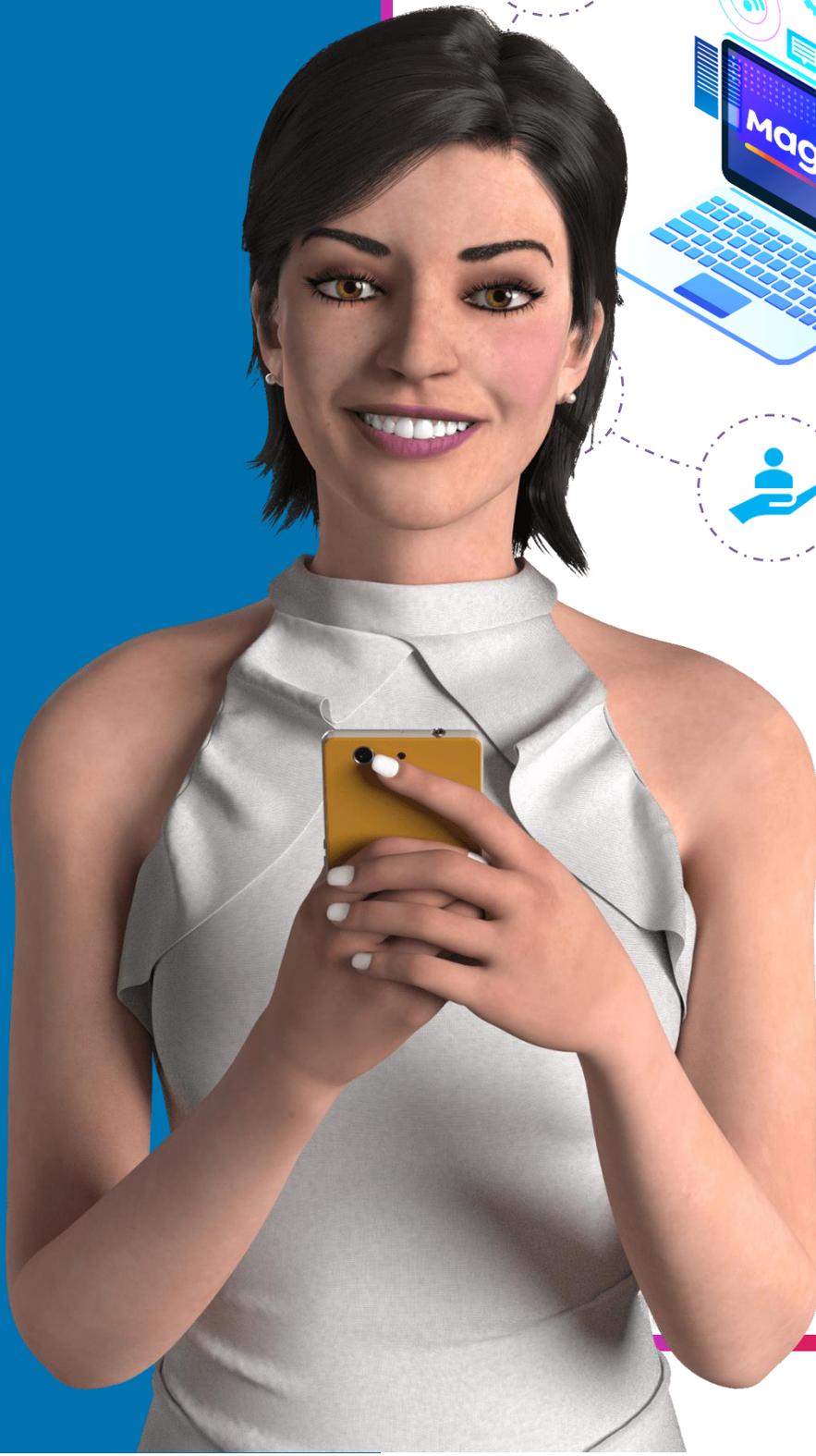


Financial Statements December 31, 2025 and 2024



Magazine Luiza S.A. and Subsidiaries

Individual and consolidated financial statements

December 31, 2025

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São Paulo Corporate Towers
Av. Presidente Juscelino Kubitschek, 1,909
6º ao 9º andar - Vila Nova Conceição
04543-011 - São Paulo - SP - Brasil
Tel: +55 11 2573-3000
ey.com.br

A free translation from Portuguese into English of Independent auditor's report on individual and consolidated financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and the IFRS Accounting Standards

Independent auditor's report on individual and consolidated financial statements

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

Opinion

We have audited the individual and consolidated financial statements of Magazine Luiza S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2025, and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2025, and its individual and consolidated financial performance and cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants and the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC), applicable to audits of financial statements in Brazil, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current year. These matters were addressed in the context of the audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the individual and consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Information technology environment

Due to the volume of transactions and the fact that the operations of the Company and its subsidiaries are highly dependent on the proper operation of the information technology structure and its systems and applications, added to the nature of their business and their geographic dispersion, we consider the IT environment to be a key audit matter.

How our audit addressed this matter

Our audit procedures included the following, among others: (i) assessing the information technology general controls (ITGC) and design — logical accesses, change and IT operations management — related to the systems and applications we consider relevant for generating information that directly impacts the individual and consolidated financial statements; (ii) engaging information technology professionals to assist us in carrying out these procedures; (iii) assessing the process of generating and extracting reports that support the book balances; (iv) performing compliance tests on the information produced by the Company’s systems and applications.

With regard to controls over logical accesses: (i) we analyzed the process of authorizing and granting access to new users, timely revocation of access to transferred or terminated employees, and periodic review of users, and; (ii) we evaluated password policies, security settings, and access to information technology resources.



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With regard to the change management process: (i) we assessed whether the changes in systems and applications were duly authorized and approved by the Company's executive board, and; (ii) we analyzed the operations management process, focusing on the policies for carrying out information safeguarding procedures and the timeliness in the handling of incidents.

Certain deficiencies that are not significant in the design and operation of information technology general controls (ITGC), identified throughout the audit, modified our assessment on the nature, timing, and extent of our planned substantive procedures in order to obtain sufficient appropriate audit evidence. Taking into consideration the increase in the extent of the audit procedures, which we deemed appropriate, the results of these procedures have provided us with appropriate and sufficient audit evidence in the context of the individual and consolidated financial statements as of December 31, 2025.

Provision for tax contingencies

As disclosed in Note 24, the Company is a party to administrative and legal proceedings arising from various tax disputes, whose provision for contingencies, as of December 31, 2025, was R\$705,623 thousand and R\$1,209,897 thousand, representing 3.2% and 4.5% of the total liabilities in the individual and consolidated financial statements, respectively. The assessment of the likelihood of loss and the measurement of the provision for tax contingencies require judgment by the executive board, which is supported by the legal opinions of the Company's internal and external legal advisors. Changes in the assumptions used by the Company, which are the basis for exercising this judgment, including the position of the tax authorities and the development of tax disputes in the courts, may significantly impact the Company's individual and consolidated financial statements.

Additionally, at December 31, 2025, the Company is a party to tax disputes totaling R\$3,558,309 thousand in the individual financial statements and R\$4,156,052 thousand in the consolidated financial statements, which are not accrued in the individual and consolidated financial statements due to the executive board's assessment, supported by the Company's external and internal legal advisors, that the likelihood of loss is possible.

We consider this to be a key audit matter due to the magnitude of the amounts involved and the fact that the assessment of the likelihood of loss and the measurement of the provision for tax contingencies involve a high degree of professional judgment by the executive board together with the Company's external and internal legal advisors.



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How our audit addressed this matter

Our audit procedures included, among others: (i) assessing the control activities designed and implemented by the executive board in the process of identification and accounting recognition of provisions for tax contingencies; (ii) evaluating the accounting policies adopted by the Company for the classification of the likelihood of loss of administrative and legal proceedings as probable, possible or remote, including the assumptions used to measure the amounts to be recorded as a provision for tax contingencies; (iii) engaging professionals specialized in tax controversy, who analyzed a sample of the proceedings related to the contingencies classified as possible losses, considering the assessments prepared by the Company's external and internal legal advisors; (iv) obtaining evidence on the risks of losses considered by the Company in the main proceedings, including the review of supporting documentation, legal opinions, as well as external confirmations from the Company's legal advisors containing the current stage and likelihood of loss of each tax proceeding; and (v) assessing the adequacy of the disclosures in Note 24 to the individual and consolidated financial statements as at December 31, 2025.

Based on the result of the audit procedures performed on the provision for tax contingencies, which is consistent with the executive board's assessment, we understand that the criteria and assumptions adopted by the executive board, as well as the respective disclosures in Note 24, are acceptable within the context of the individual and consolidated financial statements taken as a whole.

Commercial agreements for purchases of goods for resale (Bonuses)

As disclosed in Note 8, the Company has commercial agreements with its suppliers of goods for resale, which may be of a specific or complex nature within the scope of the retail sector. In this context, there are different categories of commercial agreements that are substantially linked to the resale of goods to obtain financial incentives by the Company. Therefore, it is necessary for the executive board to carry out procedures, in particular, to analyze and conclude on the amounts and correct period in which the bonuses computed in these agreements should be accounted for, either to reduce the cost of goods sold or recover marketing expenses (joint advertising budget).

In view of the above, we consider the accounting recognition of bonuses arising from commercial agreements, particularly with regard to the total amount and its recognition in the correct accounting period, as a key audit matter.



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How our audit addressed this matter

Our audit procedures included, among others: (i) assessing the control activities designed and implemented by the executive board in the process of identifying and accounting for commercial agreements with suppliers; (ii) updating the understanding of the business processes established by the executive board to identify, measure and account for commercial agreements with suppliers; (iii) understanding the main contractual terms that are individually material or have specific characteristics; (iv) sending out confirmation letters for the amounts of bonuses receivable from certain suppliers, considering aspects of relevance of amounts and representative sample; (v) testing the recognition of bonuses in the correct accrual period, including subsequent financial settlement verification for a sample of transactions; and (vi) assessing whether the disclosures in Note 8 to the individual and consolidated financial statements are adequate as of December 31, 2025.

Based on the results of the audit procedures performed on the commercial agreements, which is consistent with the executive board's assessment, we consider the criteria and assumptions adopted by the executive board, as well as the respective disclosures in Note 8, acceptable within the context of the individual and consolidated financial statements as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2025, prepared under the responsibility of the Company's executive board and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's individual and consolidated financial statements. For the purpose of forming our opinion, we evaluate whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set forth in Accounting Pronouncement CPC 09 - Statement of Value Added. In our opinion, these individual and consolidated statements of value added have been prepared fairly, in all material respects, in accordance with the criteria set forth in this Accounting Pronouncement and are consistent with the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

The executive board is responsible for such other information, which comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive board and those charged with governance for the individual and consolidated financial statements

The executive board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the IFRS Accounting Standards, issued by the International Accounting Standards Board (IASB), and for such internal control as the executive board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, the executive board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit performed in accordance with the Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



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- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Conclude on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the corresponding transactions and events in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the group's entities or business units as a basis for forming an opinion on the group's financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit and, consequently, for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence and communicate all relationships and other matters that could reasonably be thought to bear on our independence, including, when applicable, the actions taken to eliminate threats or the safeguards applied.



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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 12, 2026.

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

Alexandre Rubio
Accountant CRC-SP-223361/O

A free translation from Portuguese into English of Independent auditor's report on individual and consolidated financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and the IFRS Accounting Standards

Magazine Luiza S.A.

Statements of financial position at December 31, 2025 and December 31, 2024 (In thousands of reais - R\$)

	Note	Individual		Consolidated	
		12/31/2025	12/31/2024	12/31/2025	12/31/2024
Assets					
Current assets					
Cash and cash equivalents	6	773,574	718,648	1,575,837	1,827,197
Marketable securities	7	62,704	272,824	459,927	337,894
Accounts receivable	8	3,488,144	3,447,789	5,608,982	5,833,528
Inventories	9	6,060,415	6,593,244	7,181,339	7,611,132
Accounts receivable from related parties	10	2,446,031	1,864,959	2,451,511	1,661,405
Taxes recoverable	11	1,724,952	1,671,336	1,926,083	1,856,475
Income and social contribution taxes	12	99,636	42,002	160,174	97,771
Other current assets		148,256	124,810	475,201	325,422
Total current assets		14,803,712	14,735,612	19,839,054	19,550,824
Noncurrent assets					
Accounts receivable	8	35,060	48,553	35,060	48,553
Taxes recoverable	11	1,404,162	1,808,934	1,450,560	1,870,705
Deferred income and social contribution taxes	12	3,124,538	2,751,837	3,664,777	3,285,792
Judicial deposits	24	1,351,202	1,333,234	2,045,539	1,902,376
Other noncurrent assets		104,145	128,498	106,126	129,362
Long-term receivables		6,019,107	6,071,056	7,302,062	7,236,788
Investments in subsidiaries	13	5,344,185	4,806,587	-	-
Investments in joint ventures	14	1,099,379	971,862	1,099,379	971,862
Right of use - lease	15	3,122,022	3,129,039	3,219,843	3,235,372
Property and equipment	16	1,628,551	1,618,551	1,895,438	1,834,725
Intangible assets	17	1,219,750	1,149,912	4,555,382	4,482,287
Total noncurrent assets		18,432,994	17,747,007	18,072,104	17,761,034
Total assets		33,236,706	32,482,619	37,911,158	37,311,858

See accompanying notes.

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Statements of financial position at December 31, 2025 and December 31, 2024 (In thousands of reais - R\$)

	Note	Individual		Consolidated	
		12/31/2025	12/31/2024	12/31/2025	12/31/2024
Liabilities					
Current liabilities					
Trade accounts payable	18	7,160,231	6,291,347	8,143,428	7,182,906
Trade accounts payable - agreement	19	2,860,362	2,946,541	3,356,388	3,100,213
Partners and other deposits	20	-	-	1,357,390	1,640,637
Loans and financing and other financial liabilities	21	998,359	980,233	998,359	1,402,168
Salaries, vacation pay and related charges		248,634	335,803	501,935	558,572
Taxes payable		203,235	209,929	364,130	363,003
Accounts payable to related parties	10	233,716	228,387	110,115	107,061
Leases	15	417,893	425,027	453,895	452,654
Deferred revenue	22	122,407	122,407	155,102	152,910
Dividends payable	25	3,021	-	3,021	-
Other current liabilities	23	1,096,836	1,144,002	1,739,029	1,750,426
Total current liabilities		13,344,694	12,683,676	17,182,792	16,710,550
Noncurrent liabilities					
Loans and financing and other financial liabilities	21	3,946,177	3,179,992	3,946,177	3,179,992
Taxes payable		-	1,057	41,123	55,597
Accounts payable to related parties	10	-	200,000	-	-
Leases	15	3,061,446	2,993,853	3,129,977	3,080,881
Deferred income and social contribution taxes	12	-	-	76,857	74,242
Provisions for tax, civil and labor contingencies	24	838,223	1,211,777	1,364,360	1,857,353
Deferred revenue	22	693,431	815,839	810,137	952,935
Other noncurrent liabilities	23	74,705	77,163	81,705	81,046
Total noncurrent liabilities		8,613,982	8,479,681	9,450,336	9,282,046
Total liabilities		21,958,676	21,163,357	26,633,128	25,992,596
Equity					
Capital	25	14,002,498	13,602,498	14,002,498	13,602,498
Capital reserve		(2,815,070)	(2,556,694)	(2,815,070)	(2,556,694)
Treasury shares		(222,174)	(503,574)	(222,174)	(503,574)
Legal reserve		138,502	137,442	138,502	137,442
Income reserve		343,832	768,554	343,832	768,554
Equity adjustments		(169,558)	(128,964)	(169,558)	(128,964)
Total equity		11,278,030	11,319,262	11,278,030	11,319,262
Total liabilities and equity		33,236,706	32,482,619	37,911,158	37,311,858

See accompanying notes.

Magazine Luiza S.A.

Statements of profit or loss Years ended December 31, 2025 and 2024 (In thousands of reais - R\$)

	Note	Individual		Consolidated	
		12/31/2025	12/31/2024	12/31/2025	12/31/2024
Net sales revenue	26	32,346,768	31,668,289	38,703,387	38,038,068
Cost of goods resold and services rendered	27	(23,088,793)	(22,428,814)	(27,148,836)	(26,410,812)
Gross profit		9,257,975	9,239,475	11,554,551	11,627,256
Operating income (expenses)					
Selling expenses	28	(6,194,918)	(5,879,230)	(7,375,871)	(7,131,584)
General and administrative expenses	28	(871,618)	(904,832)	(1,392,269)	(1,373,715)
Expected credit losses		(449,128)	(432,185)	(455,819)	(452,704)
Depreciation and amortization	15 16 17	(1,030,148)	(1,038,985)	(1,284,787)	(1,333,288)
Equity pickup	13 14	473,719	463,977	127,268	148,456
Other operating income, net	28 29	532,814	81,167	745,610	78,011
		(7,539,279)	(7,710,088)	(9,635,868)	(10,064,824)
Operating income before finance income (costs)		1,718,696	1,529,387	1,918,683	1,562,432
Finance income		619,913	627,048	775,854	720,233
Finance costs		(2,484,722)	(1,875,712)	(2,820,033)	(2,195,281)
Finance income (costs)	30	(1,864,809)	(1,248,664)	(2,044,179)	(1,475,048)
Income (loss) before income and social contribution taxes		(146,113)	280,723	(125,496)	87,384
Current and deferred income and social contribution taxes	12	350,716	167,994	330,099	361,333
Net income for the year		204,603	448,717	204,603	448,717
Income attributable to: Controlling shareholders		204,603	448,717	204,603	448,717
Earnings per share					
Basic (reais per share)	25	0.264	0.610	0.264	0.610
Diluted (reais per share)	25	0.264	0.610	0.264	0.610

See accompanying notes.

