be settled (b)	8	107,116
Digital accounts of customers and sellers (c)	194,639	200,912
	1,533,678	1,552,643

- This refers to amounts to be transferred to partners in the marketplace regarding purchases made by customers on Magazine Luiza's digital platform of products sold by partner storeowners (sellers) and transacted by MagaluPay.
- Refers substantially to amounts transacted by MagaluPay customers using prepaid cards in accredited commercial facilities, to be settled with the corresponding buyers.
- This corresponds to deposits made by customers and sellers in MagaluPay's digital accounts and prepaid payment accounts.

20. Loans and financing

Type	Charges	Guarantee	Final maturity	Individual		Consolidated	
				09/30/2023	12/31/2022	09/30/2023	12/31/2022
Promissory notes (a)	100% of CDI + 1.25% p.a.	Clean	April/24	1,979,304	1,783,941	1,979,304	1,783,941
Debentures – restricted offer (b)	100% of CDI + 1.25% p.a.	Clean	Dec/26	5,010,810	4,892,944	5,421,389	5,317,809
Working capital (c)	CDI +1.8% to 4.9% p.a.	Surety	Oct/25	-	-	-	4,174
Other	113.5% of CDI p.a.	Clean	Oct/25	327	293	2,623	2,833
				6,990,441	6,677,178	7,403,316	7,108,757

Current liabilities

Noncurrent liabilities

- | | | | | |
|--|------------------|-----------|------------------|-----------|
| | 2,990,161 | 92,607 | 3,002,748 | 124,297 |
| | 4,000,280 | 6,584,571 | 4,400,568 | 6,984,460 |
- On April 30, 2021, the Company carried out the 5th issue of promissory notes, including one thousand and five hundred (1,500) promissory notes with a par value of one million reais (R\$1,000,000) each, with a single maturity on April 29, 2024 at the cost of 100% of CDI + 1.25% p.a. The amounts raised were used to improve the cash flow in the ordinary course and management of the Company's business.
 - The Company raised R\$800 million on January 15, 2021 through the 9th issue of debentures, via public distribution and with restricted placement efforts, remunerated at CDI + 1.25% p.a. and maturing on January 15, 2024. On October 14 and December 23, 2021, according to the debt extension strategy, the Company carried out the 10th and 11th issues of unsecured nonconvertible debentures, for public distribution with restricted placement efforts. Four million (4,000,000) shares were issued with a par value of R\$1,000 each, with final maturities on October 15 and December 23, 2026, at the cost of 100% of CDI + 1.25% p.a. The main purpose of the amount raised was to increase the Company's working capital. On July 5, 2022, subsidiary KaBum carried out the 1st issue of unsecured, nonconvertible debentures for public distribution with restricted placement efforts. Four hundred thousand (400,000) debentures were issued with a par value of one thousand reais (R\$1,000) each, with final maturities on July 13, 2025, at a cost of 100% CDI +1.25% p.a. for the purpose of extending debt. The guarantor of this agreement is Parent Company Magazine Luiza.
 - This refers to agreements signed by the subsidiary KaBum for working capital purposes. These agreements were settled in 2023.

Reconciliation of cash flows from operating and financing activities

	Individual		Consolidated	
	2023	2022	2023	2022
Balance at December 31	6,677,178	6,412,705	7,108,757	6,792,872
Loans and financing raised	-	-	-	400,000
Payment of principal	-	(6,062)	(4,583)	(380,156)
Payment of interest	(404,801)	(306,124)	(462,142)	(330,464)
Accrued interest	718,064	628,937	761,284	665,713
Balance at September 30	6,990,441	6,729,456	7,403,316	7,147,965

Maturity schedule

The maturity schedule of loans and financing is as follows:

Maturity	Individual	Consolidated
2023	230,600	232,896
2024	2,759,841	2,771,077
2025	2,000,000	2,399,343
2026	2,000,000	2,000,000
	6,990,441	7,403,316

Covenants

Debentures issued by the Company and its subsidiary Kabum, as well as the 5th issue of Promissory Notes, are subject to covenants corresponding to maintenance of the adjusted net debt-to-EBITDA ratio below 3.0 times. Adjusted net debt corresponds to the sum of all loans and financing, including debentures, excluding cash and cash equivalents, short-term investments and marketable securities, and credit card receivables not paid in advance. Adjusted EBITDA is calculated in accordance with CVM Ruling No. 527, of October 4, 2012, excluding operational events (revenue/expenses) of an extraordinary nature. At September 30, 2023, the Company was in compliance with the covenants, which are measured quarterly.

