

MESSAGE FROM THE EXECUTIVE DIRECTORS

2022 began with the one-two punch of rising interest rates and high inflation. Like every other company, we were blindsided by the unprecedented speed with which the macroeconomic scenario shifted, but we were one of the first companies, globally, to realize the gravity of the situation and react. By making hard decisions quickly, we were able to mitigate the damage. Despite the challenges, we were able to expand our sales, margins and operating cash generation, all while continuing to offer our customers the best service levels. As a result, Magalu's total sales surpassed R\$60 billion for the first time, increasing 8% compared to 2021.

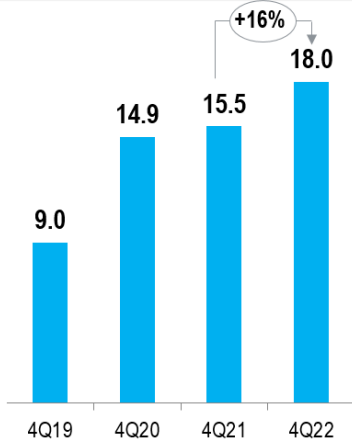
During the first half, we made important adjustments to our operation. We improved the gross margin by reducing freight subsidies and increasing the marketplace take-rate (accelerating the growth of service revenues); we radically reduced expenses (mainly marketing and logistics) and reduced inventories significantly. These adjustments led to a material increase in our operating margins. Magalu's adjusted EBITDA margin, which was only 2.6% in the fourth quarter of 2021, reached 6.0% in the fourth quarter of 2022. For the year, adjusted EBITDA surpassed the mark of R\$2.1 billion reais, 44% higher than in 2021, with a 5.7% margin—the highest adjusted EBITDA margin since 2019.

Though our primary focus was on expanding margins and implementing a lighter structure, we managed to accelerate growth and market share gains, especially during the last quarter of the year, which was characterized by strong growth across all channels. In the period from October to December, we achieved record sales of R\$18 billion, 16% higher than the previous year.

During the fourth quarter of 2022, e-commerce sales grew by 16%, reaching R\$13 billion. In physical stores, sales surpassed the R\$5 billion mark, with 15% growth compared to the same period in 2021. The Company's excellent sales performance during the quarter was primarily driven by Magalu's assertive commercial and marketing strategy, including sponsorship of the World Cup.

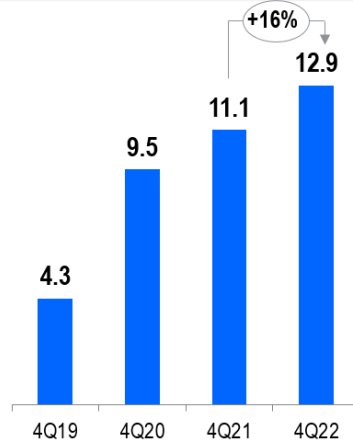
Total Sales
[in R\$ Billion]

Average annual growth of 26%
over the last three years



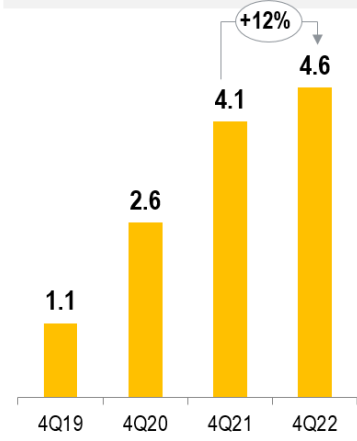
Total E-Commerce Sales
[in R\$ Billion]

Average annual growth of 44%
over the last three years



Marketplace Sales (3P)
[in R\$ Billion]

Average annual growth of 58%
over the last three years



According to data from Neotrust, the strong evolution of online sales during the quarter led to an increase of 5.1 percentage points in Magalu's share of Brazilian e-commerce. The Company's first-party or 1P sales grew 18% during the period from October to December compared to 2021. Sales across the Company's third-party (3P) marketplace platforms grew 12% during the same period, accelerating throughout the quarter. In December growth reached 33%.

Working Capital and Cash Generation

Another important highlight of 2022 was the significant reduction in inventory levels. Inventory levels ended the year at R\$7.8 billion, R\$1.3 billion less than December 2021. This reduction, in conjunction with the higher sales volume, led to a turnover improvement of more than 30 days.