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Statements of comprehensive income Years ended December 31, 2025 and 2024 (In thousands of reais - R\$)

	Individual and Consolidated	
	12/31/2025	12/31/2024
Net income for the year	204,603	448,717
Items that may be subsequently recycled to profit or loss:		
Investments valued under the equity method - share in other comprehensive income (OCI)	3,156	439
Financial assets measured at FVOCI	(64,661)	(11,926)
Tax effects	20,911	3,905
Total items that may be subsequently recycled to profit or loss	(40,594)	(7,582)
Total comprehensive income for the period, net of taxes	164,009	441,135
Attributable to:		
Controlling shareholders	164,009	441,135

See accompanying notes.

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Statements of changes in equity Years ended December 31, 2025 and 2024 (In thousands of reais - R\$)

Note	Income reserve								Total
	Capital	Capital reserve	Treasury shares	Legal reserve	Working capital reinforcement reserve	Tax incentive reserve	Retained earnings (accumulated losses)	Equity adjustments	
Balances at December 31, 2023	12,352,498	(2,087,258)	(990,603)	137,442	-	1,215,281	(895,444)	(121,382)	9,610,534
Capital increase	1,250,000	-	-	-	-	-	-	-	1,250,000
Stock option plan	-	29,899	-	-	-	-	-	-	29,899
Treasury shares sold or delivered in stock option plans and business combinations	-	(499,335)	487,029	-	-	-	-	-	(12,306)
Net income for the year	-	-	-	-	-	-	448,717	-	448,717
Absorption of accumulated losses	-	-	-	-	-	(446,727)	446,727	-	-
Other comprehensive income:									
Equity adjustments	-	-	-	-	-	-	-	(7,582)	(7,582)
Balances at December 31, 2024	13,602,498	(2,556,694)	(503,574)	137,442	-	768,554	-	(128,964)	11,319,262
Balances at December 31, 2024	13,602,498	(2,556,694)	(503,574)	137,442	-	768,554	-	(128,964)	11,319,262
Capital increase	25	400,000	-	-	-	(400,000)	-	-	-
Dividends paid out	25	-	-	-	-	(225,000)	-	-	(225,000)
Adoption of accounting practice - subsidiary	13	-	-	-	-	-	(244)	-	(244)
Stock option plan		-	33,409	-	-	-	-	-	33,409
Treasury shares sold or delivered in stock option plans and business combinations		-	(291,785)	281,400	-	-	-	-	(10,385)
Net income for the year		-	-	-	-	-	204,603	-	204,603
Allocations:	25								
Amounts allocated to tax incentive reserve		-	-	-	-	183,162	(183,162)	-	-
Legal reserve		-	-	-	1,060	-	(1,060)	-	-
Mandatory minimum dividends		-	-	-	-	-	(3,021)	-	(3,021)
Working capital reinforcement reserve		-	-	-	-	17,116	(17,116)	-	-
		400,000	(258,376)	281,400	1,060	17,116	(441,838)	-	(638)
Other comprehensive income:									
Equity adjustments		-	-	-	-	-	-	(40,594)	(40,594)
Balances at December 31, 2025		14,002,498	(2,815,070)	(222,174)	138,502	17,116	326,716	(169,558)	11,278,030

See accompanying notes.

Magazine Luiza S.A.

Statements of cash flows Years ended December 31, 2025 and 2024 (In thousands of reais - R\$)

	Note	Individual 12/31/2025	Individual 12/31/2024	Consolidated 12/31/2025	Consolidated 12/31/2024
Cash flows from operating activities					
Net income for the year		204,603	448,717	204,603	448,717
Adjustments to reconcile income for the year to cash flows from (used in) operating activities:					
Income and social contribution taxes recognized in P&L	12	(350,716)	(167,994)	(330,099)	(361,333)
Depreciation and amortization	15 16 17	1,030,148	1,038,985	1,284,787	1,333,288
Accrued interest on loans, financing and lease	21 15	1,124,293	894,826	1,163,164	949,483
Fair value hedge		14,176	-	14,176	-
Interests from marketable securities		(4,555)	(19,882)	(9,938)	(32,667)
Equity pickup	13 14	(473,719)	(463,977)	(127,268)	(148,456)
Changes in the provision for losses on assets		949,210	725,314	966,282	748,121
Provisions for tax, civil and labor contingencies	24	(357,610)	242,346	(456,940)	321,465
Write-off of assets		6,370	2,187	11,476	(1,229)
Appropriation of deferred revenue	22	(122,407)	(122,407)	(143,636)	(144,503)
Stock option plan expenses		20,295	23,207	20,295	23,207
Net income for the year		2,040,088	2,601,322	2,596,902	3,136,093
(Increase) decrease in operating assets:					
Accounts receivable		(583,557)	(41,381)	(323,260)	(465,032)
Marketable securities		214,675	325,369	(112,095)	473,845
Inventories		148,822	(410,922)	33,318	(333,806)
Accounts receivable from related parties		(666,433)	(204,085)	(863,276)	(452,763)
Taxes recoverable		98,256	126,923	92,868	181,929
Judicial deposits		(17,968)	(72,945)	(143,163)	(167,830)
Other assets		907	(64,735)	(126,543)	(6,367)
Changes in operating assets		(805,298)	(341,776)	(1,442,151)	(770,024)
Increase (decrease) in operating liabilities:					
Trade accounts payable		13,396,214	12,985,088	14,685,986	13,296,348
Partners and other deposits		-	-	(283,247)	(124,512)
Salaries, vacation pay and related charges		(87,169)	110,829	(56,637)	156,705
Taxes payable		181,172	284,677	177,796	353,349
Accounts payable to related parties		5,329	102,780	3,054	6,100
Other liabilities		(67,395)	(215,174)	(27,774)	(216,526)
Changes in operating liabilities		13,428,151	13,268,200	14,499,178	13,471,464
Income and social contribution taxes paid		-	(2,064)	(26,506)	(44,752)
Dividends received		141,950	42,550	91,950	42,550
Cash flows from operating activities		14,804,891	15,568,232	15,719,373	15,835,331
Cash flows from investing activities					
Acquisition of property and equipment	16	(229,832)	(198,110)	(330,687)	(266,600)
Acquisition of intangible assets	15 17	(380,967)	(352,142)	(560,928)	(462,947)
Capital increase at subsidiary and joint venture	13 14	(514,267)	(449,179)	(92,750)	(543,001)
Payment for acquisition of subsidiary		-	-	(16,451)	(18,058)
Cash flows used in investing activities		(1,125,066)	(999,431)	(1,000,816)	(1,290,606)
Cash flows from financing activities					
Loans and financing raised		1,997,491	300,194	1,997,491	300,194
Repayment of loans and financing	21	(1,285,189)	(2,565,991)	(1,685,441)	(2,568,146)
Payment of interest on loans and financing	21	(730,727)	(1,082,057)	(783,632)	(1,132,723)
Payment of lease	15	(432,232)	(482,616)	(460,642)	(502,139)
Payment of interest on lease	15	(335,733)	(315,484)	(343,404)	(320,759)
Payment of trade accounts payable - agreement		(12,613,509)	(12,067,861)	(13,469,289)	(12,337,301)
Capital increase		-	1,250,000	-	1,250,000
Dividends paid		(225,000)	-	(225,000)	-
Cash flows used in financing activities		(13,624,899)	(14,963,815)	(14,969,917)	(15,310,874)
Increase (decrease) in cash and cash equivalents		54,926	(395,014)	(251,360)	(766,149)
Cash and cash equivalents at beginning of year		718,648	1,113,662	1,827,197	2,593,346
Cash and cash equivalents at end of year		773,574	718,648	1,575,837	1,827,197

See accompanying notes.

Magazine Luiza S.A.

Statements of value added Years ended December 31, 2025 and 2024 (In thousands of reais - R\$)

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Revenues				
Sales of goods, products and services	38,516,738	37,740,932	47,110,701	46,218,782
Allowance for expected credit losses, net of reversals	(449,128)	(432,185)	(455,819)	(452,704)
Revenues related to self-constructed assets	395,127	375,088	490,633	447,873
Other operating income	224,583	197,971	311,066	298,161
	38,687,320	37,881,806	47,456,581	46,512,112
Materials acquired from third parties				
Cost of goods resold and services rendered	(24,922,669)	(24,409,846)	(28,981,186)	(28,388,619)
Materials, power, services from suppliers and other	(5,178,649)	(5,074,706)	(5,993,882)	(6,216,343)
Loss/recovery of receivables	(239,240)	(166,922)	(240,557)	(167,138)
	(30,340,558)	(29,651,474)	(35,215,625)	(34,772,100)
Gross value added	8,346,762	8,230,332	12,240,956	11,740,012
Depreciation and amortization	(1,030,148)	(1,038,985)	(1,284,787)	(1,333,288)
Net value added produced by the Company	7,316,614	7,191,347	10,956,169	10,406,724
Value added received in transfer				
Equity pickup	473,719	463,977	127,268	148,456
Finance income	619,913	627,048	775,854	720,233
Total value added to be distributed	8,410,246	8,282,372	11,859,291	11,275,413
Distribution of value added				
Personnel and charges:				
Salaries	1,814,744	1,827,821	2,625,757	2,535,559
Benefits	246,983	247,909	405,153	392,764
Unemployment Compensation Fund (FGTS)	122,930	118,369	221,879	210,299
	2,184,657	2,194,099	3,252,789	3,138,622
Taxes, charges and contributions:				
Federal	42,578	389,748	974,368	1,068,880
State	3,298,383	3,229,747	4,223,625	4,121,018
Municipal	125,350	119,625	190,372	179,777
	3,466,311	3,739,120	5,388,365	5,369,675
Debt remuneration:				
Interest	2,244,908	1,673,070	2,560,282	1,787,573
Rent	94,235	75,839	124,494	86,164
Other	215,532	151,527	328,758	444,662
	2,554,675	1,900,436	3,013,534	2,318,399
Equity remuneration:				
Retained profit (accumulated losses)	204,603	448,717	204,603	448,717
	204,603	448,717	204,603	448,717
	8,410,246	8,282,372	11,859,291	11,275,413

See accompanying notes.

Notes to the financial statements

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. Through its subsidiaries, Magazine Luiza also operates in the administration of pre-purchase financing plans, logistics, software development, food delivery, digital content, and payment methods. The joint venture Luizacred (Note 14) offers loans and financing services to its customers. Magazine Luiza 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 December 31, 2025, the Company owned 1,246 stores and 21 distribution centers (1,245 stores and 21 distribution centers as at December 31, 2024) 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, Tônolucro and Plus Delivery.

On March 12, 2026, the Board of Directors authorized the issue of these financial statements.

2. Basis of preparation and presentation of the financial statements

The Company’s individual and consolidated financial statements were prepared in accordance with the accounting practices adopted in Brazil, which comprise the provisions of the Brazilian Corporation Law (Law No. 6404/76, as amended), as well as with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), implemented in Brazil by the Brazilian Financial Accounting Standards Board (CPC), and its interpretations (ICPC) and guidelines (OCPC) approved by the Brazilian Securities and Exchange Commission (CVM).

All significant information of the individual and consolidated financial statements, and only such information, is being disclosed and corresponds to that used to manage the Company’s operations. The financial statements were prepared on a historical cost basis, except for certain financial instruments measured at fair value.

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. Basis of preparation and presentation of the financial statements (Continued)

The financial statements are presented in thousands of Brazilian reais (“R\$”), which is the Company’s functional and presentation currency. The financial statements of each subsidiary, as well as the financial statements used as a basis for the valuation of investments under the equity method, are prepared in Reais. All amounts were rounded to the nearest thousand, unless otherwise stated.

The Company prepared the financial statements under the going-concern assumption.

2.1. Tax reform

Supplementary Laws No. 214/2025 and No. 227/2026 marked the beginning of the Consumption Tax Reform, whose purpose is to simplify the Brazilian tax system and increase operational efficiency and transparency throughout the goods and services supply chain. The new model replaces five taxes (Contribution Tax on Gross Revenue for Social Integration Program (PIS), Contribution Tax on Gross Revenue for Social Security Financing (COFINS), Federal Value-added Tax (IPI), State Value-added Tax (ICMS) and Service Tax (ISS) with the Goods and Services Contribution Tax (CBS), under federal authority, and the Goods and Services Tax (IBS), under state and municipal authority. The unification of these taxes under the non-cumulative principle, with credit rights on all acquisitions, aligns Brazil with international Value-Added Tax (“VAT”) models and brings profound changes to entities’ accounting practices.

The year 2026 has been defined as a transition and testing period by the tax authorities and taxpayers. During this period, the new taxes (IBS and CBS) will be highlighted solely for informational purposes on tax documents, with no economic, financial or accounting impact for the Company or its customers, as provided for in current legislation.

The Company continues to monitor regulatory and operational developments arising from the Tax Reform on an ongoing basis, including scenario analyses, simulations and the evaluation of potential future impacts on its operations, margins, pricing, supply chain and tax credits. Additionally, the Company is carrying out reviews of its internal systems and processes to ensure compliance with the new legal requirements.

3. Basis of consolidation and investments in subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is obtained when the Company holds, directly or indirectly, a majority of the voting rights or is exposed to or entitled to variable returns based on its involvement with the investee and has the ability to affect those returns through the power exercised over the investee.

3. Basis of consolidation and investments in subsidiaries (Continued)

The Company's consolidation basis include:

Subsidiary	Business purpose	(% Direct and indirect interest)	
		2025	2024
Época Cosméticos (iii)	Electronic commerce of perfumes and cosmetics	100%	100%
Luiza Administradora de Consórcios (LAC)	Management of pre-purchase financing plans	100%	100%
Magalu Log (Magalog)	Logistics services	100%	100%
Luizalabs Sistemas de Informação	Technology solutions for the retail and consumer goods industries	100%	100%
Netshoes	Electronic commerce of sports articles and fashion	100%	100%
Magalupay	Payments institution	100%	100%
Kabum	Electronic commerce of IT equipment	100%	100%
Nonsense	Content producer	100%	100%

The consolidated financial statements also include boutique fixed income investment funds, where the Company maintains part of its financial investments, as shown in Note 7.

In the consolidation process of the financial statements, the following items are eliminated:

- Company's interest in capital, reserves and retained earnings (accumulated losses) of consolidated companies;
- Asset and liability balances held between consolidated companies; and
- Revenue and expenses arising from transactions carried out between consolidated companies.

In the Company's individual financial statements, the financial information of the subsidiaries and joint ventures is recorded under the equity method.

4. Summary of material accounting policies

The significant accounting policies and practices are described in each corresponding explanatory note, except for those below, which are related to more than one explanatory note. The accounting policies and practices were applied consistently to the years presented and to the Company's individual and consolidated financial statements.

4.1. Monetary transactions and adjustments of rights and obligations

Monetary assets and liabilities subject to contractual adjustments or foreign exchange differences and monetary variations are restated up to the statement of financial position date, and these variations are recognized as finance income or costs in profit or loss.

Monetary assets and liabilities denominated in foreign currency, if any, are translated into Reais (R\$) at the exchange rate in force as of the corresponding statement of financial position dates. Differences arising from currency translation are recognized as finance income or costs in profit or loss.

4. Summary of material accounting policies (Continued)

4.2. Impairment of assets

i) Nonfinancial assets

The carrying amounts of the Company's nonfinancial assets are reviewed at each statement of financial position date to determine whether there is indication of impairment loss. If any indication exists, the Company estimates the asset's recoverable amount. Goodwill is tested for impairment on an annual basis.

Investees accounted for using the equity method

An impairment loss referring to an investee valued using the equity method is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss and is reversed if there is a favorable change in the estimates used to determine the recoverable amount.

ii) Allocation of goodwill balances

Goodwill is allocated to each cash-generating unit and is tested annually for impairment, or more frequently, when there is any indication that a cash-generating unit is underperforming. If the recoverable amount of a cash-generating unit is lower than its carrying amount plus goodwill allocated thereto, the impairment loss is firstly allocated to reduce goodwill allocated to that unit, and subsequently, to other assets of that unit proportionally to the carrying amount of each of these assets. Any loss in the amount of goodwill is recognized directly in profit or loss for the year in which such loss was identified, and is not reversed in subsequent periods, even if the factors that led to its recognition cease to exist.

4.3. Present value adjustment

The main transactions that result in adjustments to present value are related to transactions for the purchase of goods for resale, carried out in installments, as well as transactions for the resale of goods, whose balances are payable in installments by customers, bearing fixed interest rates. Sales and purchases are discounted to establish the present value on the transactions date and considering the installment terms.

The discount rate used considers the effects of the financing rates applied to the final consumer, weighted by the percentage of default risk assessed and already considered in the allowance for expected credit losses.

The adjustment to present value of transactions related to the resale of goods, payable in installments, is matched against "Accounts receivable." Its realization is recorded under "Revenue from resale of goods", also over its term.