21. Deferred revenue

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Deferred revenue with third parties:				
Exclusivity agreement with Cardif (a)	910,298	52,407	910,298	52,407
Exclusivity agreement with Banco Itaúcard S.A. (b)	71,875	67,605	71,875	67,605
Exclusivity agreement in Payment Arrangements (c)	-	-	181,762	196,484
Other agreements	51,408	61,047	63,223	74,572
	1,033,581	181,059	1,227,158	391,068
Deferred revenue with related parties:				
Exclusivity agreement with Luizacred (b)	57,673	77,504	57,673	77,504
Exclusivity agreement with Luizaseg (a)	817	31,800	817	31,800
	58,490	109,304	58,490	109,304
Total deferred revenue	1,092,071	290,363	1,285,648	500,372
Current liabilities	122,407	52,009	146,296	76,908
Noncurrent liabilities	969,664	238,354	1,139,352	423,464

(a) On May 10, 2023, Luizaseg entered into a new strategic partnership agreement with companies of the Cardif group aiming to extend the rights and obligations set forth in the agreements between the parties effective until then, for an additional 10-year period, effective from July 1, 2023 to December 31, 2033. This agreement enabled a cash inflow of R\$835,669 to the Company, with a negotiated net front fee of R\$932,500 and amounts returned for the early maturity of the previous contracts of R\$96,831. The recognition of the Company's revenue resulting from this agreement is allocated to P&L over the term of the agreement, part of which is conditioned to achievement of certain goals.

(b) On September 27, 2009, the Company entered into a partnership agreement with Itaú Unibanco Holding S.A. ("Itaú") and Banco Itaúcard S.A., under which the Company granted to Luizacred the exclusive right to offer, distribute, and sell financial products and services in its chain of stores for a 20-year period. Under the aforementioned partnership, Itaú institutions paid the amount of R\$250,000 in cash, of which: (i) R\$230,000 refers to the completion of the negotiation itself, without the right of recourse, and (ii) R\$20,000 is subject to achievement of profitability goals in Luizacred. Said targets were fully achieved by the end of 2014.

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

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

(c) On October 21, 2022, the Company, through its indirect subsidiary Hub Pagamentos S.A., entered into an agreement with Mastercard Brasil Soluções de Pagamento Ltda to encourage payment arrangements between companies, whereby Mastercard has the exclusive right to issue cards for a period of 10 years. As consideration for such exclusivity, Mastercard paid R\$200,000 to the Company, which is recognized in P&L over the term of the agreement.

22. Other current and noncurrent liabilities

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
		<i>Restated</i>		<i>Restated</i>
Sales pending delivery, net of returns	427,056	527,981	548,039	601,759
Amounts to be transferred to partners (a)	114,312	128,080	164,247	162,877
Specialized services	1,157	72,024	12,774	89,617
Freight payable	144,449	140,142	308,765	267,108
Marketing payable	31,290	90,882	83,975	187,877
Payables for acquisitions (b)	522,682	1,053,327	584,989	1,118,413
Other	97,848	97,237	182,721	182,629
	1,338,794	2,109,673	1,885,510	2,610,280
Current liabilities	1,200,182	1,621,391	1,741,920	2,118,136
Noncurrent liabilities	138,612	488,282	143,590	492,144

- (a) Transfers of amounts carried out through sales of services (insurance, technical assistance, furniture installations, etc.) from partners intermediated by the Company in its physical stores.
- (b) The consideration payable for acquisitions of companies includes R\$318,500 referring to subscription warrant of up to 50.0 million common shares issued by the Company (MGLU3) for acquisition of KaBuM!, and R\$133,045 (up to 6.1 million shares) referring to consideration payable in shares for acquisition of other companies, subject to the achievement of goals agreed in the purchase contracts.

23. Provision for tax, civil, and labor contingencies

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

Individual

	Tax	Civil	Labor	Total
Balances at January 1, 2023:	720,252	25,556	69,028	814,836
Additions	38,651	4,618	4,544	47,813
Reversals	(724)	-	-	(724)
Payments	(27,609)	(4,844)	-	(32,453)
Restatement	60,455	-	-	60,455
Balances at September 30, 2023:	791,025	25,331	73,572	889,927

Consolidated

	Tax	Civil	Labor	Total
Balances at January 1, 2023:	1,083,023	35,808	74,934	1,193,765
Additions	116,631	6,769	5,900	129,300
Reversals	(50,137)	(9,607)	(2,291)	(62,035)
Payments	(27,609)	(5,444)	(241)	(33,294)
Restatement	62,188	-	-	62,188
Balances at September 30, 2023:	1,184,096	27,526	78,302	1,289,924

As of September 30, 2023, the nature of the Company's major proceedings classified by management, based on the opinion of its legal advisors, as probable risk of loss, as well as legal obligations for which amounts have been deposited in court, included in the provisions above, is as follows:

a) Tax contingencies

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

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Federal	559,116	508,889	949,176	871,660
State	231,883	211,337	234,894	211,337
Local	26	26	26	26
	791,025	720,252	1,184,096	1,083,023

b) Civil contingencies

The provision for civil contingencies of R\$23,330, individual, and R\$27,526, consolidated, at September 30, 2023 (R\$25,556, individual, and R\$35,808, consolidated, at December 31, 2022) refers to claims arising mainly from customers about possible defects of products.

c) Labor contingencies

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

The provisioned amount of R\$73,572, individual, and R\$78,302, consolidated, at September 30, 2023 (R\$69,028, individual, and R\$74,934, consolidated, at December 31, 2022) reflects the risk of probable loss assessed by the Company management together with its legal advisors.