The strong improvement in operating results, added to the evolution of working capital, led to an operating cash generation of more than R\$800 million in 2022. It is worth noting that in the fourth quarter, operating cash generation reached an expressive R\$2.2 billion.

Our solid capital structure enables us to withstand short-term market fluctuations without the need to pause investments in the execution of our strategy: the digitalization of retail in Brazil. We ended the year with a total cash position of R\$10.6 billion, including financial investments and credit card receivables. Discounting debts, the Company's net cash was R\$3.5 billion in 2022. It is worth highlighting that Magalu's debt maturities are long term, distributed between 2024 and 2026.

The future of retail is digital, multichannel and hyperlocal

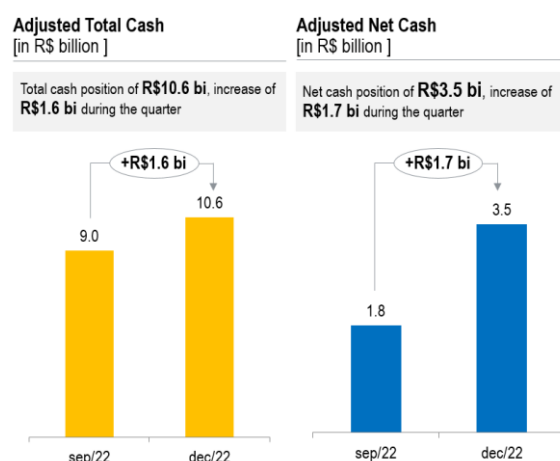
We are convinced that Brazilian retail will become increasingly digital. The e-commerce penetration rate in Brazil is still low. Total retail e-commerce penetration in 2022 was only 11% and we do not believe that the 4% (Neotrust) contraction that Brazil experienced in 2022 is a long-term trend. We believe that the strong e-commerce growth experienced during the pandemic anticipated the advance of e-commerce by a couple of years and that, after a brief period of normalization, we are returning to the previous growth curve. The average growth rate of our e-commerce operation over the last three years was a significant 44%, reflecting this trend.

Going forward, we believe that growth will be accompanied by profitability. In this context, our unique model which combines digital, multichannel and hyperlocal, stands out.

Multichannel is one of the pillars of Magalu's business model. Our operation combines physical sales channels (stores) with digital sales channels (1P e-commerce business and 3P marketplace business). Historically, part of Magalu's edge derived from its ability to leverage its physical store assets to benefit its first-party e-commerce business. Now, however, we are going a step beyond, leveraging the Company's physical store assets to benefit the Company's third-party marketplace business. This will enable the more than 260,000 sellers on Magalu's marketplace platform to benefit from the physical stores, using them for onboarding and logistics services. Whether applied to Magalu's first-party e-commerce business or its third-party marketplace business, the Company's multichannel model provides Magalu with a strong, sustainable competitive advantage, enabling a higher level of customer service and increased operating efficiency in a value accretive way.

In addition to being multichannel, the Company's marketplace is also hyperlocal. Magalu's vision is that in the future, many deliveries will come from local retailers in your immediate vicinity. In order to realize this vision we are: using the Partner Magalu app to digitize local small and medium-sized analog businesses, migrating them to our marketplace and bringing them online; developing new geolocation technology to more efficiently enable local buyers to find local sellers; using ComSchool to educate analog retailers nationwide, at scale, on how to become marketplace sellers and catalyzing retailers around the country to enter the marketplace via our Caravan Magalu initiative. We believe that this hyperlocal strategy will enable Magalu to offer the fastest and least expensive delivery, even for low-ticket items, in a value accretive way.

In terms of logistics, 3P marketplace sellers have at their disposal all of Magalu's infrastructure – which already serves the Company's physical store and 1P e-commerce businesses. The ability to leverage Magalu's existing logistics infrastructure enables the seller's to deliver customers' orders faster, at a lower cost. Around 80% of marketplace orders currently pass through Magalu Entregas and 43% are delivered within 48 hours. More than 61,000 sellers use the product drop-off service, Agency Magalu, at the Company's physical stores. In addition to collection and delivery services, Magalu also recently began offering fulfillment.