4. Summary of material accounting policies (Continued)

4.3. Present value adjustment (Continued)

The adjustment to present value of the liability related to the purchase of goods for resale is recorded under “Trade accounts payable”, matched against “Inventories”. Its reversal is recorded under “Cost of goods resold and services rendered” upon lapse of the term.

4.4. Provisions

Provisions are recognized for current obligations or risks resulting from past events, for which it is possible to reliably estimate amounts and whose disbursement is probable. The amount recognized as a provision is the best estimate of the considerations required to settle the obligation at the end of each year or period, considering the risks and uncertainties related to the obligation.

4.5. Employee benefits

Short-term employee benefits

Obligations for short-term employee benefits are recognized as personnel expenses as the related service is rendered. The liability is recognized at the amount expected to be paid, if the Company has a legal or constructive obligation to pay this amount as a result of prior service rendered by the employee, and the obligation can be reliably estimated.

Share-based payment agreements

The fair value at the grant date of share-based payment agreements is recognized as personnel expenses, with a corresponding increase in equity, over the period when eligible employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards that effectively meet the service and performance conditions at the *vesting* date.

4.6. Statement of Value Added (SVA)

The purpose of this statement is to show the wealth created by the Company and its distribution during a certain period. It is presented as part of its individual financial statements as required by the Brazilian Corporation Law and as supplementary information to the consolidated financial statements, since this statement is not required under the IFRS.

4. Summary of material accounting policies (Continued)

4.7. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, in the principal market, or in the absence of a principal market, in the most advantageous market to which the Company has access on that date. The fair value of a liability reflects its non-performance risk. The risk of non-performance includes the Company's own credit risk, among others.

When available, the Company measures the fair value of an instrument using the price quoted in an active market for that instrument. A market is considered to be active if transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no price quoted in an active market, the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into consideration when pricing a transaction.

The best evidence of a financial instrument fair value at initial recognition is normally the price of the transaction, i.e. the fair value of the consideration paid or received.

4.8. New or reviewed pronouncements applied for the first time in 2025 and standards issued, but not yet effective

The Company applied for the first time certain standards and amendments that are effective for annual periods beginning on or after January 1, 2025. The Company has elected not to early adopt any other standards, interpretations or amendments that have been issued but are not yet effective.

- Amendments to CPC 18 (R3) - Investments in Subsidiaries, Associates and Joint Ventures and ICPC 09 - Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements, and Application of the Equity Method: In September 2024, the Brazilian FASB (CPC) issued amendments to Accounting Pronouncement CPC 18 (R3) and Accounting Interpretation ICPC 09 (R3), aiming to align Brazilian accounting regulations with the international standards issued by the IASB.

The amendment to Accounting Pronouncement CPC 18 includes the application of the equity method (EM) for measuring investments in subsidiaries in the Individual Financial Statements, reflecting the amendment to the international standards that now allow this practice in the Separate Financial Statements. This convergence aligns the accounting practices adopted in Brazil with the international practices, without generating material impacts in relation to the current standard, focusing only on adjustments in wording and regulatory reference updates. The amendments were applicable for annual reporting periods that began on or after January 1, 2025. The amendments had no material impact on the Group's financial statements.

4. Summary of material accounting policies (Continued)

4.8. New or reviewed pronouncements applied for the first time in 2025 and standards issued, but not yet effective (Continued)

New and amended standards and interpretations issued but not effective until the issue date of the Company's financial statements are described below. The Company intends to adopt these new and revised standards, if applicable, when they become effective.

- IFRS 18: Presentation and Disclosure in Financial Statements – In April 2024, the IASB issued IFRS 18, which replaces IAS 1 (equivalent to CPC 26 (R1) – Presentation of Financial Statements). IFRS 18 introduces new requirements for presentation within the statement of profit or loss for the year, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. IFRS 18 will be effective for reporting periods beginning on or after January 1, 2027.
- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments, beginning on or after January 1, 2026. The main changes introduced are as follows:
 - A clarification that a financial liability is derecognized on the “settlement date,” together with the introduction of an accounting policy option (when certain conditions are met) to derecognize financial liabilities settled through an electronic payment system before the settlement date.
 - Additional guidance on how to assess the contractual cash flows of financial assets with environmental, social and governance (ESG) and similar features.
 - Clarifications on what constitutes “non-recourse features” and on the characteristics of contractually linked instruments.
 - Introduction of new disclosure requirements for financial instruments with contingent features and additional disclosure requirements for equity instruments measured at fair value through other comprehensive income (OCI).

The Company is currently assessing the impact of these amendments.

5. Significant accounting judgments and sources of uncertainties in estimates

In applying the accounting policies, management must make judgments and prepare estimates regarding the carrying amounts of assets and liabilities for which objective information is not easily obtained from other sources. These estimates and their respective assumptions are based on historical experience and other factors considered relevant. The actual results of these carrying amounts may differ from those estimates.

5. Significant accounting judgments and sources of uncertainties in estimates (Continued)

Estimates and assumptions are reviewed on an ongoing basis. Revisions of estimates are recognized prospectively.

a) Judgments

Information on judgments regarding the accounting policies adopted that significantly affect the amounts reported in these individual and consolidated financial statements is included in the following notes:

- Note 3 - Basis of consolidation and investments in subsidiaries: determining whether the Company in fact holds control over an investee;
- Note 15 - Determining the lease term of contracts with renewal and termination options.

b) Uncertainties about assumptions and estimates

Information about uncertainties related to assumptions and estimates with significant risk of resulting in material adjustment to the book balances of assets and liabilities in the next fiscal year is included in the following notes:

- Note 8 – Accounts receivable: criteria and amounts of allowance for expected credit losses;
- Note 9 – Inventories: criteria and amounts of allowance for inventory losses;
- Note 11 – Taxes recoverable: the criteria for evaluation of the periods for recovery of tax credits involve a high level of judgment on the determination of offset assumptions;
- Note 12 - Deferred income and social contribution taxes: availability of future taxable profit against which tax losses may be used;
- Notes 16 and 17 – Property and equipment and Intangible assets – estimated useful life of long-term assets;
- Note 17 – Intangible assets - The determination of goodwill in acquisition of companies is a complex process and involves a high level of subjectivity, and is based on several assumptions, such as the determination of cash-generating units, discount rates, projection of inflation, growth percentages, longevity and profitability of business of the Company for the next years, among others. These assumptions will be affected by market conditions or future economic scenarios in Brazil, which cannot be accurately estimated.
- Note 24 – Provision for tax, civil and labor contingencies: key assumptions about the probability and magnitude of the outflow of funds;
- Note 32 – Impairment of assets, net: determination of the fair value based on significant unobservable inputs.

6. Cash and cash equivalents

Accounting policy

The Company management defines “Cash and cash equivalents” as amounts held for the purpose of meeting short-term financial commitments rather than for investment or other purposes. Financial investments are readily convertible into a known amount of cash and are not subject to a significant risk of changes in value, and they are recorded at cost plus income earned up to the reporting dates, not exceeding their market value or realizable value.

Credit risk and sensitivity analyses are described in Note 32.

	Rate	Individual		Consolidated	
		12/31/2025	12/31/2024	12/31/2025	12/31/2024
Cash		114,742	138,769	116,658	140,836
Banks		48,177	62,765	165,365	162,426
Short-term deposits	From 88% to 103% of the CDI	610,655	517,114	1,247,457	1,440,020
Investment funds	From 97% to 100% of the CDI	-	-	46,357	83,915
Total		773,574	718,648	1,575,837	1,827,197

7. Marketable securities

	Rate	Individual		Consolidated	
		12/31/2025	12/31/2024	12/31/2025	12/31/2024
Investment funds	98% to 105% of the CDI	5,876	5,244	5,876	5,244
Receivables		48,250	49,953	22,165	802
Federal government securities	(a)	-	-	423,308	114,221
Funds of one:	(b)				
Federal government securities		8,578	217,627	8,578	217,627
Total		62,704	272,824	459,927	337,894

(a) This refers to investments by its subsidiary Magalupay in federal government securities, primarily National Treasury Financial Bills.

(b) Refers to fixed income funds of one held with Banco Itaú S.A. and Banco do Brasil S.A. As of December 31, 2025 and 2024, the portfolio was linked to federal government securities referenced to the variation of the Interbank Deposit Certificate (CDI), with daily liquidity and the objective of returns at the average yield of 100% of the CDI for the Company.

Credit risk and sensitivity analyses are described in Note 32.

8. Accounts receivable

Accounting policy

Accounts receivable are recorded and held in the statement of financial position at the amount of the notes, adjusted to present value, as applicable, represented mainly by direct consumer credits (“CDC”) and by credit card, accounts receivable for services rendered, receivables from suppliers’ bonuses and allowance for expected credit losses, which is recognized at an amount deemed sufficient by management to cover possible losses on the financing portfolio and other existing receivables at the reporting date. The criterion for recognizing the allowance considers, for retail activities, the historical loss indices per maturity range of the portfolio, as mentioned in Note 32.

8. Accounts receivable (Continued)

Accounting policy (Continued)

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Credit cards (a)	1,796,141	1,966,420	3,618,985	4,128,941
Debit cards (a)	2,052	2,270	2,051	2,319
Direct consumer credit (b)	1,765,074	1,576,331	1,806,731	1,576,331
Customer services (c)	625,993	546,413	741,020	574,594
Other receivables (d)	5,125	1,584	101,915	155,018
Total accounts receivable	4,194,385	4,093,018	6,270,702	6,437,203
From commercial agreements (e)	199,619	259,825	254,664	309,451
Allowance for expected credit losses	(454,568)	(488,608)	(465,092)	(496,680)
Present value adjustment	(416,232)	(367,893)	(416,232)	(367,893)
Total	3,523,204	3,496,342	5,644,042	5,882,081
Current assets	3,488,144	3,447,789	5,608,982	5,833,528
Noncurrent assets	35,060	48,553	35,060	48,553

Days sales outstanding is of 37 and 47 days, individual and consolidated, respectively, as of December 31, 2025 (40 and 49 days, individual and consolidated, respectively, as of December 31, 2024).

- (a) Accounts receivable arising from sales made through credit and debit cards, which the Company receives from the merchant acquirers in amounts, terms and number of installments defined at the time the products are sold. The consolidated information includes receivables from acquirers transacted through Magalupay, to be transferred to the partners (sellers) as described in Note 20. As of December 31, 2025, the Company recorded credits assigned to certain acquirers and financial institutions amounting to R\$3,307,696 (R\$3,307,836 at December 31, 2024), individual, and R\$5,134,803 (R\$5,217,300 at December 31, 2024), consolidated, on which a discount ranging from 103.0% to 107.0% of the CDI is applied. Through assignment of receivables from cards, the Company transfers to the acquirers and financial institutions all risks from customer receivables and, thus, settles the amounts receivable related to these credits.
- (b) Refers to receivables from sales financed by the Company and by subsidiary Magalupay.
- (c) 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.
- (d) Refers mostly to receivables for transportation services of subsidiary Magalog to third parties, as well as services rendered and additions to Magalupay's payment accounts and receivables from FIDC (Note 7).
- (e) 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 offset with balances of payables by the respective suppliers, provided for in a partnership agreement between the parties. The amounts offset totaled R\$768,708, individual (R\$575,873 as of December 31, 2024), and R\$789,196, consolidated (R\$615,953 as of December 31, 2024).

Changes in allowance for expected credit losses, related to direct consumer credit and customer services, are as follows:

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Opening balance	(488,608)	(366,096)	(496,680)	(371,939)
(+) Additions	(565,203)	(524,333)	(569,807)	(528,148)
(-) Write-offs	599,243	401,821	601,395	403,407
Closing balance	(454,568)	(488,608)	(465,092)	(496,680)

The credit risk analysis is detailed in Note 32.

8. Accounts receivable (Continued)

Accounting policy (Continued)

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	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Falling due:								
Within 30 days	505,005	442,491	784,501	667,234	44,918	37,164	53,905	49,916
31 to 60 days	343,403	250,751	387,800	611,807	91,621	111,286	126,495	142,275
61 to 90 days	422,639	248,448	720,299	264,784	48,937	45,917	55,515	46,956
91 to 180 days	1,238,715	1,374,972	2,024,752	2,485,928	11,039	60,516	12,494	61,545
181 to 360 days	1,251,310	1,321,101	1,891,513	1,927,672	182	53	2,168	53
More than 361 days	126,505	145,525	135,605	145,780	-	-	-	-
	3,887,577	3,783,288	5,944,470	6,103,205	196,697	254,936	250,577	300,745
Overdue:								
Within 30 days	74,405	73,622	93,708	97,890	2,456	2,696	3,392	5,583
31 to 60 days	51,176	54,509	51,297	54,509	297	393	386	830
61 to 90 days	46,509	50,498	46,509	50,498	88	387	221	662
91 to 180 days	134,718	131,101	134,718	131,101	81	1,413	88	1,631
	306,808	309,730	326,232	333,998	2,922	4,889	4,087	8,706
	4,194,385	4,093,018	6,270,702	6,437,203	199,619	259,825	254,664	309,451

9. Inventories

Accounting policy

Inventories are carried at the lower of average cost of acquisition and net realizable value. The average cost of acquisition comprises the purchase price, non-recoverable taxes, such as ICMS tax substitution, as well as other costs directly attributable to the acquisition. Provisions for inventory losses comprise the provision for inventory realization that corresponds to the estimated selling price of the inventories, less all costs required to complete the sale and provision for obsolescence, which considers slow-moving goods and those sent to technical assistance, in addition to the provision for losses on physical inventories of stores and distribution centers.

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Goods for resale	6,489,767	6,823,681	7,636,322	7,866,166
Consumables	30,274	26,881	35,913	35,087
Provisions for inventory losses	(459,626)	(257,318)	(490,896)	(290,121)
	6,060,415	6,593,244	7,181,339	7,611,132

As of December 31, 2025, the Company recorded inventories of goods for resale given in guarantee of legal proceedings, under enforcement, in the approximate amount of R\$8,988 (R\$8,988 as of December 31, 2024).

Changes in the provision for inventory losses are shown below:

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Opening balance	(257,318)	(151,296)	(290,121)	(179,561)
Recognition of provision	(384,007)	(200,981)	(396,475)	(219,973)
Inventories written off or sold	181,699	94,959	195,700	109,413
Closing balance	(459,626)	(257,318)	(490,896)	(290,121)

10. Transactions with related parties

Company	Assets (liabilities)				P&L			
	Individual		Consolidated		Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Luizacred (i)								
Commissions for services rendered	1,179	23,521	1,179	23,521	234,514	226,342	234,514	226,342
Credit card	2,012,823	1,239,666	2,382,706	1,588,883	(329,808)	(269,527)	(333,880)	(269,527)
Transfers of amounts received	(54,680)	(78,283)	(54,680)	(78,283)	-	-	-	-
Reimbursement of shared expenses	32,035	41,885	32,035	41,885	109,212	110,577	109,212	110,577
Total – joint ventures	1,991,357	1,226,789	2,361,240	1,576,006	13,918	67,392	9,846	67,392
Netshoes (ii)								
Commissions for services and reimbursement of shared expenses	7,516	17,464	-	-	8,604	14,777	-	-
Época Cosméticos (iii)								
Commissions for services rendered	414	994	-	-	4,369	4,895	-	-
Kabum (iv)								
Commissions for services rendered	9,954	19,101	-	-	30,101	20,145	-	-
Promissory notes	100,046	(200,000)	-	-	-	-	-	-
	110,000	(180,899)	-	-	30,101	20,145	-	-
Consórcio Magalu (v)								
Commissions for services rendered	-	-	-	-	18,668	16,418	-	-
Dividends receivable	14,560	50,000	-	-	-	-	-	-
Group of pre-purchase financing plans	(82)	447	(82)	447	-	-	-	-
	14,478	50,447	(82)	447	18,668	16,418	-	-
Magalog (vi)								
Transfers of amounts received	(137,775)	(121,766)	-	-	-	-	-	-
Freight	-	-	-	-	(1,851,880)	(1,831,725)	-	-
	(137,775)	(121,766)	-	-	(1,851,880)	(1,831,725)	-	-
Magalupay (vii)								
Transfers of amounts received	246,293	465,652	-	-	(66,505)	(122,236)	-	-
Prepayment of receivables	-	-	-	-	(79,559)	(37,828)	-	-
	246,293	465,652	-	-	(146,064)	(160,064)	-	-
Jovem Nerd (viii)								
Advertising and promotion	(106)	-	-	-	(1,767)	-	-	-
Luizalabs (viii)								
System development and reimbursement	(100)	-	-	-	-	-	-	-
Magalu Cloud (x)								
Cloud service expenses	-	-	-	-	(75,000)	-	-	-
Total Subsidiaries	240,720	231,892	(82)	447	(2,012,969)	(1,897,726)	-	-
MTG Participações (xi)								
Rent and other transfers	(2,417)	(3,977)	(2,417)	(3,977)	(92,864)	(88,661)	(92,864)	(88,661)
PJD Agropastoril (xii)								
Rent, freight and other transfers	-	(30)	-	(30)	(749)	(741)	(749)	(741)
LH Participações (xiii)								
Rent	-	(223)	-	(223)	(2,798)	(2,672)	(2,798)	(2,672)
ETCO - SCP (xiv)								
Agency fee	-	-	-	-	(7,930)	(7,568)	(7,930)	(7,568)
Marketing expenses	(17,345)	(17,879)	(17,345)	(17,879)	(247,825)	(236,507)	(247,825)	(236,507)
	(17,345)	(17,879)	(17,345)	(17,879)	(255,755)	(244,075)	(255,755)	(244,075)
Total other related parties	(19,762)	(22,109)	(19,762)	(22,109)	(352,166)	(336,149)	(352,166)	(336,149)
Total intercompany balances	2,212,315	1,436,572	2,341,396	1,554,344	(2,351,217)	(2,204,311)	(342,320)	(268,757)

