

MAGAZINE LUIZA S.A.**Publicly-held Company**

Corporate Taxpayer ID: 47.960.950/0001-21

Company Registry (NIRE): 35.3.0010481.1

MATERIAL FACT

Magazine Luiza S.A. ("**Company**" or "**Magalu**"), pursuant to Article 157, §4º of Law nº 6.404, dated December 15th, 1976, and pursuant to Instruction nº 358 of the Brazilian Securities and Exchange Commission, dated January 3, 2002, hereby announces to its shareholders and the market in general that it has entered into, on this date, a Share Purchase and Sale Agreement ("Purchase and Sale Agreement") with the shareholders of Kabum Comércio Eletrônico SA, a privately held corporation, headquartered in the City of Limeira, State of São Paulo, ("**Kabum**"). The purpose of the Purchase and Sale Agreement is the acquisition, by Magalu, of all shares issued by Kabum ("Acquisition" or "Transaction").

KaBuM!: the largest computer, games and accessories e-commerce platform in Brazil

Founded in 2003, KaBuM! was one of the pioneers of e-commerce in Brazil and is a reference in computers, games and accessories, offering its more than 2 million customers the latest new releases from around the world. With over 20,000 different items in stock, KaBuM! has a complete assortment of computers, hardware (video cards, memory, processors, sound cards, monitors), peripherals (keyboards, mice, cameras, cables, adapters), products for the gamer universe (video games, chairs, tables, consoles) and for the smart home (cameras, lamps, virtual assistants, automation tools, and other accessories).

KaBuM! is also one of the pioneers of electronic sports in Brazil, having founded one of the largest League of Legends teams in the country. KaBuM! Sports is a four-time national champion and was the first Brazilian team to participate in the world championship. In addition to League of Legends, KaBuM! Sports also supports other e-sports initiatives, including: Counter Strike, FIFA and Free Fire.

With KaBuM!, hardware, peripherals and games #temnomagalu (#TheyHaveItAtMagalu)

With an assortment that is highly complementary to that of Magalu, the acquisition of KaBuM! represents a significant step towards Magalu's strategic objective of expanding into new categories, while simultaneously increasing the Company's customer base and purchase frequency. Additionally, together with the recent acquisitions of Jovem Nerd and CanalTech, KaBuM! and Magalu will be able to offer a complete shopping, content and entertainment experience for technology and gaming enthusiasts.

Synergies

Upon the completion of the acquisition, Magalu and KaBuM! will be able to take advantage of a number of opportunities: (i) KaBuM!'s products will be made available for sale on Magalu's SuperApp; (ii) KaBuM! will be able to take advantage of all of the benefits of Magalu's multichannel model, such as in-store pick-up; (iii) several Magalu product lines, such as smartphones and TVs, will complement KaBuM!'s assortment; and (iv) Magalu's financial products, such as credit cards and insurance, will be offered to KaBuM!'s customers.

KaBuM!'s sales more than doubled in 2020, driven by the pandemic to grow 128% compared to 2019. In the first 5 months of 2021, KaBuM! continued to evolve at an accelerated pace, with 62% growth compared to the same period in 2020. In the last 12 months¹, KaBuM! surpassed the R\$3.4 billion² mark in gross revenue. During the same period, KaBuM! leveraged its highly efficient business model to obtain a net profit of R\$312 million.

¹ Corresponding to the period between June 1, 2020 and May 31, 2021.

² Preliminary, unaudited results.

Transaction Structure

Under the terms agreed between the parties in the Share Purchase Agreement, the acquisition structure consists in the acquisition of all Kabum shares, and shall comprise the following steps, all interdependent and linked between one another, that will take place on the closing date of the Acquisition: (a) payment in cash in the amount of R\$ 1.0 billion (one billion Reais) ("Cash Installment"); (b) merger of Kabum's shares into Magalu ("Merger of Shares"), as a result of which Kabum will become a wholly owned subsidiary of the Company and it will be issued to Kabum shareholders (i) 75.0 million (seventy-five million) common, registered, book-entry, nonpar shares issued by the Company (MGLU3); and (ii) subscription bonus whose exercise on January 31, 2024 is conditioned upon the achievement of targets, which will give Kabum's shareholders the right to subscribe for up to 50.0 million (fifty million shares) common, registered, book-entry, nonpar shares issued by the Company (MGLU3).

Conditions Precedent of the Transaction

The closing of the Transaction is subject to the satisfaction of conditions precedent which are customary for this type of transaction including, without limitation, (i) the final approval for its completion by the Brazilian antitrust authority – CADE; and (ii) the approval of the Merger of Shares by the Company's shareholders, as well as of the ancillary documents, including, but not limited to, the merger of shares agreement to be entered into by the managers of the Company and Kabum.

Right of Withdrawal

If the Merger of Shares is approved at the Company's general meeting, the dissenting shareholders will have the right of withdrawal as result of the Acquisition pursuant to the Brazilian Corporate Law. The right of withdrawal will only apply to shares issued by Magalu whose shareholder demonstrates that they hold such shares uninterruptedly from the close of trading on July 14, 2021 through the exercise date of the right of withdrawal. Additional information about the right of withdrawal, including the amount of refund per share, the period for exercising such right and the qualifying conditions will be disclosed in due course, when the call notice for the general meeting that will resolve on the approval the Merger of Shares is released.

Magalu will keep its shareholders and the market in general duly informed under the terms of the applicable legislation.

São Paulo, July 15th, 2021

Roberto Bellissimo Rodrigues

Chief Financial Officer and Director of Investor Relations