Magalu's fulfillment operation takes place in the same distribution centers used by the Company's 1P operation. Here, once again, Magalu's multichannel model demonstrates its value. Today, around 1,000 marketplace sellers use the Company's fulfillment service, benefitting from the scale of the largest 1P operation in Brazil. Currently, Magalu has 5 distribution centers offering fulfillment and the Company plans to expand the operation significantly throughout 2023, providing sellers nationwide with the fastest delivery speeds at the lowest cost.

Diversification of revenue sources and the Magalu Ecosystem

After years of hard work and diligent execution, we recently achieved leadership in the durable goods category. This puts Magalu in a position to grow, profitably, in the durable goods category, especially via our physical store and first-party e-commerce operations. We have the structure, leadership and knowledge necessary to expand our market share in this important segment, which also represents a significant share of the profit pool of Brazilian e-commerce.

This does not mean, however, that Magalu will focus exclusively on durable goods. We believe that the relevance of new categories will continue to expand as our marketplace continues to grow, becoming a more meaningful part of our sales as we onboard millions of small to medium-sized analog retailers from diverse categories.

In fact, we believe that the next growth leap for Brazilian e-commerce will be driven by the digitization of new categories with low levels of e-commerce penetration such as fashion; beauty; home and garden; groceries, automotive accessories and others. At Magalu, our multichannel marketplace has been instrumental in capturing this opportunity in a profitable way.

Over the last few years, Magalu has made investments organically and through acquisitions to expand, and increasingly diversify, its sources of revenue. Magalu's diversification efforts involve both expansion into new categories and the expansion of service offerings.

New categories are becoming an increasingly meaningful part of the Company's total e-commerce sales. During the last quarter, sales of new categories represented 51% of Magalu's total online sales.

- In fashion, marketplace sales, principally via the SuperApp, grew 25% during the quarter and already represent 65% of the category's total sales. According to Neotrust, Zattini has the fourth largest fashion e-commerce traffic in Brazil and is the second largest retailer in searches for footwear on Google.
- In beauty, sales grew 22% during the fourth quarter and Magalu gained 1.9 p.p. of online market share in the category during the period. Época Cosméticos celebrated its 16th anniversary at an event with more than 200 influencers and launched its first TV campaign for brand positioning. Época finished the year with profits of R\$76 million.
- In the sports category, it is worth highlighting the excellent performance of the marketplace which grew 34% during the fourth quarter of 2022. For the year, Netshoes reached a net profit of R\$56 million.
- In food delivery, AiQFome – the second largest food delivery platform in Brazil – surpassed the mark of 30 million orders in 2022, which corresponds to around R\$1.4 billion in sales. AiQFome has also been expanding the services that it offers to partner restaurants. In December 2022, about a third of all payments to restaurants were processed by AiQFome, expanding its sources of revenue.
- At Kabum, sales reached R\$4 billion in 2022, with around R\$180 million in profits and strong cash generation. Magalu is extending its multichannel model to Kabum as well. A recently launched initiative to enable Kabum customers to pick-up their online purchases at Magalu stores is already available in more than 600 stores, reducing costs for the end consumer.

In terms of consumer credit, Luizacred's portfolio reached R\$20.6 billion and revenue from the Company's credit cards, Cartão Luiza and Cartão Magalu, totaled R\$14.5 billion during the quarter and R\$54.0 billion in 2022 (30% higher than in 2021). Short-term delinquency, which has the greatest impact on the volume of provisions, continues to improve, due to a disciplined credit strategy and robust collection efforts. As a result, Luizacred had its best quarter at the end of the year, returning to profitability in recent months.

Fintech Magalu has also been expanding the portfolio of value added services offered to marketplace sellers. The prepayment of receivables is already a service widely used by our sellers. In 2022, even with the scenario of high interest rates, Magalu Payments reached R\$67 million in net profit. Fintech Magalu also offers a digital account in which all sellers will receive the amounts paid by Magalu. Today, more than 15 thousand sellers use the Company's digital account and Magalu has transacted more than R\$700 million since launch.

Finally, it is worth highlighting the evolution of MagaluAds, the Company's advertising platform. Magalu has one of the largest audiences on the Brazilian internet, with more than 500 million monthly hits, distributed across different brands and content channels, such as Jovem Nerd, Steal the Look and Canaltech. As of today, 100% of Magalu's assortment has been enabled for sponsored search. In the fourth quarter, we reached the mark of 6,000 campaigns created and 2,500 sellers used MagaluAds to promote their products, a number that has been growing rapidly. In addition to helping sellers gain visibility, MagaluAds will increase the monetization and profitability of Magalu's operation.