d) Judicial deposits

To cover tax, civil and labor contingencies, the Company has judicial deposits in the amount of R\$1,317,863, individual, and R\$1,758,271, consolidated, at September 30, 2023 (R\$1,234,720, individual, and R\$1,650,223, consolidated, at December 31, 2022). The main deposits are related to lawsuits challenging the payment of ICMS Rate Difference (Difal), in the amount of R\$773,558, individual, and R\$937,782, consolidated, at September 30, 2023 (R\$745,989, individual, and R\$974,243, consolidated, at December 31, 2022).

e) Contingent liabilities – possible loss

The Company is a party to other tax proceedings and discussions assessed by management as possible risk of loss, based on the opinion of its legal advisors. Accordingly, no provision was set up for such proceedings and discussions. The amounts related to discussions involving taxes are as follows:

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Federal	1,882,651	1,831,085	2,095,378	2,049,132
State	1,123,105	939,375	1,265,458	1,338,949
Local	5,386	5,020	5,386	5,027
	3,011,142	2,775,480	3,366,222	3,393,108

The main tax suits assessed as possible loss are as follows:

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

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

24. Equity

a) Capital

The Company's shareholding structure as of September 30, 2023 and December 31, 2022, with common, registered, book-entry no par value shares, is shown below:

	09/30/2023		12/31/2022	
	Number of shares	Interest %	Number of shares	Interest %
Controlling shareholders	3,792,410,880	56.19	3,794,963,060	56.23
Outstanding shares	2,898,868,832	42.95	2,882,259,410	42.71
Treasury shares	57,647,136	0.85	71,704,378	1.06
Total	6,748,926,848	100.00	6,748,926,848	100.00

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

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

b) Capital reserve

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

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

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

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

There were 284,928 exercisable stock options as of September 30, 2023. In the nine-month period ended September 30, 2023, there were no changes in active stock options.

Share-based payment

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

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

The following table shows the balance (number) of shares granted as of September 30, 2023:

Type of program	Grant date	Maximum grace period	Position of granted shares	Fair value ¹
3 rd Matching share	April 04, 2019	5 years	866,510	R\$ 5.05
4 th Matching share	April 15, 2020	5 years	1,100,186	R\$ 10.96
5 th Matching share	May 04, 2021	5 years	890,022	R\$ 19.86
4 th Restricted share - Board	January 04, 2021	3 years	1,082,709	R\$ 24.63
5 th Restricted share	April 15, 2020	3 years	534,104	R\$ 10.96
6 th Restricted share	May 04, 2021	3 years	1,305,012	R\$ 19.86
7 th Restricted share	July 04, 2022	3 years	26,488,934	R\$ 2.16
1 st Performance share	February 20, 2019	5 years	34,238,152	R\$ 5.08
			66,505,629	R\$4.87

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

In addition to the plans mentioned above, the Company has commonly used, in its acquisition processes, the negotiation of part of the acquisition price as consideration in shares issued by it ("MGLU3) to the former owners of the acquired companies. The number of committed shares at September 30, 2023 is 10,237,963, which must be delivered to the former owners by August 2026, part linked to the achievement of certain targets and part negotiated at a fixed price. Additionally, the Company issued, in the process of acquiring KaBuM, subscription warrants of up to 50 million common, registered, book-entry shares with no par value, subject to the fulfillment of targets to be determined in January 2024.

c) Treasury shares

	Number of shares	Value
At January 1, 2022	83,408,504	1,449,159
Disposed of in the period	(11,704,126)	(203,350)
At December 31, 2022	71,704,378	1,245,809
Disposed of in the period	(14,057,242)	(244,227)
At September 30, 2023	57,647,136	1,001,582

The reduction in the balance of treasury shares is equal to the weighted average of the cost incurred to acquire the shares. Any excess cash received for the disposal on the reduction of treasury shares is recorded as capital reserve. The value of the MGLU3 share at September 30, 2023 was of 2.12.

d) Equity adjustments

In the period ended September 30, 2022, the Company recorded the amount of R\$6,073 (R\$2,012 as of December 31, 2022) under equity adjustments, related to the fair value adjustments of financial assets in subsidiaries and jointly-controlled entities.

Loss per share

Basic and diluted loss per share are calculated as follows:

In thousands	Basic income		Diluted income	
	09/30/2023	09/30/2022 Restated	09/30/2023	09/30/2022 Restated
Total number of common shares	6,748,926,848	6,748,926,848	6,748,926,848	6,748,926,848
Effect of treasury shares	(57,647,136)	(73,429,698)	(57,647,136)	(73,429,698)
Effect of exercise of stock option plans (a)	-	-	68,625,813	53,726,078
Weighted average number of outstanding common shares	6,691,279,712	6,675,497,150	6,759,905,525	6,729,223,228
Loss in the nine-month period ended:	(269,183)	(665,131)	(269,183)	(665,131)
Loss per share (in reais)	(0.040)	(0.100)	(0.040)	(0.100)
Income (loss) for the three-month period ended:	331,229	(190,865)	331,229	(190,865)
Earnings (loss) per share (in reais):	0.050	(0.029)	0.049	(0.029)