Other related parties – marketable securities	Assets (liabilities)				P&L			
	Individual		Consolidated		Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Funds of one – classified as Marketable securities (xv)	8,578	217,627	8,578	217,627	5,526	18,874	5,526	18,874

10. Transactions with related parties (Continued)

Reconciliation	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Accounts receivable from related parties	2,446,031	1,864,959	2,451,511	1,661,405
Accounts payable to related parties	(233,716)	(428,387)	(110,115)	(107,061)
	2,212,315	1,436,572	2,341,396	1,554,344

- (i) The transactions with Luizacred, a joint venture with Banco Itaúcard S.A., relate to the following activities:
- Receivables under private label credit cards and finance costs with advance of such receivables;
 - Balance receivable from the sale of products financed to customers by Luizacred, received by the Company;
 - 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;
 - Reimbursement of shared expenses.
- (ii) 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.
- (iii) Transactions with Época Cosméticos, a wholly-owned subsidiary, refer to commissions for sales made via the Parent Company's marketplace platform.
- (iv) The transactions with KaBuM, a wholly-owned subsidiary, refer to commissions for sales made via the Marketplace platform and to promissory notes entered into with Magazine Luiza, to be settled in 2026.
- (v) The amounts receivable (current assets) from Consórcio Magalu (LACs), a wholly-owned subsidiary, refer to proposed dividends and commissions for sales made by the Parent Company as an agent for pre-purchase financing plan operations. The amounts payable (current liabilities) refer to unrealized transfers to LAC relating to pre-purchase financing plan installments received by the Parent Company through cashiers at the points of sale.
- (vi) Transactions with Magalog, a wholly-owned subsidiary, refer to freight expenses and transfer of receivables.
- (vii) Transactions with Magalupay, a wholly-owned subsidiary, refer to transfers and commissions receivable for sales made via its platform by Marketplace sellers, which may be advanced at the Parent Company's discretion.
- (viii) Transactions with Jovem Nerd, a wholly-owned subsidiary, refer to advertising.
- (ix) This refers to provision of system development services by subsidiary Luizalabs Computação e Sistemas de Informação Ltda.
- (x) Refers to the provision of cloud storage services.
- (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.
- (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 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.
- (xv) This refers to investments, redemptions and income from funds of one (ML Renda Fixa Crédito Privado FI and BB MGL Fundo de Investimento RF Longo Prazo, see Note 7 - Marketable securities).

10. Transactions with related parties (Continued)

Management compensation – Individual and Consolidated

	12/31/2025		12/31/2024	
	Board of Directors	Statutory Board	Board of Directors	Statutory Board
Fixed and variable compensation	8,826	9,239	5,221	18,490
Stock option plan	345	5,259	1,053	6,283
Termination of position	-	2,345	-	-

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 25. The Company's internal policy determines the payment of Profit Sharing to its employees. These amounts are accrued monthly by the Company, according to estimated achievement of goals. Total management compensation was approved at the Annual General Meeting held on April 24, 2025, in which the limit of R\$42,803 was established for 2025.

11. Taxes recoverable

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
State value-added tax (ICMS) recoverable (a)	1,958,783	2,082,936	1,992,918	2,118,055
Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS) recoverable	1,166,707	1,393,710	1,347,922	1,587,996
Other	3,624	3,624	35,803	21,129
	3,129,114	3,480,270	3,376,643	3,727,180
Current assets	1,724,952	1,671,336	1,926,083	1,856,475
Noncurrent assets	1,404,162	1,808,934	1,450,560	1,870,705

(a) Refer to the accumulated credits from the Company's ICMS and from tax substitution, arising from the application of different rates on interstate receiving and shipping operations. These credits are realized through a request for reimbursement and offsetting of debts of the same nature to the States of origin of the credit, and are expected to be offset by the end of the transition period of the Consumption Tax Reform.

12. Income and social contribution taxes

Accounting policy

Current and deferred income and social contribution taxes are calculated at the rate of 15%, plus a surtax of 10% on taxable profit exceeding R\$240 thousand for income tax, whereas social contribution tax is calculated at 9% on taxable profit, and take into consideration income and social contribution tax losses offset, limited to 30% of taxable profit for the year.

12. Income and social contribution taxes (Continued)

Accounting policy (Continued)

Current tax

Income taxes are recognized in profit or loss for the year. Provisions for income and social contribution taxes are calculated individually by the businesses belonging to the Company based on the rates in effect at the end of the years.

Government investment grants are recognized to reduce sales taxes, whenever there is reasonable certainty that the benefit will be received and all corresponding conditions will be satisfied.

Deferred tax

Deferred income and social contribution taxes (“deferred taxes”) are recognized on temporary differences between the asset and liability balances recognized in the financial statements and the corresponding tax bases, used in computing taxable profit, including income and social contribution tax losses not subject to statute of limitations. Deferred tax liabilities are usually recognized on all taxable temporary differences, and deferred tax assets are recorded on all deductible temporary differences, only when it is likely that the future taxable base will be sufficient to absorb the deductible temporary differences.

The probability of recovery of the balance of deferred tax assets is reviewed at the end of each year and, when it is no longer probable that future taxable bases will be available to allow recovering the whole asset or a portion thereof, the asset balance is reduced to the amount expected to be recovered.

Deferred tax assets and liabilities are mutually offset only when there is a legal right to offset, when they are related to taxes managed by the same tax authority and the Company intends to settle the net value of its current tax assets and liabilities.

a) Income and social contribution taxes

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Income and social contribution taxes (IRPJ and CSLL) recoverable	46,464	87	84,252	37,049
Withholding income tax (IRRF) recoverable	53,172	41,915	75,922	60,722
Total current assets	99,636	42,002	160,174	97,771

12. Income and social contribution taxes (Continued)

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

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Income (loss) before income and social contribution taxes	(146,113)	280,723	(125,496)	87,384
Current statutory rate	34%	34%	34%	34%
Expected income and social contribution tax credit (debit) at current rates	49,678	(95,446)	42,669	(29,711)
Reconciliation - effective rate				
Exclusion - equity pickup	161,064	157,752	43,271	50,475
Unrecognized deferred IRPJ - Kabum	-	-	(68,762)	152,322
Effect of government grant (1)	247,648	69,328	401,872	150,660
Interest of taxes paid in error (2)	4,623	28,534	10,712	32,915
Interest on equity and dividends (3)	(107,763)	-	(107,763)	-
Technological innovation	-	-	14,008	7,296
Other permanent exclusions, net	(4,534)	7,826	(5,908)	(2,624)
IRPJ/CSLL credit posted to P&L for the year	350,716	167,994	330,099	361,333
Current	-	-	(24,286)	(48,339)
Deferred	350,716	167,994	354,385	409,672
Total	350,716	167,994	330,099	361,333
Effective rate	240.03%	-59.84%	263.04%	-413.50%

- (1) In performing its regular activities, the Company is entitled to a number of tax benefits granted by the states. These benefits are considered investment grants and, in accordance with CPC 07 – Government grants and assistance, they are recorded in the statement of profit or loss 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).
- (3) Refers to the effect of the permanent addition to the income and social contribution tax base of interest on equity received from the subsidiary Luizacred (Note 14), plus dividends paid (Note 25).

12. Income and social contribution taxes (Continued)

Deferred income and social contribution taxes

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

	Individual				Consolidated			
	12/31/2024	P&L	Equity	12/31/2025	12/31/2024	P&L	Equity	12/31/2025
Deferred income and social contribution taxes on:								
Income and social contribution tax loss	1,823,937	389,601	-	2,213,538	2,107,949	426,970	-	2,534,919
Allowance for expected credit losses	167,097	(12,544)	-	154,553	176,791	(13,335)	-	163,456
Provision for inventory losses	87,488	68,785	-	156,273	94,099	65,209	-	159,308
Provision for present value and fair value adjustments	170,639	8,911	21,985	201,535	170,638	8,911	21,985	201,534
Provisions for tax, civil and labor contingencies	412,004	(127,008)	-	284,996	644,810	(150,730)	-	494,080
Provision for stock option plan	23,620	(11,979)	-	11,641	24,024	(11,535)	-	12,489
Temporary differences on leases	122,665	22,984	-	145,649	122,931	23,040	-	145,971
Temporary differences on fair value in acquisitions	(40,962)	1,602	-	(39,360)	(114,078)	7,439	-	(106,639)
Judicial deposits	617	-	-	617	617	-	-	617
Deferred tax credits (1)	(21,727)	3,215	-	(18,512)	(51,183)	3,215	-	(47,968)
Other provisions	6,459	7,149	-	13,608	34,952	(4,799)	-	30,153
Deferred income and social contribution tax assets (liabilities)	2,751,837	350,716	21,985	3,124,538	3,211,550	354,385	21,985	3,587,920
	Individual				Consolidated			
	12/31/2023	P&L	Equity	12/31/2024	12/31/2023	P&L	Equity	12/31/2024
Deferred income and social contribution taxes on:								
Income and social contribution tax loss	1,796,415	27,522	-	1,823,937	2,056,572	51,377	-	2,107,949
Allowance for expected credit losses	124,603	42,494	-	167,097	128,573	48,218	-	176,791
Provision for inventory losses	51,441	36,047	-	87,488	51,918	42,181	-	94,099
Provision for present value and fair value adjustments	95,037	5,454	70,148	170,639	95,037	5,453	70,148	170,638
Provisions for tax, civil and labor contingencies	338,811	73,193	-	412,004	494,557	150,253	-	644,810
Provision for stock option plan	134,637	(111,017)	-	23,620	134,637	(110,613)	-	24,024
Temporary differences on leases	105,698	16,967	-	122,665	105,698	17,233	-	122,931
Temporary differences on fair value in acquisitions	(41,679)	717	-	(40,962)	(230,040)	115,962	-	(114,078)
Judicial deposits	617	-	-	617	617	-	-	617
Deferred tax credits (1)	(102,149)	80,422	-	(21,727)	(131,605)	80,422	-	(51,183)
Other provisions	10,264	(3,805)	-	6,459	25,766	9,186	-	34,952
Deferred income and social contribution tax assets (liabilities)	2,513,695	167,994	70,148	2,751,837	2,731,730	409,672	70,148	3,211,550

(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.

12. Income and social contribution taxes (Continued)

Breakdown of deferred income and social contribution taxes by company

	Balance at 12/31/2024	Deferred tax assets	Deferred tax liabilities	Balance at 12/31/2025
Individual	2,751,837	3,124,538	-	3,124,538
Netshoes	257,206	254,764	-	254,764
KaBuM	(30,302)	-	(54,086)	(54,086)
Consórcio Magalu	(6,246)	-	(22,771)	(22,771)
Época Cosméticos	61,183	95,495	-	95,495
Magalog	84,975	96,171	-	96,171
Luizalabs	15,582	27,934	-	27,934
Magalupay	77,315	65,875	-	65,875
Consolidated	3,211,550	3,664,777	(76,857)	3,587,920

At our subsidiary Magalupay, the impact of Supplementary Law No. 224/2025 was assessed, and no material effects were identified for 2025.

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. The projected realization of income and social contribution taxes relating to income and social contribution tax losses is as follows:

	Individual	Consolidated
1 to 3 years	(123,261)	(152,636)
3 to 5 years	(473,689)	(494,959)
After 5 years	(1,616,588)	(1,887,324)
	(2,213,538)	(2,534,919)

d) IFRIC 23/ICPC 22 - Uncertainty over Income Tax Treatments

The interpretation explains how to consider uncertainty in accounting for income tax. IAS 12/CPC32 - Income Taxes specifies how to account for current and deferred income taxes, but not how to reflect the effects of uncertainty. For example, it may not be clear how to: i) apply tax law to specific transactions or circumstances; ii) or whether the tax authorities will accept a particular tax treatment adopted by the entity.

If the entity concludes that a particular tax treatment is not likely to be accepted, the entity shall use estimates (most probable or expected amount) to determine the tax treatment (taxable profit, tax bases, unused tax losses, unused tax credits), tax rates, and so on. The decision should be based on which method better predicts the resolution of uncertainty.

With the exception of the matters mentioned in item b) (1) and (2) above, the Company has identified no significant effects of this Interpretation.

13. Investments in subsidiaries

Accounting policy

Business combinations are recorded using the acquisition method when control is transferred to the Company. The consideration transferred is usually measured at fair value, as well as the identifiable net assets acquired. Any goodwill arising from the transaction is tested annually for impairment. If the contingent consideration is classified as an equity instrument, then it is not remeasured and the settlement is recorded within equity. Other contingent considerations are remeasured at fair value on each reporting date and subsequent changes in fair value are recorded in P&L for the year. Transaction costs are recorded in P&L as incurred, except for costs related to the issue of debt or equity instruments. The consideration transferred does not include amounts referring to payment of pre-existing relationships. These amounts are usually recorded in P&L for the year. Any contingent consideration payable is measured at its fair value on the acquisition date.

13. Investments in subsidiaries (Continued)

a) Changes in investments in subsidiaries

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

Position at 12/31/2025

Financial Information	Netshoes	KaBuM	Época Cosméticos	Magalupay	Consórcio Magalu	Magalog	Luizalabs	Nonsense
Shares/units of interest	1,562,856	1,976	145,955	492,780	6,500	38,746,761	125,523	N/A
(%) Equity interest	100%	100%	100%	100%	100%	100%	100%	100%
Current assets	742,428	1,606,246	204,359	2,814,724	338,530	359,460	50,228	433
Noncurrent assets	880,054	119,308	444,061	534,999	15,436	416,604	468,405	216
Current liabilities	630,385	1,104,509	172,453	2,306,200	194,978	384,623	120,419	2,163
Noncurrent liabilities	262,208	58,697	236,470	127,761	25,925	9,548	61,659	-
Capital	1,563,524	50,882	180,955	667,434	50,050	504,895	304,543	13,420
Equity	729,889	562,348	239,497	915,762	133,063	381,893	336,555	(1,514)
Net revenue	1,897,633	3,151,484	568,882	756,637	192,941	2,113,228	95,043	725
Net income (loss)	182,446	149,745	(17,058)	54,222	61,305	(17,131)	(26,339)	(4,493)

Changes	Netshoes	KaBuM	Época Cosméticos	Magalupay	Consórcio Magalu	Magalog	Luizalabs	Nonsense	Total
Opening balance	1,189,383	2,008,271	255,890	672,930	86,559	289,011	304,543	-	4,806,587
Future capital contribution (AFAC)/(Capital decrease)	-	(200,000)	35,000	176,945	-	117,549	90,000	2,023	221,517
Other comprehensive income	2,715	-	-	-	-	-	-	(81)	2,634
Action plan	(2,759)	1,056	(161)	11,665	-	(3,403)	(1,592)	-	4,806
Dividends	-	-	-	-	(14,560)	-	-	-	(14,560)
Transfer of equity interest (¹)	(24,047)	-	-	-	-	-	-	1,038	(23,009)
Adoption of accounting practice	-	-	-	-	(241)	-	-	-	(241)
Equity pickup	173,276	122,743	(17,058)	54,222	61,305	(17,163)	(26,381)	(4,493)	346,451
Balance at December 31, 2025	1,338,568	1,932,070	273,671	915,762	133,063	385,994	366,570	(1,513)	5,344,185

(¹) Refers to the corporate dissolution of the subsidiary Netshoes Holding LLC.