ESG

The Company's advances also extend to its ESG initiatives. In January, Magalu was included, for the second consecutive year, in the Brazilian stock exchange's Corporate Sustainability Index (ISE), which evaluates companies on their commitment to environmental, social and governance issues. The ISE portfolio is in its 18th edition and, in 2023, it will comprise 70 publicly-traded companies.

Final considerations

We started 2023 off on the right foot, with the biggest Fantastic Liquidation Sale in the Company's history. Achieving an optimal balance between profitability and growth remains the Company's top priority. Magalu is committed to expanding its market share across all of its sales channels in a sustainable, value accretive way. Going forward, we believe that the Company will continue to harvest the benefits of the decisive actions taken at the beginning of the crisis as well as those that we have taken in recent months.

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

EXECUTIVE MANAGEMENT TEAM

2022: Record sales of R\$60 billion, with strong growth across all channels

Operating cash flow of more than R\$827 million and total cash position of R\$11 billion

Magalu's total sales reached **R\$60 billion in 2022**, 8% higher than 2021. **Over the last three years, the average annual sales growth rate was 30%.**

E-commerce reached more than R\$43 billion in sales during the year, increasing by 9% in 2022, while the Brazilian e-commerce market shrank by 4% during the same period (Neotrust). **Magalu's average annual e-commerce growth rate over the last three years was 52%.**

Over the last three years, **Magalu's Marketplace has experienced an average annual growth rate of 72%.**

Despite a strong comparison base, **Marketplace sales totaled R\$15 billion in 2022, growing 18%** compared to 2021.

In 2022, the Magalu marketplace reached the mark of **260,000 sellers and 91 million offers** available for sale. In one year, more than 118,000 new sellers joined the platform, most of them connected via **Partner Magalu**, which is being accelerated by the efforts of the local physical store teams and **Caravan Magalu**.

Magalu is a truly multi-channel Marketplace. More than **61,000 marketplace sellers are already using Magalu's physical store-based logistics program, Agency Magalu**, to deliver their items and **21% of total Marketplace orders are being picked up at one of Magalu's more than 1,000 pick-up enabled stores.**

In 2022, **43% of marketplace deliveries** were made within 48 hours. More than **1,000 sellers have already utilized Magalu's fulfillment operation, which is totally integrated with the Company's logistics operation.** This enables Marketplace sellers to accelerate the speed of their deliveries, combining high service levels with lower costs.

In 2022, physical store sales were R\$17 billion, a growth of 6% compared to 2021.

Operating margins also strengthened significantly during in the year. In 2022, the adjusted EBITDA totaled more than R\$2 billion, with a margin of 5.7%.

In 2022, **operating cash flow reached R\$827 million**, mainly reflecting the evolution of EBITDA and an improvement in working capital. Magalu ended the year with a **total cash position of R\$11 billion and an adjusted net cash position of R\$3.5 billion.**

Magalu has one of the largest audiences on the Brazilian internet, **with more than 500 million monthly hits**, distributed across different brands and content channels, such as Jovem Nerd, Steal the Look and Canaltech. As of today, 100% of Magalu's assortment has been enabled for sponsored search. **In the last quarter of the year, we reached the mark of 6,000 campaigns created and 2,500 sellers used MagaluAds** to promote their products.

Magalu's Fintech operation grew 39% in the year to R\$91 billion in TPV. One highlight was the 30% growth in credit card TPV, which reached more than R\$54 billion in 2022. There are now more than 7 million issued credit cards and the credit portfolio is R\$21 billion.

2022 in numbers

Consolidated principal numbers from the Magalu Ecosystem

R\$60 billion

Total Sales

+8% compared to 2021

+30% three-year CAGR

R\$43 billion

E-commerce sales

+9% compared to 2021

+52% three-year CAGR

7.1 million

Credit Cards

Luiza Card and Magalu Card

37 million

Active Customers

R\$ 827 million

Operating Cash Generation

(Adjusted)

R\$91 billion

in TPV

+39% compared to 2021

+37 million

MAU (Monthly Active Users)