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

25. Net sales revenue

	Nine-month period ended:				Three-month period ended:			
	Individual		Consolidated		Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Retail - resale of goods	24,882,231	24,254,395	29,470,808	29,315,927	7,917,629	8,109,246	9,476,284	9,918,702
Retail - provision of services	1,709,514	1,278,778	2,640,291	2,011,592	607,004	439,189	930,808	683,245
Other services	-	-	417,408	345,677	-	-	163,924	127,101
Gross revenue	26,591,745	25,533,173	32,528,507	31,673,196	8,524,633	8,548,435	10,571,016	10,729,048
Retail - resale of goods	(4,895,505)	(4,453,243)	(5,780,306)	(5,123,054)	(1,497,781)	(1,552,530)	(1,790,051)	(1,793,338)
Retail - provision of services	(144,263)	(95,900)	(248,484)	(158,672)	(54,595)	(28,272)	(101,955)	(48,179)
Other services	-	-	(281,309)	(259,886)	-	-	(100,192)	(80,512)
Taxes and returns	(5,039,768)	(4,549,143)	(6,310,099)	(5,541,612)	(1,552,376)	(1,580,802)	(1,992,198)	(1,922,029)
Net sales revenue	21,551,977	20,984,030	26,218,408	26,131,584	6,972,257	6,967,633	8,578,818	8,807,019

26. Cost of goods resold and services rendered

	Nine-month period ended:				Three-month period ended:			
	Individual		Consolidated		Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Cost of goods resold	(15,632,700)	<i>Restated</i> (15,770,168)	(18,485,142)	<i>Restated</i> (19,041,329)	(4,976,083)	<i>Restated</i> (5,179,801)	(5,946,161)	<i>Restated</i> (6,369,812)
Cost of services rendered	-	-	(35,682)	(57,220)	-	-	(23,247)	(19,055)
	(15,632,700)	(15,770,168)	(18,520,824)	(19,098,549)	(4,976,083)	(5,179,801)	(5,969,408)	(6,388,867)

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

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

	Nine-month period ended:				Three-month period ended:			
	Individual		Consolidated		Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Personnel expenses (a)	(1,768,405)	(1,795,485)	(2,279,256)	(2,169,559)	(572,321)	(588,418)	(723,601)	(649,807)
Expenses with service providers	(2,345,043)	(1,926,994)	(2,467,161)	(2,036,748)	(795,717)	(593,371)	(831,039)	(643,555)
Depreciation and amortization - sales	(357,904)	(345,121)	(433,999)	(467,202)	(113,396)	(116,013)	(136,576)	(156,317)
Depreciation and amortization - administrative	(394,161)	(297,645)	(503,277)	(341,957)	(134,990)	(101,838)	(173,098)	(116,997)
Other	(156,929)	(861,125)	(922,212)	(1,635,030)	261,680	(253,260)	(11,996)	(596,082)
	(5,022,442)	(5,226,370)	(6,605,905)	(6,650,496)	(1,354,744)	(1,652,900)	(1,876,310)	(2,162,758)
Classified by function as:								
Selling expenses	(3,946,313)	(3,830,110)	(4,966,026)	(4,707,205)	(1,375,656)	(1,216,351)	(1,724,566)	(1,548,232)
General and administrative expenses	(686,567)	(644,570)	(993,108)	(1,024,416)	(250,045)	(207,175)	(358,893)	(334,342)
Depreciation and amortization	(752,064)	(642,766)	(937,275)	(809,159)	(248,385)	(217,851)	(309,674)	(273,314)
Other operating income, net (Note 28)	362,502	(108,924)	290,504	(109,716)	519,342	(11,523)	516,823	(6,870)
	(5,022,442)	(5,226,370)	(6,605,905)	(6,650,496)	(1,354,744)	(1,652,900)	(1,876,310)	(2,162,758)

(a) The Company provides its employees with medical assistance benefits, dental reimbursement, life insurance, food vouchers, transportation vouchers, scholarships, child day care allowance ("cheque-mãe"), in addition to a stock option plan for eligible employees, as described in Note 24.

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

28. Other operating income, net

	Nine-month period ended:				Three-month period ended:			
	Individual		Consolidated		Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Appropriation of deferred revenue (a)	58,396	49,493	75,573	50,999	27,513	23,165	33,455	23,716
Tax credits (b)	524,947	13,474	524,429	26,822	524,947	-	523,816	5,421
Provision for tax, civil, and labor contingencies	(30,465)	(15,032)	10,840	(26,909)	(21,976)	(8,084)	(10,152)	(8,258)
Loss on disposal of property and equipment	(6,110)	(462)	(13,984)	84	(512)	239	(8,391)	882
Expert fees (c)	(21,249)	(26,704)	(23,223)	(29,625)	(9,769)	(9,838)	(10,346)	(10,723)
Restructuring and integration expenses (d)	(161,583)	(125,537)	(266,283)	(125,537)	-	(16,967)	-	(16,967)
Other	(1,434)	(4,156)	(16,848)	(5,550)	(861)	(38)	(11,559)	(941)
Total	362,502	(108,924)	290,504	(109,716)	519,342	(11,523)	516,823	(6,870)

(a) Refers to appropriation of deferred revenue for assignment of exclusivity of operation of financial services, as described in Note 21.

