

MAGAZINE LUIZA S.A.

Publicly-Held Company

Corporate Taxpayer ID (CNPJ/MF) 47.960.950/0001-21

Company Registry (NIRE) 35.3.0010481.1

Notice to the Market

Magazine Luiza S.A. ("Company" or "Magalu"), hereby informs its shareholders and the market that the Company undertook several additional actions directly related to this unprecedented crisis caused by the Covid-19 pandemic, one that does not spare individuals, organizations or economies, and whose full impact is still unknown.

Amid this uncertain scenario, in such an unusual year, Magalu is prioritizing: (i) the health and safety of all its employees and clients; (ii) the continuity of its operations; and (iii) maintaining its employees.. The Company will endeavor to utilize all its efforts to achieve these objectives, clearly having in mind that the latter two will not be attained if we fail with the first one. To achieve these goals and leave behind, as soon as possible, this uncertain time of Covid-19, we undertook some short term actions. Above all, we reiterate our business strategy based on developing a retail-centric digital ecosystem to become the most inclusive as possible and contribute to Brazil's digitalization. We are therefore launching a combination of short-term initiatives, designed to specifically address the unique challenges of the current environment, with a series of structural initiatives designed to strengthen our position over the long term.

Among the short-term actions, in light of the recent edition of MP No. 931 and CVM Deliberation 849 which postpones the deadline for publicly-held companies shareholders meeting and to file their interim financial information, we have postponed the date of our Annual and Extraordinary Shareholders' Meetings, from April to the end of July.

Thus, we expect to hold the meetings with total security for the shareholders and professionals who participate in them, as well as gaining time and clarity to define the dividend distribution policy for our shareholders. Our 1Q20 earnings release will also be postponed from May 7, 2020 to the end of the month, as the restrictive measures imposed by the pandemic may alter filing deadlines for the Company's financial information. Also, publicly-held companies, such as Magalu shall prepare an additional financial analysis to take into account the near and longer term impacts caused by the Covid-19 outbreak. This analysis will be reviewed by our independent auditors, and will require greater time to be executed.

Unlike several Brazilian companies, which, unfortunately, do not have reserves to weather the bad times, Magalu has a solid financial position. The Company ended 2019 with a solid cash/receivables position of approximately R\$7 billion, as a result of our efficient operation and the second-largest follow-on equity offering undertaken by a non-government company in Brazil. In addition, Magalu's Board of Directors authorized this week the issue of debentures in the total amount of R\$800 million. Although we feel comfortable from a liquidity viewpoint, management must be vigilant in preserving the company's cash, as we not only don't have a clear vision of the magnitude and duration of the current crisis, but also need to be financially prepared for an eventual economic upswing and business opportunities resulting therefrom.

We will face a period of austerity over the upcoming months to be shared across the organization. In early April, the Company's senior management, sensitive to the economic challenges brought about by COVID-19 implemented a three month salary reduction of 80% for its two key executives: CEO and COO; 12 executive officers' compensation decreased by 50%, with the same reduction applied to the seven members of the Board of Directors. All other officers saw a 25% reduction in salary.

Magalu also initiated a broad renegotiation of contracts with direct and indirect suppliers, aiming at cutting costs and extending payment terms. These renegotiations have been made as more transparent as possible, observing the win-win business relationship principle which always characterized the Company. We know such a decision means sacrifice for our business partners, but we believe, when we leave behind this hard time, our relationship will become stronger. During this process, the Company has been attempting not only to preserve but also to give support to smaller suppliers, who are the most affected by this crisis. We are offering financial support to hundreds of micro-sellers of the Luiza Network.

From the onset of this crisis, we undertook to do our utmost to keep the jobs of our valuable employees over the next months. We have kept our promise, but it is important to make clear to our shareholders and other stakeholders that Magalu will apply all the legal resources necessary to ensure this happens. This is more than a legal right, but a moral duty with our stakeholders.

To keep our promise of no layoffs due to coronavirus crisis, we waived the Provisional Measure No. 936/2020, enacted by the federal government on April 1, 2020. The Provisional Measure establishes eventual 60-day suspension of employment contracts, with partial payment of payroll via unemployment insurance, and a proportional reduction of up to 70% in working hours and salaries for three months. We have been carrying out an exhaustive capacity planning for the next months to determine the comprehensiveness and options provided for in the Provisional Measure which will be adopted.