1,339 Physical Stores

Physical Stores

in 21 Brazilian states

269 DCs and Cross-Docking Stations

Marketplace: more than 1,000 sellers already utilize Fulfillment Magalu

R\$15 billion

3P sales

+18% compared to 2020

+72% three-year CAGR

+260 k

Sellers

+118 k new sellers since Dec/21

+213 k new sellers since Dec/20

80% of 3P orders pass

through Magalu Entregas

43% delivered in up to 48 hours

36% of total online sales

More Sellers, greater assortment,

Faster delivery



World Cup: Magalu's aggressive commercial and marketing strategies-- which included the sponsorship of the FIFA Soccer World Cup on the Globo network-- contributed to the excellent sales performance during the period.

| 2022 Financial Highlights



Strong sales growth across all channels. In 2022, total sales - including physical stores, e-commerce first-party inventory (1P) and marketplace (3P) - increased 8.2% to R\$60.2 billion, reflecting growth of 9.2% in e-commerce (52.0% three-year CAGR) and a 5.8% increase in physical stores (4.0% three-year CAGR).



E-commerce grew at an above market rate. In 2022, the Brazilian e-commerce market shrank by 4.2% according to Neotrust, while Magalu again outperformed the market. During the period, Magalu's e-commerce sales increased by 9.2%, reaching R\$43.4 billion. Magalu's 1P e-commerce sales increased by 4.7% (average annual growth of 44.1% over the last three years). In the marketplace, sales reached R\$15.4 billion, with 18.3% growth, even with a high comparison base (average annual growth of 72.2% over the last three years). The gain in market share was driven by the performance of the SuperApp, which reached 36.9 million monthly active users (MAU). Other contributing factors include faster delivery speeds for 1P and 3P, the growth of new categories and evolution of the seller base.



Rise of gross margin driven by a better balance between sales and profitability. In 2022, gross margin was 28.0%, increasing 280 bps. compared to an adjusted gross margin of 25.2% in 2021. This increase reflects a 27.5% growth in service revenues, driven in large part by marketplace commissions. In addition, passing along the costs of rising inflation and interest rates to consumers contributed to the increase in gross merchandise margin.



Operating expenses. The percentage of adjusted operating expenses in relation to net revenues was 22.2% in 2022. Adjusted operating expenses increased 90 bps. compared to 2021. This increase is associated with lower dilution of expenses in physical stores and the expressive growth of the marketplace.



EBITDA and net result. Sales growth, together with an increase in gross margin, contributed to adjusted EBITDA which reached R\$2.1 billion in 2022, growing an expressive 44.0% compared to 2021. The adjusted EBITDA margin was 5.7% in 2022, rising 150 bps. compared to 2021. In 2022, net income was R\$372.1 million, influenced primarily by a rise in interest rates during the period.



Cash generation and capital structure. In 2022, cash flow from operations was R\$827.5 million, driven by better operating results and by an improvement in working capital, particularly a strong reduction in inventory levels. Magalu ended the year with an adjusted net cash position of R\$3.5 billion. The total adjusted cash position was R\$10.6 billion, including cash and financial instruments of R\$2.7 billion and available credit card receivables of R\$7.9 billion.



Fintech. Total payment volume (TPV) reached R\$90.6 billion in 2022, growing 39.4%. In Dec/22, the cardholder base reached 7.1 million credit cards. Credit card billing grew 30.3% in 2022, reaching R\$54.0 billion during the period. The credit card portfolio reached R\$20.6 billion at the end of 2022. In December 2022, MagaluPay reached 8.9 million open digital accounts.

Magalu is the largest multichannel retailer in Brazil, offering a wide range of products and services to Brazilians of all classes. Among other things, Magalu offers the fastest delivery and the best shopping experience – whether in physical stores, on the website or on its SuperApp, which has over 37 million monthly active users. The Company has a strong geographic presence, with 23 distribution centers and 246 strategically located cross-docking stations, and 1,339 stores in 21 Brazilian states. As of December 31, 2022, the Company had more than 37 million active customers.