(b) In the three-month period ended September 30, 2023, the Company recorded PIS/COFINS tax credits, as described in Note 10-b.

(c) Expenses related to advisory costs for integration of companies and lawyers' fees.

(d) Refers to expenses for adjustment of administrative and sales staff, as well as expenses necessary for the integration of businesses acquired in the past.

29. Finance income (costs)

	Nine-month period ended:				Three-month period ended:			
	Individual		Consolidated		Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Finance income								
Interest from sales of extended warranty	97,978	90,012	97,978	90,012	34,458	31,017	34,458	31,017
Yield from short-term investments and marketable securities	52,715	55,490	119,940	112,779	16,190	19,343	34,470	45,158
Late payment interest	26,815	20,310	26,922	20,372	9,481	7,018	9,519	7,053
Monetary restatement receivable (a)	388,435	255,983	434,166	294,693	252,060	55,865	263,998	89,210
Other	1,256	3,755	30,608	24,468	520	2,879	2,720	9,624
	567,199	425,550	709,614	542,324	312,709	116,122	345,165	182,062
Finance costs								
Interest on loans and financing	(711,379)	(610,886)	(755,815)	(650,002)	(240,418)	(237,664)	(255,132)	(253,811)
Lease interest	(223,846)	(200,745)	(227,509)	(204,048)	(75,553)	(68,617)	(76,627)	(69,746)
Charges on credit card advances	(651,279)	(554,064)	(879,098)	(788,661)	(169,784)	(184,789)	(234,897)	(271,358)
Provision for loss on interest from extended warranty	(52,751)	(36,907)	(52,751)	(36,907)	(19,454)	(7,914)	(19,454)	(7,914)
Taxes on finance income	(26,666)	(22,296)	(31,479)	(26,711)	(16,383)	(10,005)	(17,691)	(11,864)
Monetary restatement payable	(72,285)	(131,625)	(78,020)	(128,321)	(23,992)	(45,557)	(24,237)	(44,853)
Other (b)	(137,885)	(165,601)	(150,001)	(179,907)	(32,991)	(74,556)	(17,731)	(78,801)
	(1,876,091)	(1,722,124)	(2,174,673)	(2,014,557)	(578,575)	(629,102)	(645,769)	(738,347)
	(1,308,892)	(1,296,574)	(1,465,059)	(1,472,233)	(265,866)	(512,980)	(300,604)	(556,285)

(a) Refers substantially to the monetary restatement of tax credits described in Notes 10 and 11.

(b) Premiums received from banks for confirming the existence of receivables from suppliers, as explained in Note 18, are stated here net of other expenses with negotiation with suppliers.

30. Segment information

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

- a) Retail - substantially resale of goods and services in the Company's stores, electronic commerce (traditional e-commerce and marketplace), and food delivery management platform. In the marketplace context, this segment includes information related to MagaluPay;
- b) Financial operations - through the jointly-controlled entity Luizacred, whose main purpose is to provide credit to the Company's customers for the purchase of products;
- c) Insurance operations - through the jointly-owned entity Luizaseg, whose main purpose is to offer extended warranties to products purchased by the Company's customers;
- d) Other services - sum of the provision of consortium management services through the subsidiary Luiza Administradora de Consórcio, whose main purpose is the management of consortia for the Company's customers, for the acquisition of products; product delivery management services - through the subsidiary Magalog; and software development services through the subsidiary Luizalabs.

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

Statements of profit or loss

	09/30/2023					Consolidated
	Retail (a)	Financial operations	Insurance operations	Other services	Eliminations (b)	
Gross revenue	32,111,099	1,667,169	239,147	1,855,280	(3,344,188)	32,528,507
Deductions from revenue	(6,028,790)	-	-	(281,309)	-	(6,310,099)
Net revenue of the segment	26,082,309	1,667,169	239,147	1,573,971	(3,344,188)	26,218,408
Costs	(18,500,876)	(287,291)	(32,911)	(19,948)	320,202	(18,520,824)
Gross profit	7,581,433	1,379,878	206,236	1,554,023	(3,023,986)	7,697,584
Selling expenses	(4,855,942)	(407,866)	(152,423)	(1,547,956)	1,998,161	(4,966,026)
General and administrative expenses	(941,365)	(6,236)	(28,530)	(51,743)	34,766	(993,108)
Gains (losses) on allowance for expected credit losses	(281,496)	(1,005,907)	-	-	1,005,907	(281,496)
Depreciation and amortization	(919,662)	(4,508)	(2,949)	(17,613)	7,457	(937,275)
Equity pickup	(124,911)	-	-	-	96,558	(28,353)
Other operating income	343,841	(50,310)	1,610	(53,337)	48,700	290,504
Finance income	697,683	-	27,827	11,931	(27,827)	709,614
Finance costs	(2,159,817)	-	(53)	(14,856)	53	(2,174,673)
Income and social contribution taxes	391,053	37,622	(22,744)	22,993	(14,878)	414,046
Net income (loss) for the period	(269,183)	(57,327)	28,974	(96,558)	124,911	(269,183)

