

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 its subsidiary, Magalu Payments, has entered into a contract for the acquisition of 100% of **Hub Prepaid Participações S.A. ("Hub Fintech" or "Hub")**, and its subsidiaries and affiliates, for the amount of R\$ 290 million. The conclusion of the acquisition is subject to certain conditions precedent, including approval by the Administrative Council for Economic Defense (CADE), the Brazilian antitrust regulator, and by the Brazilian Central Bank (Bacen).

Hub Fintech, which began operations in 2012, is a payment institution regulated by the Brazilian Central Bank and fully integrated with the Brazilian Payment System (SPB) and the recently launched PIX instant payment system through its subsidiary, Hub Payments S.A.. In addition to offering a digital account and prepaid card directly to its customers, Hub is one of the largest Banking as a Service (BaaS) platforms in Brazil and a leader in prepaid card processing, serving customers in various segments including the retail, mobility, financial institution and fintech sectors.

Important solutions developed by Hub's 250 employees include: (i) the complete banking structure for offering financial products and services through a digital account; (ii) a direct connection with relevant market participants, including lottery agencies and ATMs; (iii) a robust API platform capable of processing and reconciling millions of transactions; (iv) a comprehensive system for issuing and processing prepaid cards of the main brands, and (v) a modern card personalization center with a production capacity of up to 30 million cards per year.

Hub has around 4 million active digital accounts and prepaid cards, which handled approximately R\$ 6.6 billion in Total Payment Volume (TPV) the last 12 months, generating gross revenue (unaudited) of around R\$ 159 million during the period.

After integration, MagaluPay customers - individuals and companies - will have one of the most comprehensive offerings of financial products and services in the market, free of charge and fully integrated with the Magalu SuperApp. With the digital account, customers will be able to make purchases, deposits, transfers (P2P, TED, DOC and PIX), payments (monthly utility bills and taxes as well as popular local payment methods such as Boletos and PIX), withdrawals (lottery agencies, ATMs and Magalu stores) and services such as prepaid cell phone refills and transportation vouchers. In addition, customers will have a prepaid card tied to their digital account balance, enabling transactions in the physical world.

The acquisition was made by a company controlled by Magalu, with no impact on the procedures described by 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, December 21st, 2020

Roberto Bellissimo Rodrigues

Chief Financial Officer and Director of Investor Relations