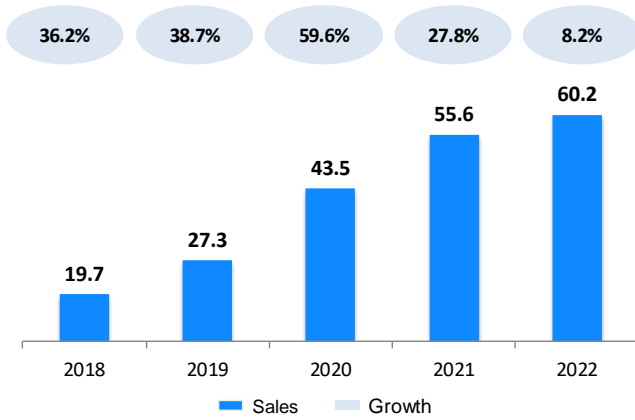
CONSOLIDATED FINANCIAL PERFORMANCE

The table below represents the consolidated income statements for the fiscal years ended December 31, 2022 and December 31, 2021.

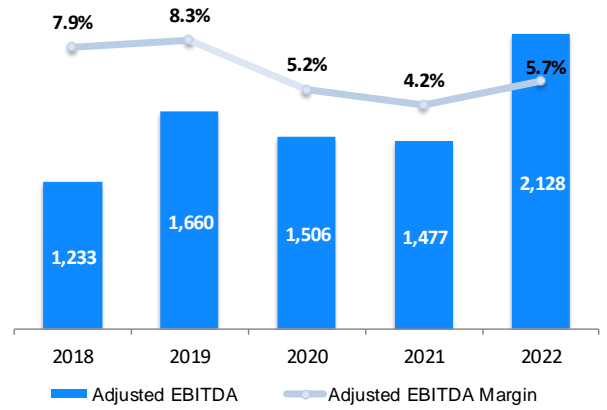
CONSOLIDATED INCOME STATEMENT (R\$ million)	12M22	12M22 Adjusted	V.A.	12M21 Adjusted	V.A.	% Chg
Gross Revenue	45,189.0	45,189.0	121.2%	42,982.7	121.8%	5.1%
Taxes and Deductions	(7,890.0)	(7,890.0)	-21.2%	(7,704.5)	-21.8%	2.4%
Net Revenue	37,299.0	37,299.0	100.0%	35,278.2	100.0%	5.7%
Total Costs	(26,860.1)	(26,860.1)	-72.0%	(26,396.3)	-74.8%	1.8%
Gross Income	10,438.9	10,438.9	28.0%	8,881.9	25.2%	17.5%
Selling Expenses	(6,741.1)	(6,741.1)	-18.1%	(6,374.4)	-18.1%	5.8%
General and Administrative Expenses	(1,370.2)	(1,370.2)	-3.7%	(1,031.7)	-2.9%	32.8%
Provisions for Loan Losses	(239.7)	(239.7)	-0.6%	(154.2)	-0.4%	55.4%
Other Operating Revenues, Net	(116.9)	75.3	0.2%	56.3	0.2%	33.8%
Equity in Subsidiaries	(35.7)	(35.7)	-0.1%	99.3	0.3%	-
Total Operating Expenses	(8,503.6)	(8,311.4)	-22.3%	(7,404.7)	-21.0%	12.2%
EBITDA	1,935.3	2,127.5	5.7%	1,477.1	4.2%	44.0%
Depreciation and Amortization	(1,163.6)	(1,163.6)	-3.1%	(817.0)	-2.3%	42.4%
EBIT	771.7	963.9	2.6%	660.2	1.9%	46.0%
Financial Results	(2,041.0)	(2,041.0)	-5.5%	(880.4)	-2.5%	131.8%
Operating Income	(1,269.4)	(1,077.2)	-2.9%	(220.3)	-0.6%	389.0%
Income Tax and Social Contribution	770.4	705.1	1.9%	334.5	0.9%	110.8%
Net Income	(499.0)	(372.1)	-1.0%	114.2	0.3%	-
Retail Total Sales ¹	60,160.7	60,160.7	-	55,607.7	-	8.2%
Same Physical Store Sales Growth	0.1%	0.1%	-	0.2%	-	-
Total Physical Store Sales Growth	5.8%	5.8%	-	5.8%	-	-
E-commerce Sales Growth (1P)	4.7%	4.7%	-	28.4%	-	-
Marketplace Sales Growth (3P)	18.3%	18.3%	-	68.8%	-	-
Total E-commerce Sales Growth	9.2%	9.2%	-	39.4%	-	-
E-commerce Share of Total Sale	72.1%	72.1%	-	71.5%	-	0.6 pp
Number of Stores - End of Period	1,339	1,339	-	1,481	-	-141 stores
Sales Area - End of Period (M ²)	716,707	716,707	-	723,085	-	-0.9%

⁽¹⁾ Total sales include physical store sales, traditional e-commerce (1P) and marketplace (3P).