13. Investments in subsidiaries (Continued)

a) Changes in investments in subsidiaries (Continued)

Position at 12/31/2024

Financial Information	Netshoes	KaBuM	Época Cosméticos	Magalupay	Consórcio Magalu	Magalog	Luizalabs
Shares/units of interest	1,514,532	1,976,774	34,405,475	2,000,000	6,500	16,726	23,273,616
(%) Equity interest	100%	100%	100%	100%	100%	100%	100%
Current assets	640,503	1,554,601	208,657	2,938,749	257,547	290,945	61,972
Noncurrent assets	819,475	368,258	341,689	554,648	52,989	380,129	390,346
Current liabilities	585,957	1,098,859	173,252	2,672,643	177,267	352,965	103,693
Noncurrent liabilities	302,485	212,457	155,377	147,824	46,709	33,231	74,138
Capital	436,636	250,882	145,955	490,489	50,050	387,346	214,543
Equity	571,536	611,543	221,717	672,930	86,560	284,878	274,487
Net revenue	1,733,496	3,163,463	611,807	794,105	147,612	2,076,500	417,551
Net income (loss)	115,728	76,405	(22,423)	209,262	41,051	1,906	(27,820)

Changes	Netshoes	KaBuM	Época Cosméticos	Magalupay	Consórcio Magalu	Magalog	Luizalabs	Total
Opening balance	1,287,661	1,980,246	285,829	457,526	95,508	237,526	285,473	4,629,769
Future capital contribution	(198,274)	-	-	-	-	53,212	51,240	(93,822)
Other comprehensive income	462	-	-	(611)	-	-	-	(149)
Action plan	4,810	(2,460)	(136)	6,753	-	(1,058)	(2,641)	5,268
Dividends	-	-	-	-	(50,000)	-	-	(50,000)
Equity pickup	94,724	30,485	(29,803)	209,262	41,051	(669)	(29,529)	315,521
Balance at December 31, 2024	1,189,383	2,008,271	255,890	672,930	86,559	289,011	304,543	4,806,587

13. Investments in subsidiaries (Continued)

b) Reconciliation of the carrying amount

Subsidiary	Equity	Goodwill from acquisition	Revaluation surplus (¹)	Balance at 12/31/2025
Netshoes	729,889	486,718	121,961	1,338,568
KaBuM	562,348	705,042	664,683	1,932,073
Época Cosméticos	239,497	34,173	-	273,670
Magalupay	915,762	-	-	915,762
Consórcio Magalu	133,063	-	-	133,063
Magalog	381,893	3,756	345	385,994
Luizalabs	336,555	25,418	4,596	366,569
Nonsense	(1,514)	-	-	(1,514)
	3,297,493	1,255,107	791,584	5,344,185

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

Subsidiary	Equity	Goodwill from acquisition	Revaluation surplus¹	Balance at 12/31/2024
Netshoes	571,536	486,718	131,129	1,189,383
KaBuM	611,543	705,042	691,685	2,008,270
Época Cosméticos	221,717	34,173	-	255,890
Magalupay	672,930	-	-	672,930
Consórcio Magalu	86,560	-	-	86,560
Magalog	284,878	3,756	377	289,011
Luizalabs	274,487	25,421	4,635	304,543
	2,723,651	1,255,110	827,826	4,806,587

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

14. Investments in joint ventures

Accounting policy

The investment in a joint venture is initially recognized at cost. As of acquisition date, the book value of the investment is adjusted for recognizing changes in the Company's interest in the joint venture's equity.

The statement of profit or loss reflects the Company's share of the results of operations of the joint venture. Changes, if any, in other comprehensive income of those investees are presented as part of the Company's other comprehensive income. In addition, when changes are directly recognized in the joint venture's equity, the Company will recognize its interest in any changes, where applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the joint venture are eliminated to the extent of the interest in the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as that of the Company. When necessary, adjustments are made so that accounting policies are in line with those of the Company.

14. Investments in joint ventures (Continued)

Accounting policy (Continued)

After applying the equity method, the Company determines whether it is necessary to recognize additional impairment loss on its investments in its joint ventures. The Company determines, at each statement of financial position date, whether there is objective evidence that the investment in its joint venture has been impaired. If impairment is identified, the Company calculates impairment loss as the difference between the joint venture's recoverable amount and carrying amount, and recognizes the loss amount in the statement of profit or loss. The Company identified no objective evidence of impairment, thus not recognizing impairment losses in 2025 and 2024.

Position at 12/31/2025

Equity interest	Luizacred
Shares/units of interest	31,056,244
(%) Equity interest	50%
Current assets	17,600,030
Noncurrent assets	2,374,256
Current liabilities	17,685,166
Noncurrent liabilities	82,993
Capital	1,867,503
Equity	2,206,127
Net revenue	4,557,480
Net income (loss)	252,694

Changes	Luizacred
Segment	Financial
Opening balance	971,862
Capital increase	92,750
Other comprehensive income	(551)
Interest on equity	(91,950)
Unrealized income	921
Equity pickup	126,347
Closing balance	1,099,379

14. Investments in joint ventures (Continued)

Position at 12/31/2024

Equity interest	Luizacred
Shares/units of interest	31,056,244
(%) Equity interest	50%
Current assets	18,977,578
Noncurrent assets	1,572,852
Current liabilities	18,503,253
Noncurrent liabilities	94,241
Capital	1,682,002
Equity	1,952,936
Net revenue	4,430,465
Net income for the year	295,072

Changes	Luizacred
Segment	Financial
Balance at December 31, 2023	322,516
Capital increase (a)	543,001
Other comprehensive income	439
Dividends	(42,550)
Unrealized income	920
Equity pickup	147,536
Balance at December 31, 2024	971,862

- (a) The Company and Itaú Unibanco Holding S.A. approved a capital increase in the amount of R\$1,086,002, which was fully paid proportionally to their equity interests in the capital of Luizacred, on May 6, 2024, August 15, 2024 and December 20, 2024, therefore maintaining joint control. This capital increase is linked to Luizacred's strategic planning.

Total investments in joint ventures

	12/31/2025	12/31/2024
Luizacred (a)	1,103,063	976,467
Luizacred – Difference in practice (b)	(3,684)	(4,605)
	<u>1,099,379</u>	<u>971,862</u>

- (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 financing and operating activities. Luizacred is joint venture held with Banco Itaúcard S.A. and is engaged in the supply, distribution and trade of financial products and services to the Company's customers.
- (b) Adjustment of difference in accounting practice related to recognition of revenue arising from the association agreement between the parties described in Note 31, item b.

15. Leases

The Company acts as a lessee in agreements mainly related to real estate (physical stores, distribution centers and administrative units). 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.

Accounting policy

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment, and adjusted by certain remeasurements of the lease liability. Depreciation is calculated by the straight-line method over the remaining terms of the agreements.

The Company used as a cost component the fixed lease payments or in-substance fixed lease payments, which would be the minimum agreed payments under the lease contracts with variable payments in accordance with the achievement of revenue generated by that unit. The specific amounts of variable payments are outside the scope of CPC 06 (R2) and are recognized monthly as operating expenses.

Lease liabilities are initially measured at present value of the lease payments that were not paid at the lease commencement date, discounted using the incremental borrowing rate, which is defined as a rate equivalent to what the lessee would have to pay when borrowing, for a similar period and similar guarantee, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Company is a party in certain contracts with indefinite terms. Considering that both the lessor and the lessee have the right to cancel a contract at any time, with an insignificant fine, if any, the Company understands that such contracts are outside the scope of accounting pronouncement CPC 06 (R2), and such payments are recognized as operating expenses, should they occur. The amount of R\$76,835 was recognized as variable or indefinite-term rent expenses at December 31, 2025 (R\$58,439 at December 31, 2024).

Changes in the right of use for the years ended December 31, 2025 and 2024 were as follows:

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Balance at January 1	3,129,039	3,282,873	3,235,372	3,343,054
Additions/remeasurement	501,080	470,723	600,133	560,130
Direct costs	6,465	3,405	6,465	3,405
Write-offs	(2,540)	(71,805)	(77,206)	(89,351)
Depreciation	(512,022)	(556,157)	(544,921)	(581,866)
Balance at December 31	3,122,022	3,129,039	3,219,843	3,235,372
Breakdown				
Cost	6,496,631	5,992,783	6,678,970	6,156,101
Accumulated depreciation	(3,374,609)	(2,863,744)	(3,459,127)	(2,920,729)
	3,122,022	3,129,039	3,219,843	3,235,372

15. Leases (Continued)

Accounting policy (Continued)

Changes in the lease liabilities for the years ended December 31, 2025 and 2024 are as follows:

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Opening balance	3,418,880	3,514,349	3,533,535	3,578,155
Remeasurements/additions	495,216	470,723	594,269	560,116
Payment of principal	(432,232)	(482,616)	(460,642)	(502,139)
Payment of interest	(335,733)	(315,484)	(343,404)	(320,759)
Accrued interest	335,733	315,484	343,382	321,503
Write-offs	(2,525)	(83,576)	(83,268)	(103,341)
Closing balance	3,479,339	3,418,880	3,583,872	3,533,535
Current liabilities	417,893	425,027	453,895	452,654
Noncurrent liabilities	3,061,446	2,993,853	3,129,977	3,080,881

Additional information

As described above, the Company has adopted as the discount rate for lease liabilities its incremental borrowing rate, which is calculated as a readily observable nominal benchmark interest rate, adjusted for the Company's credit risk, the terms of the lease agreements and the nature and quality of potential collateral to be offered. Considering that the Company's lease agreements are substantially contracts with payment flows indexed to inflation rates and, also considering the disclosure suggestions described by CVM in SNC/SEP Memorandum Circular No. 02/19, the Company provides below additional information on the characteristics of the agreements so that the users of these financial statements may, at their discretion, make projections of future payment flows indexed to inflation rates for the period:

15. Leases (Continued)

Contractual flows at December 31, 2025

Maturity term	Average discount rate	Contractual Payment Flow - Consolidated						After 2031
		2026	2027	2028	2029	2030	2031	
2026-2028	10.14%	196,602	110,429	28,131	-	-	-	-
2029-2031	10.75%	137,727	137,951	137,983	125,429	117,491	26,914	-
2032-2034	10.91%	164,665	165,264	165,020	164,824	166,740	166,740	285,494
2035-2037	8.57%	185,579	185,357	185,285	185,295	185,915	186,812	723,426
2038-2040	8.37%	90,919	91,345	90,867	90,549	91,628	91,881	698,604
2041-2043	11.13%	16,302	16,443	16,443	16,443	16,577	16,174	160,696
After 2043	14.07%	2,082	2,088	2,088	2,088	2,104	2,105	25,701
Total		793,876	708,877	625,817	584,628	580,455	490,626	1,893,921
Projected inflation⁽¹⁾		4.09%	4.09%	4.09%	4.09%	4.94%	4.94%	5.22%

(¹) Rate obtained through quotations of future coupon rates of DI vs. IPCA observed at B3 (www.b3.com.br)

As at December 31, 2025, the potential PIS and COFINS credits on the gross contractual flow for 2026 amounts to R\$73,434 (R\$66,845 at present value for the weighted average term). In view of the approval of the Constitutional Amendment No. 132/2023, PIS and COFINS will be replaced by the Goods and Services Contribution Tax (CBS), which is still pending regulation. Consequently, lease payments will generate PIS and COFINS credits until December 31, 2026 and CBS credits from 2027.

16. Property and equipment

Accounting policy

Property and equipment items are stated at the cost of acquisition or construction less accumulated depreciation. Depreciation is recognized on a straight-line basis considering the estimated useful life of each asset, so that the residual value after the useful life is fully written off. The estimated useful life, residual values, and depreciation methods are reviewed annually and the effect of any changes in estimates is recognized prospectively.

Property and equipment items are written off when disposed of or when no future economic benefits are expected from their continuous use. Gains or losses resulting from the sale or write-off are recognized in profit or loss when incurred.

The accounting policy related to the impairment of property and equipment is described in Note 4.2.

Changes in property and equipment for the years ended December 31, 2025 and 2024 are as follows:

Individual

	Balance at 12/31/2024	Additions	Depreciation	Write-offs	Transfer	Balance at 12/31/2025
Furniture and fixtures	267,341	31,529	(49,000)	(613)	107	249,364
Machinery and equipment	282,422	13,573	(17,746)	(1,162)	89	277,176
Vehicles	9,577	7,760	(3,314)	(1,842)	-	12,181
Computers and peripherals	139,682	57,423	(68,407)	(1,113)	-	127,585
Improvements	896,954	724	(71,657)	(1,168)	61,000	885,853
Construction in progress	5,203	109,665	-	(25)	(61,189)	53,654
Other	17,372	9,158	(3,345)	(440)	(7)	22,738
	1,618,551	229,832	(213,469)	(6,363)	-	1,628,551

	Balance at 12/31/2023	Additions	Depreciation	Write-offs	Transfer	Balance at 12/31/2024
Furniture and fixtures	288,758	24,992	(46,409)	-	-	267,341
Machinery and equipment	291,446	8,747	(17,771)	-	-	282,422
Vehicles	4,464	8,166	(2,654)	(399)	-	9,577
Computers and peripherals	152,742	51,748	(64,808)	-	-	139,682
Improvements	894,295	82	(94,668)	(1,096)	98,341	896,954
Construction in progress	7,072	96,535	-	(150)	(98,254)	5,203
Other	12,219	7,840	(2,438)	(162)	(87)	17,372
	1,650,996	198,110	(228,748)	(1,807)	-	1,618,551

	12/31/2025			12/31/2024		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Furniture and fixtures	607,072	(357,708)	249,364	577,858	(310,517)	267,341
Machinery and equipment	420,379	(143,203)	277,176	403,778	(121,356)	282,422
Vehicles	27,472	(15,291)	12,181	25,060	(15,483)	9,577
Computers and peripherals	557,932	(430,347)	127,585	507,029	(367,347)	139,682
Improvements	1,412,316	(526,463)	885,853	1,351,550	(454,596)	896,954
Construction in progress	53,654	-	53,654	5,203	-	5,203
Other	52,385	(29,647)	22,738	45,315	(27,943)	17,372
	3,131,210	(1,502,659)	1,628,551	2,915,793	(1,297,242)	1,618,551

16. Property and equipment (Continued)

Consolidated

	Balance at 12/31/2024	Additions	Depreciation	Write-offs	Transfer	Balance at 12/31/2025
Furniture and fixtures	278,170	37,326	(50,815)	(828)	4,614	268,467
Machinery and equipment	324,792	23,346	(27,011)	(1,231)	(7,963)	311,933
Vehicles	17,829	7,769	(4,859)	(2,008)	-	18,731
Computers and peripherals	226,245	125,143	(96,511)	(1,421)	4,641	258,097
Improvements	929,453	1,199	(77,674)	(1,378)	78,948	930,548
Construction in progress	26,042	127,618	-	(395)	(80,233)	73,032
Other	32,194	8,286	(5,376)	(467)	(7)	34,630
	1,834,725	330,687	(262,246)	(7,728)	-	1,895,438

	Balance at 12/31/2023	Additions	Depreciation	Write-offs	Transfer	Balance at 12/31/2024
Furniture and fixtures	328,841	28,068	(50,005)	(5)	(28,729)	278,170
Machinery and equipment	315,968	9,540	(26,595)	-	25,879	324,792
Vehicles	14,252	8,166	(4,190)	(399)	-	17,829
Computers and peripherals	198,835	107,638	(84,329)	(1)	4,102	226,245
Improvements	923,832	789	(101,136)	(1,012)	106,980	929,453
Construction in progress	29,569	104,474	-	(142)	(107,859)	26,042
Other	30,225	7,925	(5,412)	(171)	(373)	32,194
	1,841,522	266,600	(271,667)	(1,730)	-	1,834,725

	12/31/2025			12/31/2024		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Furniture and fixtures	634,733	(366,266)	268,467	595,526	(317,356)	278,170
Machinery and equipment	512,312	(200,379)	311,933	499,715	(174,923)	324,792
Vehicles	37,898	(19,167)	18,731	35,954	(18,125)	17,829
Computers and peripherals	774,673	(516,576)	258,097	646,903	(420,658)	226,245
Improvements	1,534,340	(603,792)	930,548	1,455,383	(525,930)	929,453
Construction in progress	73,032	-	73,032	26,042	-	26,042
Other	80,280	(45,650)	34,630	74,122	(41,928)	32,194
	3,647,268	(1,751,830)	1,895,438	3,333,645	(1,498,920)	1,834,725

Depreciation rates

The annual depreciation rates are as follows:

	12/31/2025	12/31/2024
Furniture and fixtures	10%	10%
Machinery and equipment	5%	5%
Aircraft	5%	5%
Light vehicles	20%	20%
Heavy vehicles	14.3%	14.3%
Computers and peripherals	20%	20%
Improvements	10.9%	10.9%

The Company has no property and equipment items that are idle or held for sale.

Asset impairment testing

The Company tested its property and equipment items for impairment in accordance with the assumptions described in Note 17, and identified no need to recognize a provision for impairment of assets.

17. Intangible assets

Accounting policy

Goodwill determined in acquisition of investments, business combinations, is initially measured as the excess of consideration transferred in relation to the net assets acquired at fair value (net identifiable assets acquired and liabilities assumed). After initial recognition, goodwill, which has an indefinite useful life, is carried at cost less any accumulated impairment losses, as described in Note 4.

Software refers to the acquisition cost of the business management system, which has been amortized on a straight-line basis over five years.

Research expenditures are recorded as expenses when incurred, and development expenditures related to technological innovations of existing products are capitalized if they are technologically and economically feasible, and amortized over the expected period of benefits in the operating expenses group. While such developments are not closed, balances are controlled in the group of "Projects in progress."

An intangible asset is derecognized on disposal, or when there are no related future economic benefits, and recognized in profit or loss when the asset is written off.

The accounting policy related to the impairment of intangible assets is described in Note 4.2.