Reconciliation of equity pickup

Equity pickup – Other services (Note 12)	(96,558)
Equity pickup – Luizacred (Note 13)	(57,327)
Equity pickup – Luizaseg (Note 13)	28,974
(=) Equity pickup of the retail segment	(124,911)
(-) Effect of elimination – Other services	96,558
(=) Consolidated equity pickup	(28,353)

Statements of profit or loss

	09/30/2022					Consolidated
	Retail (a)	Financial operations	Insurance operations	Other services	Eliminations (b)	
	Restated					Restated
Gross revenue	31,327,520	1,547,144	267,038	1,611,234	(3,079,740)	31,673,196
Deductions from revenue	(5,281,727)	-	-	(259,885)	-	(5,541,612)
Net revenue of the segment	26,045,793	1,547,144	267,038	1,351,349	(3,079,740)	26,131,584
Costs	(19,063,385)	(224,981)	(37,885)	(46,622)	274,324	(19,098,549)
Gross profit	6,982,408	1,322,163	229,153	1,304,727	(2,805,416)	7,033,035
Selling expenses	(4,701,257)	(404,165)	(185,961)	(1,260,048)	1,844,226	(4,707,205)
General and administrative expenses	(976,737)	(9,199)	(24,815)	(47,679)	34,014	(1,024,416)
Gains (losses) on allowance for expected credit losses	(177,570)	(923,832)	-	(1,354)	923,832	(178,924)
Depreciation and amortization	(797,230)	(4,490)	(4,489)	(11,929)	8,979	(809,159)
Equity pickup	(42,289)	-	-	-	16,345	(25,944)
Other operating income	(115,017)	(54,286)	445	5,301	53,841	(109,716)
Finance income	531,527	-	20,034	10,797	(20,034)	542,324
Finance costs	(1,997,363)	-	(58)	(17,194)	58	(2,014,557)
Income and social contribution taxes	628,397	30,813	(17,257)	1,034	(13,556)	629,431
Net income (loss) for the period	(665,131)	(42,996)	17,052	(16,345)	42,289	(665,131)

Reconciliation of equity pickup

Equity pickup – Other services (Note 12)	(16,345)
Equity pickup – Luizacred (Note 13)	(42,996)
Equity pickup – Luizaseg (Note 13)	17,052
(=) Equity pickup of the retail segment	(42,289)
(-) Effect of elimination – Other services	16,345
(=) Consolidated equity pickup	(25,944)

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

Statement of financial position

	09/30/2023			
	Retail	Financial operations	Insurance operations	Other services
Assets				
Cash and cash equivalents	2,613,880	19,805	83	190,143
Marketable securities	480,829	28,938	333,383	-
Accounts receivable	4,826,639	8,691,284	-	50,814
Inventories	7,899,395	-	-	-
Investments	883,113	-	-	-
Property and equipment, intangible assets and right of use	9,133,382	30,725	178	601,499
Other	10,558,112	557,842	41,608	427,793
	36,395,350	9,328,594	375,252	1,270,249
Liabilities				
Trade accounts payable	6,428,420	-	1,263	48,018
Trade accounts payable - agreement	2,830,447	-	-	-
Transfers and other deposits	1,533,678	-	-	-
Loans and financing	7,402,268	-	-	1,048
Lease	3,599,584	-	78	-
Interbank deposits	-	2,818,095	-	-
Credit card operations	-	5,497,132	-	-
Insurance reserves	-	-	389,791	-
Provision for tax, civil and labor contingencies	1,227,255	42,474	2,247	62,669
Deferred revenue	1,285,123	-	-	525
Other	2,555,921	657,886	30,834	538,922
	26,862,696	9,015,587	424,213	651,182
Equity	9,532,654	313,007	(48,961)	619,067

Investment reconciliation

Subsidiaries (Note 12)

Consórcio Luiza	97,994
Magalog	240,975
Luizalabs	241,266
MagaluPay	388,756
	968,991

Jointly-controlled entities (Note 13)

Luizacred	313,007
Luizaseg	(48,961)
	264,046

Total investments

	1,233,037
(-) Effect of elimination	(968,991)
(=) Consolidated income (losses) on investments	264,046