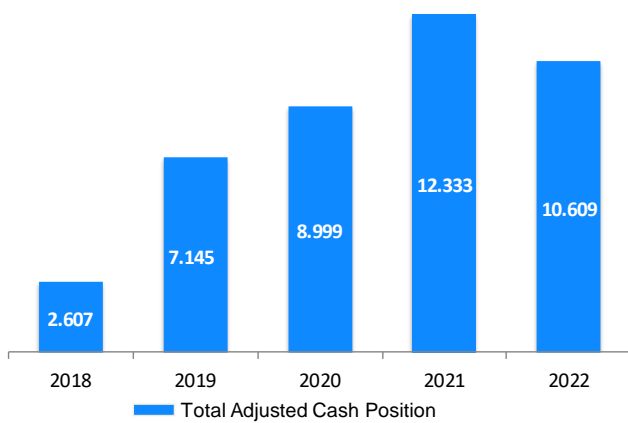
Total Sales (R\$ billion)



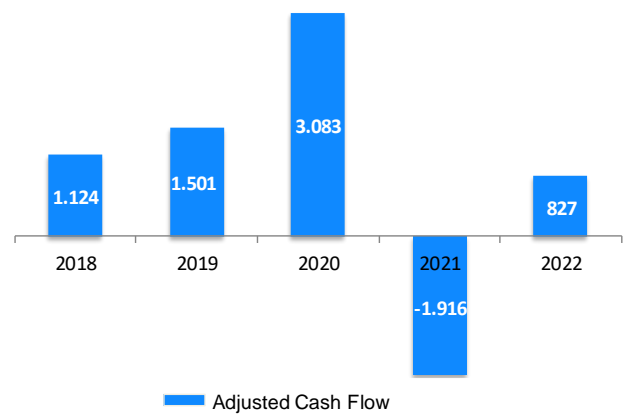
Adjusted EBITDA (R\$ million)



Total Adjusted Cash Position (R\$ million)



Adjusted Cash Flow from Operation (R\$ million)



| MANAGEMENT STATEMENT

In compliance with the provisions of Article 25 of the Brazilian Securities and Exchange Commission (CVM) Instruction 480, the Board of Executive Officers declares that it has reviewed, discussed and agreed with the opinion rendered in the Independent Auditor's Report issued by Ernest & Young Auditores Independentes on March 09, 2023, along with the Financial Statements for the fiscal year ended on December 31, 2022.

| RELATIONSHIP WITH EXTERNAL AUDITORS

In accordance with Circular Letter SNC/SEP No. 01/2007, we hereby inform that the Company and its subsidiaries and jointly-owned subsidiaries adopt as a formal procedure to consult with the independent auditors Ernest & Young Auditores Independentes (EY), in order to assure that the rendering of other services do not affect their independence and the objectivity required to perform independent audit services. The Company's policy when engaging independent auditor's services assures that there is no conflict of interests, loss of independence or objectivity.

During the fiscal year ended December 31, 2022, EY provided the following additional services which, together, exceeded 5% of the audit fees for the consolidated financial statements of Magazine Luiza S.A:

Nature of service:	Description:	Data
Tax review and ECF calendar year 2021	Hiring date	06/01/2022
	Term	09 weeks
	% in relation to external audit fees	2.6%
Tax advice for reviewing ICMS subsidies and the impact on the calculation of IRPJ/CSLL for the last 5 years	Hiring date	06/24/2022
	Term	06 weeks
	% in relation to external audit fees	33.5%

When contracting these services, the policies adopted by the Company are based on the principles which preserve auditor's independence. These principles, pursuant to the accepted international standards, consist of: (a) the auditor shall not audit his own work; (b) the auditor shall not perform managerial duties at his client, and (c) the auditor shall not legally represent its clients' interests.

Ernest & Young Auditores Independentes (EY) declared that their services were rendered in strict compliance with the accounting standards governing auditors' independence that they do not represent a situation which could affect independence and the objective performance of their external audit services.

| ACKNOWLEDGEMENTS

We would like to take this opportunity to thank all of our clients, employees, shareholders, suppliers, partners, and the community in general, for their continued trust and partnership throughout 2022.

São Paulo, March 09, 2023.

Management Team