

**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 acquisition of Stoq Tecnologia Ltda. ("Stoq"), a technology *startup* based in São Carlos, São Paulo, which specializes in developing innovative solutions for small and medium-sized Brazilian retailers.

Founded in 2015, Stoq develops cloud-based point of sale (POS) systems which create better customer service experiences for physical retailers and their employees, drastically reducing lines and eliminating friction from the purchasing process.

Among Stoq's principal products is: SmartPOS, which allows attendants to place orders and receive payment wherever the customer is located, using different payment options, such as cards, digital wallets and contactless systems; the Stoq Self-Checkout, a self-service totem, which gives customers the autonomy to place an order and pay without having to wait in line or go through an attendant; and the Stoq Point of Sales (POS) system, which, among other things, allows the management of food delivery orders directly at the checkout counter. All of these sales channels are integrated into a single system. In 2019, more than R\$ 250 million worth of transactions passed through Stoq's portfolio of products.

With the acquisition, Stoq's products become part of the Magalu-as-a-Service (MaaS) strategic pillar, complementing the Partner Magalu initiative and bringing digitalization to small and medium-sized retailers, including those who have more than one store. Stoq's products will also be integrated into Magalu's digital account, so that all Stoq retailers can easily accept payments using Magalu Pay.

In addition, Stoq's technology widens the reach of the Partner Magalu initiative to retailers in specialized categories such as bars and restaurants, clothing stores, supermarkets and health and beauty establishments. This is another important step in Magalu's strategy to digitalize Brazilian retail.

The acquisition was made by a company controlled by Magalu, with no impact on the procedures described in Art. 256 of Law 6,404 / 76. The Company will keep its shareholders and the market in general duly informed, under the terms of the applicable legislation.

São Paulo, August 24th, 2020

**Roberto Bellissimo Rodrigues**

Chief Financial Officer and Director of Investor Relations