In March, after closing all our physical stores, over 20,000 employees had their vacation period anticipated and paid. We do not know, at the present time, when our 1,000 units will fully operate again, with the required safety measures in place. Magazine Luiza is in a hurry, but not to reopen its physical stores all at once. We have a risk map that shows, in real-time, the status of each municipality in which we operate. We apply detailed information provided by our data science team to monitor each location. We will reopen our stores only when we can ensure the absolute safety of our employees and customers at each specific location.

Even those stores which will not reopen, sellers will be able to work thanks to a remote version of our sales app (*Mobile Sales*), implemented by Magalu in 2016, now fully integrated to all social networks. Thus, they will continue selling without compromising security.

Over the past years, much has been said about the business collaboration. Now, it is time to show we are ready for that; and we are not only speaking of necessary and urgent philanthropy but also, perhaps, most importantly, business model.

Philanthropy rests on Magazine Luiza's controlling families. In March, the Trajano's and Garcia's families announced the donation of R\$10 million to the state governments to acquire ventilators, beds, mattresses, and pillows to assist Covid-19 patients. The donation was not made from the company's cash but from these families' assets.

Magazine Luiza has been contributing to society, especially to those more vulnerable – giving support to its employees, mainly lower-income employees: the payment in double of "cheque-mãe" (mother's check), our day-care allowance to nearly 5,500 women employees at stores, distribution centers and SAC (call center), with children up to 10 years of age, a salary increase to the logistics and distribution teams' who are actively working to execute our strategy.

In early 2020, we announced this would be the year of #TemNoMagalu. Our ambition is that over 25 million clients find everything they want, at the hour and place they choose, in one of our digital channels. Nothing has changed with the Covid-19 crisis, except for the speed we have been executing our strategy and the category we are prioritizing. During the early phase of social isolation, we exhaustively worked to increase the number of products available in the market category, and then, we started subsidizing it, by offering free delivery for all these products. Therefore, we extended such category to a social role played by the

company. Food, personal care, cleaning, and hygiene products are more necessary than ever and a significant amount of population only may consume these products if they reach their homes.

More recently, we launched the “Parceiro Magalu”, a sales platform targeting micro and small retailers, operating under MEI and Simples (small entrepreneur) systems, and individuals that are self-employed. The “Parceiro Magalu” translates our mission of digitally including Brazilian retailers and citizens. We estimate that today, Brazil has approximately 5 million retailers, only 50,000 are minimally digitalized. It is very little, and an enormous disadvantage at this moment, when people cannot go out to consume.

When a small merchant becomes a Magalu Partner, who today faces his doors closed and business halted, he can include his inventory in Magalu’s digital platform. He sells to his and Magalu’s clients, without any risk. In turn, individuals set up their digital stores with Magalu and sell products, without requiring any investment. They sell on social networks and receive a sales commission. They generate income without going out. Self-employed workers, those who suddenly lost their job or sources of income are those who would benefit during this hard time.

In a few days, over 10,000 retailers and 100,000 individuals were registered in the Magalu ecosystem. We do not want to be a partner only during crisis. We want them to stay with us when life gets back to normal. We desire that they can transform themselves with such experience.

We are also advancing at full speed our ship-from-store delivery model – the distribution of products acquired online and delivered directly from our physical stores. The last mile delivery. Over the upcoming months, most of our 1,100 points-of-sale will be operating as mini DCs. There are significant advantages in the ship from store: the shorter the distance to deliver goods, from origin to the client’s house, the lower are the costs, and higher is the speed of delivery. There are gains both in operational efficiency and quality of service rendered. We deliver within 48 hours, which today, account for 74% of the total, and should significantly increase going forward.

Everything was defined. Our execution quicker than our strategy, reflecting the high energy of our workforce to accomplish this. This will be the great legacy from this crisis for Magalu. Over the last years, we managed to become a “line” in the digital sales ecosystem, that means, a multichannel and profitable company, in the durable goods sector, which controlled a specific chain. Now, more than never, and quicker than we could expect, we will become a “plan”, a digital ecosystem to integrate all lines and points of Brazilian retail.

São Paulo, April 7th, 2020.

BOARD OF DIRECTORS

Roberto Bellissimo Rodrigues

Chief Financial Officer and Director of Investor Relations