Statement of financial position

	12/31/2022			
	Retail	Financial operations	Insurance operations	Other services
	<i>Restated</i>			
Assets				
Cash and cash equivalents	2,255,188	175,833	68	164,857
Marketable securities	304,298	26,797	348,059	-
Accounts receivable	6,545,534	9,106,242	-	89,140
Inventories	7,790,069	-	-	-
Investments	927,191	-	-	-
Property and equipment, intangible assets and right of use	9,337,004	34,541	16,742	557,482
Other	10,575,630	489,349	47,681	285,035
	<u>37,734,914</u>	<u>9,832,762</u>	<u>412,550</u>	<u>1,096,514</u>
Liabilities				
Trade accounts payable	6,957,571	-	1,452	37,843
Trade accounts payable - agreement	3,802,237	-	-	-
Transfers and other deposits	1,552,643	-	-	-
Loans and financing	7,107,284	-	-	1,473
Lease	3,693,516	-	115	-
Interbank deposits	-	2,780,669	-	-
Credit card operations	-	5,328,314	-	-
Insurance reserves	-	-	390,738	-
Provision for tax, civil and labor contingencies	1,122,260	35,707	1,899	71,505
Deferred revenue	499,749	-	-	623
Other	3,273,070	1,317,522	50,063	396,712
	<u>28,008,330</u>	<u>9,462,212</u>	<u>444,267</u>	<u>508,156</u>
Equity	<u>9,726,584</u>	<u>370,550</u>	<u>(31,717)</u>	<u>588,358</u>
Investment reconciliation				
Subsidiaries (Note 12)				
Consórcio Luiza		75,363		
Magalog		267,759		
Luizalabs		205,329		
Magalu Pagamentos		430,028		
		<u>978,479</u>		
Jointly-controlled entities (Note 13)				
Luizacred		370,550		
Luizaseg		(31,717)		
		<u>338,833</u>		
Total investments		<u>1,317,312</u>		
(-) Effect of elimination		(978,479)		
(=) Consolidated income (losses) on investments		<u>338,833</u>		

31. Financial instruments

Accounting policy

Initial classification and subsequent measurement

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

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

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

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

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

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

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

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

Derecognition and offset

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

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

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

Impairment of financial assets

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

Measurement of expected credit losses

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

Financial assets with credit recovery issues

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

Financial instruments by category

Financial instruments by category	Classification	Fair value measurement	Individual				Consolidated			
			09/30/2023		12/31/2022		09/30/2023		12/31/2022	
			Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Cash and banks	Amortized cost	Level 2	144,053	144,053	<i>Restated</i> 202,663	<i>Restated</i> 202,663	167,767	167,767	<i>Restated</i> 250,014	<i>Restated</i> 250,014
Accounts receivable – Credit and debit cards	Amortized cost	Level 2	2,214,819	2,214,819	3,442,071	3,442,071	3,626,831	3,626,831	5,395,869	5,395,869
Accounts receivable – Other trade accounts receivable and receivables from commercial agreements	Amortized cost	Level 2	1,048,151	1,048,151	1,019,392	1,019,392	1,250,622	1,250,622	1,238,805	1,238,805
Accounts receivable from related parties	Amortized cost	Level 2	638,909	638,909	805,362	805,362	148,986	148,986	76,212	76,212
Accounts receivable from related parties – Credit card	Amortized cost	Level 2	1,157,416	1,157,416	2,500,360	2,500,360	1,157,416	1,157,416	2,500,360	2,500,360
Cash equivalents - Bills	FVTPL	Level 2	57,360	57,360	2,276	2,276	57,360	57,360	2,276	2,276
Cash equivalents - CDBs	Amortized cost	Level 2	1,101,776	1,101,776	603,825	603,825	2,529,599	2,529,599	2,130,280	2,130,280
Marketable securities	Amortized cost	Level 2	4,719	4,719	14,525	14,525	4,719	4,719	14,525	14,525
Marketable securities	FVTPL	Level 2	246,746	246,746	245,273	245,273	472,495	472,495	245,273	245,273
Total financial assets			6,613,949	6,613,949	8,835,747	8,835,747	9,415,795	9,415,795	11,853,614	11,853,614

Financial instruments by category	Classification	Fair value measurement	Individual				Consolidated			
			09/30/2023		12/31/2022		09/30/2023		12/31/2022	
			Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Suppliers of goods and agreement	Amortized cost	Level 2	8,395,904	8,395,904	<i>Restated</i> 9,615,743	<i>Restated</i> 9,615,743	9,306,885	9,306,885	<i>Restated</i> 10,797,651	<i>Restated</i> 10,797,651
Transfers and other deposits	Amortized cost	Level 2	-	-	-	-	1,533,678	1,533,678	1,552,643	1,552,643
Loans and financing	Amortized cost	Level 2	6,990,441	6,999,258	6,677,178	6,827,377	7,403,316	7,412,133	7,108,757	7,258,956
Lease	Amortized cost	Level 2	3,559,308	3,559,308	3,651,663	3,651,663	3,599,584	3,599,584	3,693,516	3,693,516
Accounts payable to related parties	Amortized cost	Level 2	236,267	236,267	256,707	256,707	209,286	209,286	152,511	152,511
Other accounts payable - acquisition	Amortized cost	Level 2	522,682	522,682	1,053,327	1,053,327	584,989	584,989	1,118,413	1,118,413
Total financial liabilities			19,704,602	19,713,419	21,254,618	21,404,817	22,637,738	22,646,555	24,423,491	24,573,690

Fair value measurement

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

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

Valuation techniques and significant unobservable inputs:

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

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

Capital risk management

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

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

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Company's Finance Board, which prepares an appropriate liquidity risk management model to manage funding needs and liquidity management in the short, medium and long terms. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities and maintaining close relationships with financial institutions, frequently disclosing information to support credit decisions when in need for external funds.