Changes in intangible assets for the years ended December 31, 2025 and 2024 are as follows:

Individual

	Balance at 12/31/2024	Additions	Amortization	Write-offs	Transfer	Balance at 12/31/2025
Goodwill	313,856	-	-	-	-	313,856
Software	833,523	89,040	(304,657)	(7)	280,994	898,893
Projects in progress	2,415	285,462	-	-	(280,994)	6,883
Other	118	-	-	-	-	118
	1,149,912	374,502	(304,657)	(7)	-	1,219,750

	Balance at 12/31/2023	Additions	Amortization	Write-offs	Transfer	Balance at 12/31/2024
Goodwill	313,856	-	-	-	-	313,856
Software	701,528	70,184	(254,080)	(371)	316,262	833,523
Projects in progress	40,124	278,553	-	-	(316,262)	2,415
Other	118	-	-	-	-	118
	1,055,626	348,737	(254,080)	(371)	-	1,149,912

17. Intangible assets (Continued)

Individual (Continued)

	2025			2024		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Goodwill	325,451	(11,595)	313,856	325,451	(11,595)	313,856
Software	2,119,437	(1,220,544)	898,893	1,745,752	(912,229)	833,523
Projects in progress	6,883	-	6,883	2,415	-	2,415
Other	118	-	118	118	-	118
	2,451,889	(1,232,139)	1,219,750	2,073,736	(923,824)	1,149,912

Consolidated

	Balance at 12/31/2024	Additions	Amortization	Write-offs	Transfer	Balance at 12/31/2025
Goodwill	2,241,517	-	-	(3,545)	-	2,237,972
Business goodwill	251	-	(36)	-	-	215
Customer portfolio	204,053	-	(47,696)	-	-	156,357
Software	1,192,845	187,813	(427,889)	(37)	364,528	1,317,260
Projects in progress	13,908	363,210	-	(138)	(364,528)	12,452
Trademarks and patents	810,957	5	(1,996)	(28)	-	808,938
Other	18,756	3,435	(3)	-	-	22,188
	4,482,287	554,463	(477,620)	(3,748)	-	4,555,382

	Balance at 12/31/2023	Additions	Amortization	Write-offs	Transfer	Balance at 12/31/2024
Goodwill	2,251,014	-	(8,522)	(975)	-	2,241,517
Business goodwill	2,163	-	(1,912)	-	-	251
Customer portfolio	306,438	-	(87,115)	(961)	(14,309)	204,053
Software	1,052,359	114,472	(376,821)	(371)	403,206	1,192,845
Projects in progress	59,091	343,399	-	-	(388,582)	13,908
Trademarks and patents	815,318	1,066	(5,385)	-	(42)	810,957
Other	18,424	605	-	-	(273)	18,756
	4,504,807	459,542	(479,755)	(2,307)	-	4,482,287

	12/31/2025			12/31/2024		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Goodwill	2,249,567	(11,595)	2,237,972	2,253,112	(11,595)	2,241,517
Business goodwill	1,812	(1,597)	215	495	(244)	251
Customer portfolio	507,518	(351,161)	156,357	496,160	(292,107)	204,053
Software	3,163,845	(1,846,585)	1,317,260	2,666,261	(1,473,416)	1,192,845
Projects in progress	12,452	-	12,452	13,908	-	13,908
Trademarks and patents	822,615	(13,677)	808,938	819,150	(8,193)	810,957
Other	22,188	-	22,188	18,756	-	18,756
	6,779,997	(2,224,615)	4,555,382	6,267,842	(1,785,555)	4,482,287

17. Intangible assets (Continued)

Impairment testing of assets

In analyzing the indications that the assets' carrying amounts could be recorded at amounts higher than their value in use, management prepared an estimate of the recoverable amount or value in use of all assets, especially the relevant items recorded as right of use, property and equipment and intangible assets, including internally developed software, which were tested for impairment as at December 31, 2025.

The impairment testing of assets comprises the calculation of the recoverable amounts of Cash-Generating Units (CGUs) identified in each business. A relevant CGU identified is the grouping of all acquired physical retail chain stores, whose goodwill totals R\$313,856 and have already been merged. Other relevant CGUs identified are:

- (i) The sports and fashion vertical, whose goodwill substantially corresponds to the acquisition of Netshoes;
- (ii) The e-commerce operation of KaBuM;
- (iii) The payment processing vertical, represented by Magalupay.

The value in use of the CGUs is calculated according to the discounted cash flow method, before taxes. For the impairment testing of relevant CGUs, the following rates have been adopted:

	Varejo Físico	Netshoes	Kabum	Magalupay
	Taxa a.a.			
Fluxo de caixa descontado	14,80%	13,90%	13,90%	15,10%
Taxa de crescimento médio ponderado nos 5 primeiros anos	6,10%	8,90%	9,80%	9,00%
Perpetuidade	3,50%	3,50%	3,50%	3,50%

Future cash flow assumptions and growth prospects for the CGUs are based on the Company's annual budget and business plans for the coming years approved by the Board of Directors, as well as comparable market data, representing management's best estimate of the prevailing economic conditions during the useful economic life of the group of cash flow-generating assets. To assess the value in use of the right of use and internally developed software, the projections of discounted cash flows were limited to the end of the useful life of the assets tested for impairment.

Based on the tests carried out, the Company did not identify any impairment losses of the assets tested.

The Company performed a sensitivity analysis considering an increase and decrease in growth rates and a discount of 1% that did not result in the need to set up a provision for impairment loss.

18. Trade accounts payable

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Goods for resale – domestic market	7,164,737	6,213,742	8,104,415	7,055,622
Other trade accounts payable	203,714	223,541	260,211	281,861
Present value adjustment	(208,220)	(145,936)	(221,198)	(154,577)
	7,160,231	6,291,347	8,143,428	7,182,906

19. Trade accounts payable - agreement

Accounting policy

In accordance with the amendments to IAS 7 (equivalent to CPC 03 (R2)) and IFRS 7 (equivalent to CPC 40 (R1)) that clarify the characteristics of supplier finance arrangements, the Company segregated from the balance of Trade accounts payable (Note 18) the amounts related to such arrangements (supply chain finance), but maintained the essence of a commercial transaction.

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Trade accounts payable – agreement (a)	2,860,362	2,946,541	2,984,111	3,031,977
Trade accounts payable – agreement import (b)	-	-	372,277	68,236
	2,860,362	2,946,541	3,356,388	3,100,213

The Company has agreements with partnering banks to structure supplier finance arrangements with its main suppliers in relation to which the Company is the legitimate debtor. In these transactions, suppliers transfer their right over the trade bills to a bank in exchange for advance payment. The bank becomes the creditor of the transaction, which is divided into two types:

- (a) In which the Company settles the trade bill on the same date agreed with its supplier. By confirming the existence of suppliers' receivables, the Company guarantees to the banks 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, in the amount of R\$155,770 in 2025 (R\$148,564 in 2024). Days payable outstanding was 51 days longer for Trade accounts payable - agreement than for regular Trade accounts payable as at December 31, 2025.
- (b) In which the subsidiary Kabum, by virtue of its import activities, negotiates the extension of the payment term with its financiers, in relation to the original dates, which at this reporting date was 99 days on average. The rates negotiated for the extension of the term of current transactions were 51.29% of the CDI.

Trade accounts payable (Note 18) and Trade accounts payable (agreement) are initially recorded at present value, against "Inventories". The reversal of the present value adjustment is accounted for under "Cost of goods resold and services rendered" over time.

20. Partners and other deposits

	Consolidated	
	12/31/2025	12/31/2024
Transfers to sellers – marketplace (a)	1,198,222	1,487,929
Digital accounts - customers and sellers (b)	159,168	152,708
	1,357,390	1,640,637

- (a) 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.
- (b) This corresponds to deposits made by customers and sellers in Magalupay's digital accounts and prepaid payment accounts.

21. Loans, financing and other financial liabilities

Type	Charges	Guarantee (¹)	Final maturity	Individual		Consolidated	
				12/31/2025	12/31/2024	12/31/2025	12/31/2024
Debentures - restricted offer (a)	100% of CDI + 1.25% to 1.75% p.a.	Clean	Oct/28	3,929,623	4,159,704	3,929,623	4,581,387
Innovation financing (b)	SOFR + 3% p.a.	Clean	Apr/30	1,000,737	-	1,000,737	-
Other	113.5% of CDI p.a.	Clean	Oct/25	-	521	-	773
				4,930,360	4,160,225	4,930,360	4,582,160
Other financial liabilities							
Fair value hedge (b)	100% of CDI + 1.75 p.a.			14,176	-	14,176	-
				4,944,536	4,160,225	4,944,536	4,582,160
Current liabilities				998,359	980,233	998,359	1,402,168
Noncurrent liabilities				3,946,177	3,179,992	3,946,177	3,179,992

(¹) Refers to an unsecured credit facility granted at inception without the need for security interest or any underlying physical asset.

- (a) 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. 4,000,000 (four million) debentures were issued with a par value of R\$1,000 (one thousand reais) each, with final maturities on October 15 and December 23, 2025 and 2026, respectively, 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 October 15, 2025, the 10th issue was partially settled in the amount of R\$996,927.

On December 27, 2024, the Company held a general meeting of debenture holders that approved changes in the maturity date, yield, and payment flow, among other changes in its 11th issue of unsecured nonconvertible debentures. The new maturity date approved was October 23, 2028, with quarterly amortization starting in January 2027, at a cost of 100% of the CDI + 1.75% p.a. The Company performed qualitative and quantitative analyses, in light of CPC 48 – Financial Instruments, to assess whether the terms and conditions effective after the modification meet the concept of derecognition of financial liabilities. The quantitative analyses resulted in an unsubstantial change in cash flows, therefore did not require the derecognition of the financial liability.

On July 5, 2022, subsidiary KaBum carried out the 1st issue of unsecured nonconvertible debentures, for public distribution with restricted placement efforts. 400,000 (four hundred thousand) debentures were issued with a par value of R\$1,000 (one thousand reais) each, at a cost of 100% of CDI + 1.25% p.a. for the purpose of extending debt. On July 14, 2025, 100% of this debt was settled.

On August 5, 2024, the Company raised R\$300 million through the 12th issue of debentures, via public distribution and with restricted placement efforts, at a cost of 100% of the CDI + 2.5% p.a., and issued 300,000 (three hundred thousand) debentures at a par value of R\$1,000 (one thousand reais) each, maturing on August 5, 2026. The funds raised were used to increase capital of its joint venture Luizacred. On June 3, 2025, the aforementioned debt was settled early.

On April 2, 2025, the Company carried out the 13th issue of debentures through distribution with restricted placement efforts. 1,000,000 (one million) debentures were issued with a par value of R\$1,000 (one thousand reais) each, maturing on April 2, 2030, at a cost of 100% of the CDI + 1.70% p.a. The main purpose of the amount raised was to increase the Company's working capital.

- (b) Between April and June 2025, the Company raised loans from the International Finance Corporation ("IFC") and BID Invest ("BID"), denominated in foreign currency. The main conditions of the transaction are: (i) total term of 5 years; (ii) semiannual amortization, with a grace period of 2 years; (iii) semiannual interest payments; (iv) agreed interest rate of SOFR + 3% p.a. To mitigate the risks associated with fluctuations in the US dollar exchange rate and in the SOFR interest that may affect profit or loss, the Company entered into a swap derivative financial instrument with the same characteristics, replacing these risks with the CDI variation plus a fixed rate of 1.75% p.a., and classified them as fair value hedge in accordance with CPC 48/IFRS 09. More details on hedge accounting are disclosed in Note 32.

21. Loans and financing and other financial liabilities (Continued)

Reconciliation of cash flows from operating and financing activities

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Opening balance	4,160,225	6,928,737	4,582,160	7,354,855
Loans and financing raised	1,997,491	300,194	1,997,491	300,194
Payment of principal	(1,285,189)	(2,565,991)	(1,685,441)	(2,568,146)
Payment of interest	(730,727)	(1,082,057)	(783,632)	(1,132,723)
Accrued interest	802,736	579,342	833,958	627,980
Closing balance	4,944,536	4,160,225	4,944,536	4,582,160

Maturity schedule

The maturity schedule of loans and financing is as follows:

	Individual			Consolidated		
	Debt without hedge accounting	Fair value hedge	Debt with hedge accounting	Debt without hedge accounting	Fair value hedge	Debt with hedge accounting
2026	998,359	-	998,359	998,359	-	998,359
2027	1,301,072	6,611.0	1,307,683	1,301,072	6,611	1,307,683
2028	1,606,379	4,619	1,610,998	1,606,379	4,619	1,610,998
2029	682,036	1,961	683,997	682,036	1,961	683,997
2030	342,514	985	343,499	342,514	985	343,499
Total	4,930,360	14,176	4,944,536	4,930,360	14,176	4,944,536

Covenants

In all currently enforceable debt contracts, the Company must comply with covenants, the indicators of which are checked and monitored on a quarterly basis. The structure of these covenants is segmented into two categories: Corporate Financial and Operational, with the latter associated with the Direct Consumer Credit (CDC) portfolio. Within the scope of corporate financial covenants, three main indicators are included: (i) Financial Leverage, represented by the adjusted net debt-to-adjusted EBITDA ratio; (ii) Interest Coverage ratio, which assesses the ability to generate operating cash flow in relation to net finance costs; and (iii) Liquidity Ratio, which requires a minimum level of current assets proportionally to short-term obligations, in order to preserve the Company's short-term solvency. In the operational scope specifically related to the CDC portfolio, the main required indicators are: (i) Days Sales Outstanding, which establishes maximum parameters for the weighted average term of financing granted to the end consumer; (ii) Level of Allowance, which sets minimum parameters for establishing an allowance for expected credit losses in line with the credit quality and risk profile of the portfolio; and (iii) Default Rate, which defines acceptable maximum limits for the ratio of overdue amounts to the total amount granted per period. Finally, the other non-financial obligations refer to social and environmental commitments, which highlight the Company's ongoing commitment to sustainability and corporate responsibility.

At December 31, 2025, the Company was compliant with the covenants.

22. Deferred revenue

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Exclusivity agreement with Cardif (a)	710,475	799,286	710,475	799,286
Exclusivity agreement with Banco Itaucard S.A. (b)	46,000	57,500	46,000	57,500
Exclusivity agreement for payment arrangements (c)	-	-	136,427	156,576
Other agreements	22,491	35,343	35,465	46,366
	778,966	892,129	928,367	1,059,728
Deferred revenue with related parties:				
Exclusivity agreement with Luizacred (b)	36,872	46,117	36,872	46,117
Total deferred revenue	815,838	938,246	965,239	1,105,845
Current liabilities	122,407	122,407	155,102	152,910
Noncurrent liabilities	693,431	815,839	810,137	952,935

(a) On May 10, 2023, Luizaseg entered into a new strategic partnership agreement with companies of the Cardif group and Luizaseg, aiming to extend the rights and obligations set forth in the agreements between the parties then in effect 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 agreements of R\$96,831. The Company's revenue resulting from this agreement is recognized in profit or loss over the term of the agreement, part of which is conditioned on the 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 Itaucard 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 R\$250,000 in cash, of which: (i) R\$230,000 refers to the completion of the negotiation, without 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.

23. Other current and noncurrent liabilities

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Sales pending delivery, net of returns (a)	290,042	433,690	525,371	649,440
Amounts to be transferred to partners (b)	272,629	226,254	336,543	311,039
Specialized services	29,850	2,060	41,203	11,038
Freight payable	99,923	116,918	275,481	286,968
Marketing payable	138,932	116,914	198,694	169,362
Payables for acquisitions (c)	189,767	210,417	212,313	251,574
Other	150,398	114,912	231,129	152,051
	1,171,541	1,221,165	1,820,734	1,831,472
Current liabilities	1,096,836	1,144,002	1,739,029	1,750,426
Noncurrent liabilities	74,705	77,163	81,705	81,046

(a) Refers to sales made by the Company but not yet delivered to end customers at the reporting date, as well as deferred revenue from the administration of pre-purchase financing plans for the duration of the related contracts sold by the subsidiary Luiza Administradora de Consórcios.

(b) Transfers of amounts through sales of services (insurance, technical assistance, furniture installations, etc.) from partners intermediated by the Company.

(c) The consideration payable for acquisitions of companies includes a subscription warrant of up to 5 million common shares issued by the Company (MGLU3) for acquisition of KaBuM, and 307,722 shares referring to the acquisition of other companies, subject to the achievement of goals agreed under the acquisition contracts.

24. Provisions 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

Individual	Tax	Civil	Labor	Total
Balances at January 1, 2025	1,096,417	37,710	77,650	1,211,777
Additions	214,294	17,370	4,798	236,462
Reversals	(713,708)	-	-	(713,708)
Payments	(11,016)	(4,928)	-	(15,944)
Restatement	119,636	-	-	119,636
Balances at December 31, 2025	705,623	50,152	82,448	838,223

Consolidated

Consolidated	Tax	Civil	Labor	Total
Balances at January 1, 2025	1,715,228	54,085	88,040	1,857,353
Additions	512,130	35,615	6,492	554,237
Reversals	(1,138,219)	(22,390)	(1,538)	(1,162,147)
Payments	(30,212)	(5,371)	(470)	(36,053)
Restatement	150,970	-	-	150,970
Balances at December 31, 2025	1,209,897	61,939	92,524	1,364,360

24. Provision for tax, civil and labor contingencies (Continued)

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	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Federal (a.1)	259,100	511,751	282,184	642,585
State (a.2)	446,497	584,640	927,687	1,072,617
Municipal	26	26	26	26
	705,623	1,096,417	1,209,897	1,715,228

(a.1) Since 2010, the Company has been involved in legal proceedings regarding the amendment introduced by Decree No. 6957/2009, aimed at excluding the reclassification of the risk level of its main activity for the purpose of payment of the Contribution Tax for Work Environment Risks ("RAT"), whose rate increased from 1% (low risk) to 3% (high risk). In a recent decision by the 1st Regional Federal Court (TRF-1) on August 12, 2025, the increase was deemed inadequate, and the court ordered the reclassification of the rates, with immediate effect. Considering the procedural progress, the Company revised the amounts recognized and assessed that it is more likely than not that there is no present obligation at the reporting date, in accordance with the requirements of CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, resulting in the reversal of the recognized liability amounting to R\$316,300.

