

## **MAGAZINE LUIZA S.A.**

### **Publicly-held Company**

Corporate Taxpayer ID: 47.960.950/0001-21

Company Registry (NIRE): 35.3.0010481.1

## **NOTICE TO THE MARKET**

**Magazine Luiza S.A. ("Company" or "Magalu")**, announces to its shareholders and the market in general that it concluded, on this date, the acquisitions of (i) Unilogic Media Group Ltda. and Canal Geek Internet Ltda. ("Canaltech") and (ii) "Inloco Media", the advertising platform of Inloco Tecnologia da Informação S.A. ("Inloco Media" and "Inloco", respectively).

The acquisition of Canaltech and Inloco Media represent an important step towards Magalu's entry into digital advertising. Canaltech's content and audience combined with Inloco Media's advertising technology accelerate the development of Magalu's proprietary advertising platform, MagaluAds. In addition to providing thousands of marketplace sellers with a way of advertising their merchandise, MagaluAds will provide Magalu with a powerful new value-added service to offer sellers and suppliers.

### **Canaltech**

With a team of more than 60 employees, Canaltech is one of the largest multimedia production platforms in Brazil. The company specializes in technology-focused content such as product reviews, podcasts and daily news utilizing various media formats including audio, video and text.

Canaltech covers technology news such as product launches, recent developments with companies in the sector, and new technologies as well as updates on other areas of interest such as science, space, geek culture and curiosities. Millions of consumers rely upon Canaltech when making their purchase decisions.

Canaltech's portal currently reaches 24 million unique visitors per month and has one of the largest audiences of Brazilian technology channels on YouTube, with 2.5 million subscribers and a total of 420 million views - an average of 8 million views per month.

The acquisition of Canaltech, gives Magalu one of the largest audiences on the Brazilian internet. Once the acquisition is completed, Magalu will have more than 80 million unique monthly visitors, and Magalu's YouTube channel subscribers will likely exceed the 5 million user mark (numbers subject to change pending overlap analysis).

The conclusion of the transaction is subject to certain terms and conditions set forth in the contract. The acquisition of Canaltech will be made by a company controlled by Magalu, with no impact on the procedures described in Article 256 of Law 6,404 / 76.

### **Inloco Media Platform**

Inloco Media is Inloco's digital advertising platform. The acquisition of Inloco Media will accelerate the growth of MagaluAds, making it possible for thousands of Magalu partners - marketplace sellers and suppliers - to promote their products using the company's advertising technology. Upon the closing of the transaction, a team of 12 developers and specialists from Inloco Media will join the MagaluAds team.

In addition to its proprietary advertising technology, the Inloco Media platform also features an advanced geolocation algorithm which has multiple "online-to-offline" (O2O) applications.

The conclusion of the Inloco Media acquisition is subject to compliance with the usual obligations and conditions precedent for this type of transaction.

**MagaluAds: Digital Advertising**

With the acquisition of the Inloco Media platform, Magalu will have its own simple and intuitive advertising platform, enabling thousands of sellers and suppliers to invest in accelerating their sales. The service offered by MagaluAds will be an additional way to monetize Magalu's audience, now even stronger with the acquisition of Canaltech.

MagaluAds is an integral part of the "Magalu-as-a-Service" strategic pillar and complements the other value-added services already offered to small and medium-sized retailers. It is another important step towards Magalu's goal of digitalizing Brazilian retail.

The Company will maintain its shareholders, and the market in general, duly informed under the terms of the applicable legislation.

São Paulo, August 6, 2020.

**Roberto Bellissimo Rodrigues**

Chief Financial Officer and Director of Investor Relations