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

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

Position at 09/30/2023

<u>Individual</u>	Book balance	Up to 1 year	1 to 3 years	More than 3 years	Total
Suppliers of goods and agreement	8,395,904	8,395,904	-	-	8,395,904
Lease	3,559,308	762,594	1,761,759	2,718,802	5,243,155
Loans and financing	6,990,441	2,990,441	2,000,000	2,000,000	6,990,441
Transactions with related parties	236,267	236,267	-	-	236,267
Other accounts payable - acquisition	522,682	387,638	3,834	138,612	530,084

<u>Consolidated</u>	Book balance	Up to 1 year	1 to 3 years	More than 3 years	Total
Suppliers of goods and agreement	9,306,885	9,306,885	-	-	9,306,855
Lease	3,599,584	768,451	1,775,293	2,739,687	5,283,431
Loans and financing	7,403,316	3,403,316	2,000,000	2,000,000	7,403,316
Transactions with related parties	209,286	209,286	-	-	209,286
Other accounts payable - acquisition	584,989	402,378	38,868	162,606	603,852

Considerations about other financial risks

The Company's business is mostly comprised of the retail trade of consumer goods and insurance, financial and other services, as described in Note 30, segment information. The main market risk factors that affect the Company's business are summarized below:

Credit risk: the credit risk arises from the possibility that the Company may incur losses resulting from the non-receipt of amounts billed to its customers, the consolidated balance of which as of September 30, 2023 was R\$5,270,568 (R\$6,985,941 as of December 31, 2022). A significant portion of the Company's sales are made using the credit card as payment method, which is substantially securitized with the credit card companies. For other accounts receivable, the Company also assesses the risk as low, in view of the natural dispersion of sales due to the large number of customers, but there are no real guarantees of receipt of the total balance of accounts receivable given the nature of the business. Even so, the risk is managed through periodic analysis of the level of default (with consistent criteria to support the requirements of IFRS 9), as well as adoption of more effective forms of collection. As of September 30, 2023, the Company recorded accounts receivable balances that would be overdue or lost, whose terms were renegotiated, in the amount of R\$76,400 (R\$63,779 as of December 31, 2022), which are included in the analysis on the need to set up a provision for expected credit losses. Note 7 provides further information on accounts receivable.

The Company's policy for investing in debt securities (financial investments) is to invest in securities that are assessed by the main credit rating agencies and that have a rating equal to or higher than the sovereign rating (on a global scale). As of September 30, 2023, almost all of the investments held by the Company have such a rating level, reaching the amount of R\$1,457,930 (R\$910,399 as of December 31, 2022), individual, and R\$2,517,086 (R\$2,474,329 as of December 31, 2022), consolidated.

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

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

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

As of September 30, 2023, management performed a sensitivity analysis considering a probable scenario and scenarios with decreases and increases of 25% and 50% in expected interest rates. The probable scenario, of decrease and increase in interest rates, was measured using future interest rates published by BM&F BOVESPA and/or BACEN, considering a base rate of CDI at 11.75% p.a.

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

	Individual 09/30/2023	Consolidated 09/30/2023
Bank Deposit Certificates (Note 5)	1,159,136	2,586,959
Non-boutique investment funds (Note 5)	-	49,297
Cash equivalents	1,159,136	2,636,256
Marketable securities (Note 6)	298,794	480,829
Total cash equivalents and marketable securities	1,457,930	3,117,085
^b		
Loans and financing (Note 20)	(6,990,441)	(7,403,316)
Net exposure	(5,532,511)	(4,286,231)
Finance cost related to interest - exposure to CDI	11.75%	11.75%
Impact on finance income (costs), net of taxes:		
Base scenario – rate of 11.75% p.a.	(260,147)	(279,484)
Scenario of 25% increase – rate of 14.69% p.a.	(325,183)	(325,183)
Scenario of 50% increase – rate of 17.63% p.a.	(390,220)	(390,220)
Scenario of 25% decrease – rate of 8.81% p.a.	(195,110)	(209,613)
Scenario of 50% decrease – rate of 5.88% p.a.	(130,073)	(139,742)

32. Statements of cash flows

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

	Individual		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Changes in the fair values of financial assets	(4,061)	1,266	(4,061)	1,266
Additions – IFRS 16 – Right of use and lease	383,332	303,605	402,185	308,362
Stock option plan - subsidiaries	(18,213)	14,077	(18,213)	14,077
Dividends proposed by subsidiaries and jointly-controlled entities	-	23,546	-	23,546

33. Insurance coverage

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

Insurance coverage at September 30, 2023 and December 31, 2022 is as follows:

	Individual		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Civil liability D&O	100,000	100,000	194,025	194,025
Sundry risks – inventories and P&E	7,233,012	6,556,541	8,154,865	7,714,867
Vehicles	20,695	34,379	32,742	34,379
	7,353,707	6,690,920	8,381,632	7,943,271

34. Events after the reporting period

Completion of the operation for disposal of equity interest held in Luizaseg

On October 31, 2023, the Company signed a term of completion of the disposal of its entire shareholding interest in Luizaseg Seguros S.A., after complying with the conditions precedent of the purchase and sale agreement entered into with NCVF Participações Societárias S.A., a company controlled by Cardif. As a result of the disposal, the Company received the amount of R\$166,793 on the execution date and the related accounting reflections will be presented in the financial statements for the year ending December 31, 2023.