(a.2) On December 18, 2025, the Federal Supreme Court ("STF") published the decision in which it judged Topic 1266 under the general repercussion regime (Appeal to the STF (RE) No. 1.426.271), establishing the thesis that the collection of the ICMS – Rate Difference (Difal) is constitutional as of April 2022, in accordance with Supplementary Law (LC) No. 190/22, conditioned to the Precedence principles (principles whereby the enactment of tax laws shall precede their application and 90-day grace period for taxation).

By majority, the STF also limited the effects of the decision in time to prevent the retroactive collection of the tax for 2022 in relation to taxpayers who filed lawsuits by November 29, 2023, the date of the judgment of the Direct Claims of Unconstitutionality ("ADIns") on the same topic, which applies to the Company. Given the outcome of the matter, the Company, together with its internal and external legal counsel, reassessed the existing provisions and reversed the amounts of R\$347,256, individual, and R\$680,007, consolidated.

In addition, the Company continues to pursue legal proceedings in certain Brazilian States relating to periods prior to 2022 and after 2023, with the related amounts reflected in the provision for tax contingencies based on the assessment of the Company's legal counsel, totaling R\$75,656, individual, and R\$392,716, consolidated.

b) Civil contingencies

The provision for civil contingencies of R\$50,152, individual, and R\$61,939, consolidated, as of December 31, 2025 (R\$37,710, individual, and R\$54,085, consolidated, as of December 31, 2024), 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 provision amount of R\$82,448, individual, and R\$92,524, consolidated, as of December 31, 2025 (R\$77,650, individual, and R\$88,040, consolidated, as of December 31, 2024) reflects the risk of probable loss assessed by the Company management together with its legal advisors.

24. Provision for tax, civil and labor contingencies (Continued)

d) Judicial deposits

The Company is the plaintiff in tax, civil and labor proceedings, for which it maintains judicial deposits totaling R\$1,351,202, individual, and R\$2,045,539, consolidated, as of December 31, 2025 (R\$1,333,234, individual, and R\$1,902,376, consolidated, as of December 31, 2024). The main deposits relate to lawsuits challenging the collection of the ICMS Rate Difference (Difal), amounting to R\$825,572, individual, and R\$1,136,247, consolidated, as of December 31, 2025 (R\$827,640, individual, and R\$1,080,289, consolidated, as of December 31, 2024), and the judicial deposit related to the RAT dispute described in item a-1 above, totaling R\$314,749.

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	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Federal	1,833,223	1,453,926	2,221,172	1,829,802
State ⁽¹⁾	1,713,074	1,948,816	1,913,001	2,364,835
Municipal	12,012	5,223	21,879	5,225
	3,558,309	3,407,965	4,156,052	4,199,862

⁽¹⁾ The variation is related to the matter described in item a-2 above.

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) 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;
- (iii) 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 challenging civil and labor administrative proceedings for which the likelihood of loss was assessed as possible loss, with amounts that are immaterial for disclosure.

25. Equity

a) Capital

At the Board of Director's Meeting held on December 22, 2025, the Company's capital increase in the amount of R\$400,000 was approved, through the issue of 36,949,762 new common shares, all book-entry, registered, and with no par value, within the limit of the authorized capital pursuant to Article 7 of the Company's bylaws, to be granted as a bonus by capitalizing a portion of the balance of the Company's income reserves.

Thus, considering the effects of the capital increase, as of December 31, 2025 and December 31, 2024, the Company's shareholding structure comprising book-entry registered common shares without par value is as follows:

	12/31/2025		12/31/2024	
	Number of shares	(%) Equity interest	Number of shares	(%) Equity interest
Controlling shareholders	442,591,064	57.04	422,411,011	57.16
Outstanding shares	332,010,497	42.79	313,649,210	42.44
Treasury shares	1,343,449	0.17	2,935,027	0.40
Total	775,945,010	100.00	738,995,248	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 38,397,435 new common shares.

b) Capital reserve

Share-based payment plan

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 joint ventures 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 business goals and fulfillment of its corporate objectives, in line with the interests of shareholders, through the long-term commitment of the beneficiaries.

25. Equity (Continued)

b) Capital reserve (Continued)

The following table shows the balance (quantity) of shares granted as of December 31, 2025:

Type of program	Grant date	Maximum vesting period	Position of shares granted	Fair value (¹)
5 th Matching share	May 4, 2021	5 years	16,781	R\$198.60
6 th Restricted share	May 4, 2021	3 years	12,706	R\$198.60
10 th Restricted share	October 25, 2023	5 years	924,001	R\$14.40
11 th Restricted share	April 7, 2025	4 years	2,423,172	R\$9.84
6 th Matching share	October 13, 2025	3 years	2,327,823	R\$8.94
			5,704,483	R\$11.19

(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 December 31, 2025 is 307,722, 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, in the process of acquiring KaBuM, the Company issued subscription warrants of up to 5 million registered, book-entry common shares with no par value, subject to the fulfillment of certain goals.

c) Treasury shares

	Number of shares	Amount
At January 1, 2024	5,701,564	990,603
Disposed of in the year	(2,803,168)	(487,029)
At December 31, 2024	2,898,396	503,574
Disposed of in the year	(1,554,947)	(281,400)
At December 31, 2025	1,343,449	222,174

The reduction in the balance of treasury shares is equal to the weighted average of the cost incurred to acquire the shares. Any gain or loss in relation to the amount received from the disposal of treasury shares is recorded as capital reserve. The value of the MGLU3 share at December 31, 2025 was of R\$8.94.

d) Dividends paid out

At the Annual General Meeting held on April 24, 2025, the distribution of dividends amounting to R\$225,000 was approved, at R\$0.3053697986 per share, based on the shareholding structure as of April 25, 2025, through the reversal of a portion of the Tax Incentive Reserve balance, which is part of the Income Reserve. The dividends were paid out on May 5, 2025.

25. Equity (Continued)

e) Equity adjustments

For the year ended December 31, 2025, the Company recognized an amount of R\$169,558 (R\$128,964 as of December 31, 2024) under equity adjustments, related to fair value adjustments through other comprehensive income for credit card receivables and financial assets in subsidiaries.

f) Allocations of income for the year

The income earned by the Company for the year ended December 31, 2025, amounted to R\$204,603, for which the proposed allocation at the reporting date is as follows: (i) an amount of R\$183,162 allocated to tax incentive reserve related to prior years in which the Company recognized government grants but recorded accounting losses; (ii) legal reserve in the amount of R\$1,060; (iii) mandatory minimum dividends, as provided for in the Company's Bylaws, in the amount of R\$3,021; (iv) working capital reinforcement reserve in the amount of R\$17,116; and (v) absorption of losses arising from the adoption of an accounting practice in a subsidiary, in the amount of R\$244.

g) Earnings (loss) per share

Basic and diluted loss per share are calculated as follows:

	Basic earnings		Diluted earnings	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
In thousands				
Total number of common shares	775,945,010	738,995,248	775,945,010	738,995,248
Effect of treasury shares	(1,343,449)	(2,898,396)	(1,343,449)	(2,898,396)
Effect of stock option plans when exercised (a)	-	-	4,777,565	3,907,888
Weighted average number of outstanding common shares	774,601,561	736,096,852	779,379,126	740,004,740
Net income for the year	204,603	448,717	204,603	448,717
Earnings per share (in reais)	0.264	0.610	0.264	0.610

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

26. Net sales revenue

Accounting policy

Net revenue is measured at the fair value of the consideration received or receivable, net of returns, rebates and sales taxes, as follows:

Resale of goods - revenue is recognized when products are delivered and customers obtain control of the goods, also considering that the following conditions have been satisfied:

- The amount of revenue and the payment terms can be identified;
- It is probable that the Company will receive the consideration to which it is entitled in exchange for the goods that will be transferred to the customer.
- The Company grants the customer the right to return the goods within a specified period and assumptions. The amount of revenue recognized is adjusted for the expected returns. The Company uses the expected-value method to estimate the assets that will not be returned. In these circumstances, a return liability and a right to recover the asset to be returned are recognized.

Revenue from services rendered – these are recognized when it is probable that the significant benefits to the service rendered will be transferred by the Company. The Company has the following main sources of revenues from services:

- (a) intermediation of financial services for its joint venture, as well as other Company's partner businesses;
- (b) commissions charged by the Company and its subsidiary Magalupay to their sellers for processing transactions carried out on the Group's e-commerce platforms.
- (c) administration of pre-purchase financing plans in subsidiary Consórcio Magalu.
- (d) provision of delivery services through its subsidiary Magalog.

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Retail - resale of goods	37,138,768	36,393,061	43,630,518	42,777,329
Retail - provision of services	2,792,605	2,663,102	3,801,075	3,839,882
Other services (*)	-	-	730,340	659,830
Gross revenue	39,931,373	39,056,163	48,161,933	47,277,041
Retail - resale of goods	(7,332,151)	(7,149,978)	(8,651,533)	(8,443,428)
Retail - provision of services	(252,454)	(237,896)	(356,839)	(468,959)
Other services	-	-	(450,174)	(326,586)
Taxes and returns	(7,584,605)	(7,387,874)	(9,458,546)	(9,238,973)
Net sales revenue	32,346,768	31,668,289	38,703,387	38,038,068

(*) Refers substantially to services rendered by the Company's subsidiaries, notably Magalog, which provides transportation and logistics services, and Consórcio Magalu, responsible for the administration of pre-purchase financing plans.

27. Cost of goods resold and services rendered

Accounting policy

Costs of goods resold and services rendered include costs with the acquisition of goods and services rendered, less recovery of costs received from suppliers and ICMS tax substitution recoverable. Expenses with freight, related to the transportation of goods from suppliers to Distribution Centers (DCs) are incorporated to the cost of goods to be resold.

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Costs of goods resold	(23,088,793)	(22,428,814)	(27,105,687)	(26,372,530)
Cost of services rendered	-	-	(43,149)	(38,282)
Costs	(23,088,793)	(22,428,814)	(27,148,836)	(26,410,812)

28. 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:

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Personnel expenses (a)	(2,526,025)	(2,557,112)	(3,293,533)	(3,194,013)
Expenses with service providers	(3,282,935)	(2,997,891)	(3,296,775)	(3,316,172)
Depreciation and amortization - sales	(438,654)	(459,935)	(591,758)	(671,371)
Depreciation and amortization - administrative	(591,494)	(579,050)	(693,029)	(661,917)
Other	(724,762)	(1,147,892)	(1,432,222)	(1,917,103)
	(7,563,870)	(7,741,880)	(9,307,317)	(9,760,576)
Classified by function as:				
Selling expenses	(6,194,918)	(5,879,230)	(7,375,871)	(7,131,584)
General and administrative expenses	(871,618)	(904,832)	(1,392,269)	(1,373,715)
Depreciation and amortization	(1,030,148)	(1,038,985)	(1,284,787)	(1,333,288)
Other operating income, net (Note 29)	532,814	81,167	745,610	78,011
	(7,563,870)	(7,741,880)	(9,307,317)	(9,760,576)

(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 25.

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

29. Other operating income, net

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Appropriation of deferred revenue (a)	122,407	122,407	144,877	144,503
Tax credits	-	106,822	-	113,596
Provision for tax, civil and labor contingencies (b)	462,383	(128,572)	690,701	(162,931)
Income (loss) from write-off of assets	2,710	(2,187)	3,743	1,229
Expert fees	(48,255)	(8,149)	(54,695)	(13,046)
Write-off – transfers to sellers, net (c)	24,737	-	24,737	-
Pre-operating and integration expenses	(24,878)	(2,110)	(48,331)	(3,428)
Other	(6,290)	(7,044)	(15,422)	(1,912)
Total	532,814	81,167	745,610	78,011

- (a) Refers to appropriation of deferred revenue for assignment of exclusivity of operation of financial services, as described in Note 22.
- (b) The Company reversed, in 2025, the liability related to the Contribution Tax for Work Environment Risks (“RAT”) dispute, which impacted this line item in the amount of R\$287,918 referring to prior periods, as described in item (a.1) of Note 24. In addition, as described in item (a.2), the Company reversed the provision previously recognized for the dispute related to the collection of the ICMS Rate Difference (Difal) as of April 2022, following the conclusion of the STF ruling on the matter, in the amount of R\$347,256, individual, and R\$680,007, consolidated. The other changes refer to the review of the likelihood of success of legal proceedings.
- (c) The Company recognized the write-off (derecognition) of prior-period amounts relating to transfers to sellers on its marketplace platform, for which the obligations were not fulfilled, as other operating income.

30. Finance income (costs)

Accounting policy

Interest income and expenses are recognized in the statement of profit or loss using the effective interest rate method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- (i) gross carrying amount of financial assets; or
- (ii) at amortized cost of financial liability. In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset or the amortized cost of the liability.

The Company classifies interest received, dividends and interest on capital received as cash flows from operating activities. Interest paid on loans and leases are classified as cash flows from financing activities.

30. Finance income (costs) (Continued)

Accounting policy (Continued)

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Finance income				
Interest from sales of extended warranty	221,697	217,297	221,697	217,297
Yield from short-term investments and marketable securities	60,233	54,144	143,499	100,326
Interest on late payments receivable	43,990	39,585	44,205	39,740
Monetary restatement receivable	282,812	307,599	333,533	341,943
Other	11,181	8,423	32,920	20,927
	619,913	627,048	775,854	720,233
Finance costs				
Interest on loans and financing	(802,736)	(571,797)	(833,520)	(623,378)
Interest on lease	(335,733)	(311,748)	(343,384)	(317,905)
Charges on credit card advances	(879,104)	(687,922)	(1,111,143)	(914,680)
Provision for loss on interest from extended warranty	(118,822)	(103,645)	(118,822)	(103,645)
Taxes on finance income	(44,358)	(36,714)	(56,151)	(42,201)
Monetary restatement losses	(146,972)	(116,505)	(168,854)	(137,135)
Other (a)	(156,997)	(47,381)	(188,159)	(56,337)
	(2,484,722)	(1,875,712)	(2,820,033)	(2,195,281)
	(1,864,809)	(1,248,664)	(2,044,179)	(1,475,048)

(a) Premiums received from banks for confirming the existence of suppliers' receivables, as explained in Note 19, are stated here net of other expenses with negotiation with suppliers.

31. Segment information

For financial and operational management purposes, the Company classified its businesses into Retail, Financial 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 joint venture Luizacred, whose main purpose is to provide credit to the Company's customers for the purchase of products;
- (c) Other services - sum of the provision of pre-purchase financing plan administration services through the subsidiary Consórcio Magalu, whose main purpose is the administration of pre-purchase financing plans for the Company's customers, for the purchase 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.

31. Segment information (Continued)

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 and other services, since this amount is contained in the profit or loss of the segment used by the chief operations officer.

The eliminations are represented by transactions that occurred between the segments and by the effect of the “financial operations” segment, which is presented proportionally to the ownership interest held in the joint venture Luizacred. However, they are included in a single equity pickup line in the Company’s consolidated quarterly information.

Transfers of net revenue between operating segments are less than 10% of the combined net revenue of all segments.

Statements of profit or loss

	12/31/2025				
	Retail	Financial operations	Other services	Eliminations	Consolidated
Gross revenue	47,394,121	2,278,740	2,852,111	(4,400,511)	48,124,461
Present value adjustment of revenue (a)	(939,556)	-	-	-	(939,556)
Reversal of present value adjustment of revenue (a)	977,028	-	-	-	977,028
Deductions from revenue	(9,008,372)	-	(450,174)	-	(9,458,546)
Net revenue of the segment	38,423,221	2,278,740	2,401,937	(4,400,511)	38,703,387
Costs	(27,115,907)	(217,346)	(38,962)	217,346	(27,154,869)
Present value adjustment - trade accounts payable	440,549	-	-	-	440,549
Reversal of present value adjustment - trade accounts payable (a)	(434,516)	-	-	-	(434,516)
Gross profit	11,313,347	2,061,394	2,362,975	(4,183,165)	11,554,551
Selling expenses	(7,261,120)	(519,531)	(2,236,523)	2,641,303	(7,375,871)
General and administrative expenses	(1,324,685)	(6,085)	(67,584)	6,085	(1,392,269)
Gains (losses) on allowance for expected credit losses	(468,212)	(1,391,062)	12,394	1,391,061	(455,819)
Depreciation and amortization	(1,214,995)	(5,782)	(69,792)	5,782	(1,284,787)
Equity pickup	140,536	-	-	(13,268)	127,268
Other operating income	734,737	(64,674)	10,873	64,674	745,610
Finance income	748,694	-	27,160	-	775,854
Finance costs	(2,804,295)	-	(15,738)	-	(2,820,033)
Income and social contribution taxes	340,596	53,008	(10,497)	(53,008)	330,099
Net income for the year	204,603	127,268	13,268	(140,536)	204,603

Reconciliation of equity pickup

Equity pickup – Other services (Note 13)	13,268
Equity pickup – Luizacred (Note 14)	127,268
(=) Equity pickup of the retail segment	140,536
(-) Effect of elimination – Other services	(13,268)
(=) Consolidated equity pickup	127,268

- (a) Considering that the retail segment has the characteristic of granting consumer financing, the Company follows the procedure of reversing the present value adjustment of trade accounts receivable under the gross revenue account. Therefore, to adequately determine the commercial gross margin, the reversal of the present value adjustment of liabilities referring to trade accounts payable is also carried out under the cost of goods sold account. The consumer financing activity is not dissociated from the retail segment for the chief decision-making officers. Therefore, following the assumptions under CPC 22 - Segment Reporting, the consumer financing activity is presented in the context of the retail segment.

31. Segment information (Continued)

Statements of profit or loss (Continued)

			12/31/2024		
	Retail (a)	Financial operations	Other services	Eliminations	Consolidated
Gross revenue	46,625,651	2,215,233	2,685,601	(4,241,004)	47,285,481
Present value adjustment of revenue (a)	(919,416)	-	-	-	(919,416)
Reversal of present value adjustment of revenue (a)	910,976	-	-	-	910,976
Deductions from revenue	(8,798,429)	-	(440,544)	-	(9,238,973)
Net revenue of the segment	37,818,782	2,215,233	2,245,057	(4,241,004)	38,038,068
Costs	(26,405,410)	(251,071)	(30,377)	251,071	(26,435,787)
Present value adjustment - trade accounts payable (a)	17,271	-	-	-	17,271
Reversal of present value adjustment - trade accounts payable (a)	7,704	-	-	-	7,704
Gross profit	11,438,347	1,964,162	2,214,680	(3,989,933)	11,627,256
Selling expenses	(7,069,404)	(506,901)	(2,087,951)	2,532,672	(7,131,584)
General and administrative expenses	(1,308,110)	(9,116)	(65,605)	9,116	(1,373,715)
Gains (losses) on allowance for expected credit losses	(452,662)	(1,164,482)	(42)	1,164,482	(452,704)
Depreciation and amortization	(1,279,299)	(5,909)	(53,989)	5,909	(1,333,288)
Equity pickup	159,309	-	-	(10,853)	148,456
Other operating income	61,674	(64,436)	16,337	64,436	78,011
Finance income	700,867	-	19,366	-	720,233
Finance costs	(2,175,974)	-	(19,307)	-	(2,195,281)
Income and social contribution taxes	373,969	(64,862)	(12,636)	64,862	361,333
Net income (loss) for the period	448,717	148,456	10,853	(159,309)	448,717

Reconciliation of equity pickup

Equity pickup – Other services (Note 13)	10,853
Equity pickup – Luizacred (Note 14)	148,456
(=) Equity pickup of the retail segment	159,309
(-) Effect of elimination – Other services	(10,853)
(=) Consolidated equity pickup	148,456

(a) Considering that the retail segment has the characteristic of granting consumer financing, the Company follows the procedure of reversing the present value adjustment of trade accounts receivable under the gross revenue account. Therefore, to adequately determine the commercial gross margin, the reversal of the present value adjustment of liabilities referring to trade accounts payable is also carried out under the cost of goods sold account. The consumer financing activity is not dissociated from the retail segment for the chief decision-making officers. Therefore, following the assumptions under CPC 22 - Segment Reporting, the consumer financing activity is presented in the context of the retail segment.

31. Segment information (Continued)

Statement of financial position

	12/31/2025		
	Retail	Financial operations	Other services
Assets			
Cash and cash equivalents	1,430,599	3,461	145,238
Marketable securities and other financial assets	459,927	66,870	-
Accounts receivable	5,558,818	9,189,092	85,224
Inventory of goods for resale	7,181,339	-	-
Investments	1,983,493	-	-
Property and equipment, right of use and intangible assets	8,868,343	19,780	802,320
Other	11,812,192	704,257	650,644
	37,294,711	9,983,460	1,683,426
Liabilities			
Trade accounts payable	8,116,522	-	26,906
Trade accounts payable - agreement	3,356,388	-	-
Transfers and other deposits	1,357,390	-	-
Loans and financing	4,944,536	-	-
Leases	3,513,137	-	70,735
Interbank deposits	-	1,483,037	-
Credit card operations	-	6,253,847	-
Provisions for tax, civil and labor contingencies	1,344,834	41,497	19,526
Deferred revenue	959,972	-	5,267
Other	2,423,902	1,105,700	676,881
	26,016,681	8,884,081	799,315
Equity	11,278,030	1,099,379	884,111
Investment reconciliation			
Subsidiaries (Note 13)			
Consórcio Magalu	133,063		
Magalog	385,994		
Luizalabs	366,570		
Nonsense	(1,513)		
	884,114		
Joint ventures (Note 14)			
Luizacred	1,099,379		
Total investments	1,983,493		
(-) Effect of elimination	(884,114)		
(=) Consolidated income (loss) on investments	1,099,379		

31. Segment information (Continued)

Statement of financial position (Continued)

	12/31/2024		
	Retail	Financial operations	Other services
Assets			
Cash and cash equivalents	1,623,301	88,873	203,896
Marketable securities	337,894	13,734	-
Accounts receivable	5,823,941	9,281,146	58,140
Inventories	7,611,132	-	-
Investments	1,651,975	-	-
Property and equipment, intangible assets and right of use	8,840,050	24,474	712,334
Other	10,876,972	862,383	455,893
	36,765,265	10,270,610	1,430,263
Liabilities			
Trade accounts payable	7,157,371	-	25,535
Trade accounts payable - agreement	3,100,213	-	-
Transfers and other deposits	1,640,637	-	-
Loans and financing	4,581,908	-	252
Leases	3,452,792	-	80,743
Interbank deposits	-	2,035,652	-
Credit card operations	-	6,505,732	-
Provision for tax, civil and labor contingencies	1,813,065	47,121	44,288
Deferred revenue	1,103,854	-	1,991
Other	2,596,163	710,243	597,342
	25,446,003	9,298,748	750,151
Equity	11,319,262	971,862	680,112
Investment reconciliation			
Subsidiaries (Note 13)			
Consórcio Magalu	86,559		
Magalog	289,011		
Luizalabs	304,543		
	680,113		
Joint ventures (Note 14)			
Luizacred	971,862		
Total investments	1,651,975		
(-) Effect of elimination	(680,113)		
(=) Consolidated income (loss) on investments	971,862		

32. 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 (FVOCI), or at fair value through profit or loss (FVPL). A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at FVPL:

- It is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or at FVOCI, as described above, are classified as at FVPL. 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 FVPL, 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 FVPL: These assets are subsequently measured at FVPL. Net gains (losses), including interest, are recognized in profit or loss.
- 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 profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- Financial assets measured at FVOCI: These assets are subsequently measured at fair value through other comprehensive income (FVOCI). Upon derecognition, cumulative gains (losses) in OCI are recycled to profit or loss.

32. Financial instruments (Continued)

Accounting policy (Continued)

Initial classification and subsequent measurement (Continued)

Financial liabilities are classified as measured at amortized cost or at FVPL. 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 FVPL are measured at fair value, and net gains (losses), including interest, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost, using the effective interest method. Interest expenses and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition and offsetting

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 or 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 financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities 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.

32. Financial instruments (Continued)

Accounting policy (Continued)

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).

Credit-impaired financial assets

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

32. Financial instruments (Continued)

Financial instruments by category

Financial instruments by category	Classification	Fair value measurement	Individual				Consolidated			
			12/31/2025		12/31/2024		12/31/2025		12/31/2024	
			Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and banks	Amortized cost	Level 2	162,919	162,919	201,534	201,534	282,023	282,023	303,262	303,262
Accounts receivable – Credit and debit cards	FVOCI	Level 2	1,798,193	1,798,193	1,968,690	1,968,690	3,621,036	3,621,036	4,131,260	4,131,260
Accounts receivable – Other trade accounts receivable and receivables from commercial agreements	Amortized cost	Level 2	1,725,011	1,725,011	1,527,652	1,527,652	2,023,006	2,023,006	1,750,821	1,750,821
Accounts receivable from related parties	Amortized cost	Level 2	433,208	433,208	625,293	625,293	68,805	68,805	72,522	72,522
Accounts receivable from related parties – Credit card	FVOCI	Level 2	2,012,823	2,012,823	1,239,666	1,239,666	2,382,706	2,382,706	1,588,883	1,588,883
Cash equivalents - Bills	FVPL	Level 2	16,698	16,698	16,698	16,698	16,698	16,698	16,698	16,698
Cash equivalents - CDBs	Amortized cost	Level 2	594,001	594,001	500,416	500,416	1,230,803	1,230,803	1,423,322	1,423,322
Marketable securities	Amortized cost	Level 2	5,876	5,876	5,244	5,244	5,876	5,876	5,244	5,244
Marketable securities	FVPL	Level 2	8,578	8,578	217,627	217,627	431,886	431,886	331,848	331,848
Total financial assets			6,757,263	6,757,263	6,302,820	6,302,820	10,062,795	10,062,795	9,623,860	9,623,860

Financial instruments by category	Classification	Fair value measurement	Individual				Consolidated			
			12/31/2025		12/31/2024		12/31/2025		12/31/2024	
			Carrying amount	Fair value						
Suppliers of goods and agreements	Amortized cost	Level 2	10,020,593	10,020,593	9,237,888	9,237,888	11,499,816	11,499,816	10,283,119	10,283,119
Transfers and other deposits	Amortized cost	Level 2	-	-	-	-	1,357,390	1,357,390	1,640,637	1,640,637
Loans and financing	Amortized cost	Level 2	3,929,623	3,984,828	4,160,225	4,541,898	3,929,623	3,984,828	4,582,160	4,963,833
Loans and financing and other financial liabilities	FVPL	Level 2	1,014,913	1,032,710	-	-	1,014,913	1,032,710	-	-
Leases	Amortized cost	Level 2	3,479,339	3,479,339	3,418,880	3,418,880	3,583,872	3,583,872	3,533,535	3,533,535
Accounts payable to related parties	Amortized cost	Level 2	233,716	233,716	428,387	428,387	110,115	110,115	107,061	107,061
Other accounts payable - acquisition	FVPL	Level 2	189,767	189,767	210,417	210,417	212,313	212,313	251,574	251,574
Total financial liabilities			18,867,951	18,940,953	17,455,797	17,837,470	21,708,042	21,781,044	20,398,086	20,779,759

32. Financial instruments (Continued)

Fair value measurement

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

- (a) Level 1 - quoted (unadjusted) market prices 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 non-observable 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 modernizing 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 payable outstanding in relation to the average term of inventory turnover. Necessary actions are taken in the event of significant imbalances.

32. Financial instruments (Continued)

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 12/31/2025

<u>Individual</u>	<u>Book balance</u>	<u>Up to 1 year</u>	<u>1 to 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
Suppliers of goods and agreements	10,020,593	10,020,593	-	-	10,020,593
Leases	3,479,339	750,002	1,813,251	2,773,664	5,336,917
Loans and financing	3,929,623	-	3,905,810	1,024,550	4,930,360
Loans and financing and other financial liabilities	1,014,913	-	11,230	2,946	14,176
Transactions with related parties	233,716	-	-	-	-
Other accounts payable - acquisition	189,767	112,280	-	77,486	189,766
Total	18,867,951	10,882,875	5,730,291	3,878,646	20,491,812

<u>Consolidated</u>	<u>Book balance</u>	<u>Up to 1 year</u>	<u>1 to 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
Suppliers of goods and agreements	11,499,816	11,499,816	-	-	11,499,816
Leases	3,583,872	762,713	1,843,982	2,820,672	5,427,367
Loans and financing	3,929,623	-	3,905,810	1,024,550	4,930,360
Loans and financing and other financial liabilities	1,014,913	-	11,230	2,946	14,176
Transactions with related parties	110,115	110,115	-	-	110,115
Other accounts payable - acquisition	212,313	129,270	4,224	80,556	214,050
Total	20,350,652	12,501,914	5,765,246	3,928,724	22,195,884

The Company's business is mostly comprised of the retail trade of consumer goods and insurance, financial and other services, as described in Note 31, segment information. The main market risk factors that affect the Company's business are summarized below:

32. Financial instruments (Continued)

Considerations about other financial risks

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 December 31, 2025 was R\$R\$6,270,702 (R\$R\$6,437,203 as of December , 2024). 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 December 31, 2025, the Company recorded accounts receivable balances that would be overdue or lost, whose terms were renegotiated, in the amount of R\$254,664 (R\$309,451 as of December 31, 2024), which are included in the analysis on the need to recognize an allowance for expected credit losses. Note 8 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 December 31, 2025, almost all of the investments held by the Company have such a rating level, reaching the amount of R\$673,359 (R\$789,938 as of December 31, 2024), individual, and R\$1,753,741 (R\$1,861,829 as of December , 2023), consolidated.

Market risk: arises from the possible downturn in retail in the country's economic scenario. The risks involved in these operations are managed 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: the Company uses derivative financial instruments for purposes of managing market risks arising from mismatches between currencies and indices. Derivative transactions are conducted by the Treasury Department in accordance with policies previously approved by the Company's Board of Directors. Upon initial recognition of a hedge relationship, the Company formally classifies and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged, the nature of the risks excluded from the hedging relationship, the demonstration of prospective hedge effectiveness, and how the Company will assess the effectiveness of the hedging instrument for the purpose of offsetting exposure to changes in the fair value of the hedged item or cash flows related to the hedged risk.

32. Financial instruments (Continued)

Considerations about other financial risks (Continued)

In this scenario, the Company raised interest-bearing loans denominated in foreign currency for which swap transactions were entered into, for the purpose of hedging against the risk of changes in exchange rates, replacing contractual interest and foreign currency fluctuation with the CDI variation plus a fixed rate. For hedge accounting purposes, these instruments are classified as fair value hedges and are initially recognized at fair value on the date the derivative contract is entered into, being subsequently remeasured also at fair value. Any gains or losses for the year arising from changes in fair value, both of the hedging derivative (swap) and the hedged item (loans), are recorded directly in the statement of profit or loss as finance income (costs). The Company established a coverage ratio of 1:1 for hedging relationships, as the risk of the contracts covered by the hedge is identical to the risk hedged by the hedging instrument. Sources of potential ineffectiveness may arise from: i) possible differences in the timing of cash flows from the hedged items and the hedging instruments, and ii) the credit risk of the counterparties having a different impact on the changes in fair value of the hedging instruments and the hedged items. As of December 31, 2025, no ineffectiveness was identified to be recognized in profit or loss. The details of contracts that had an impact on profit or loss for the year ended December 31, 2025 are as follows:

	Index	Fair value (a)
Hedging instrument		
Assets	USD - SOFR + 3.0% p.a.	1,000,737
Liabilities	CDI + 1.75% p.a.	1,014,913
Fair value hedge - Swap		<u>14,176</u>
Hedged item		
Loan	USD - SOFR + 3.0% p.a.	1,000,737

(a) The fair value of derivative financial instruments is determined by applying methodologies commonly used by market participants, and the present value of payments is estimated using market curves disclosed by B3 and Bloomberg.

As mentioned above, the Company management believes there is no market risk due to changes in the exchange rate, since all its significant financial liabilities recorded in foreign currency are linked to swap transactions, thus the accounting and financial treatment of these loans is denominated in local currency. Consequently, differences of the swap derivative financial instrument and of loans and financing are offset. The probable scenario represents the exchange rate as of December 31, 2025 (R\$5.50). Below is the sensitivity analysis of the changes in exchange rate.

Nature	12/31/2025	Probable scenario	Scenario above 25%	Scenario above 50%
Exchange difference - loans	7,167	7,167	8,959	10,751
Hedging financial instruments	(7,167)	(7,167)	(8,959)	(10,751)
Impact of exchange difference	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

32. Financial instruments (Continued)

Considerations about other financial risks (Continued)

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 December 31, 2025, 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 and the scenarios of decrease and increase in interest rates were measured using future interest rates published by B3 and/or BACEN, considering a base CDI rate of 14.9% p.a.

The expected effects of finance costs on loans and financing, net of short-term investment yields, for the next three months are as follows:

	Individual 12/31/2025	Consolidated 12/31/2025	
Bank Deposit Certificates - CDB (Note 6)	610,655	1,247,457	
Investment funds (Note 6)	-	46,357	
Cash equivalents	610,655	1,293,814	
Marketable securities (Note 7)	62,704	459,927	
Total cash equivalents and marketable securities	673,359	1,753,741	
Loans and financing (Note 21)	(4,944,536)	(4,944,536)	
Net exposure	(4,271,177)	(3,190,795)	
Finance cost related to interest - exposure to CDI	14.90%	14.90%	
Impact on finance income (costs), net of taxes:			
Base scenario	14.90%	(257,414)	(257,439)
Scenario of 25% increase	18.63%	(321,768)	(321,768)
Scenario of 50% increase	22.35%	(386,121)	(386,121)
Scenario of 25% decrease	11.18%	(193,061)	(193,061)
Scenario of 50% decrease	7.45%	(128,707)	(128,707)

33. 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	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Changes in the fair values of financial assets	(2,083)	(290)	(2,083)	(290)
Additions – IFRS 16 – Right of use and lease	501,080	474,128	600,133	563,537
Adjustments under IFRS 9 – fair value	42,677	7,872	42,677	7,872
Capital reduction in subsidiary (a)	(200,000)	-	(200,000)	-
Trade accounts payable (agreement)	12,527,329	12,702,268	13,725,465	13,079,422

(a) Refers to the settlement of promissory notes in the subsidiary Kabum through capital reduction, as described in Note 10, item IV.

34. 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 December 31, 2025 and December 31, 2024 is as follows:

	Individual		Consolidated	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Civil liability D&O	120,000	110,000	120,000	110,000
Sundry risks – inventories and P&E	6,372,615	6,787,146	7,885,166	7,918,522
Vehicles	21,140	29,120	35,062	41,823
	6,513,755	6,926,266	8,040,228	8,070,345