

MAGAZINE LUIZA S.A.

Publicly Held Company

Brazilian Taxpayers' Registry No. 47.960.950/0001-21

Board of Trade's Registry No. 35.3.0010481.1

NOTICE TO THE MARKET

Kabum Merger of Shares

MAGAZINE LUIZA S.A. ("Magalu" or "Company"), in continuation of the Material Fact released on July 15th, 2021 ("Material Fact – Signing"), in which the acquisition of Kabum Comércio Eletrônico SA ("Kabum") was disclosed, by the execution, on the same date, of the Share Purchase Agreement and Other Covenants ("SPA"), and the Material Fact released on July 27th, 2021 ("Material Fact - ICVM 565"), informs its shareholders and the market in general that, on this date, the Extraordinary General Meetings of the Company and Kabum approved, with effectiveness subject to the verification (or waiver, as the case may be) of the conditions precedent provided for in the SPA, among other matters, the terms and conditions of the acquisition, by the Company, of 564,792 (five hundred and sixty-four thousand, seven hundred and ninety-two) shares issued by Kabum and the incorporation, by Magalu, of 1,411,982 (one million, four hundred and eleven thousand, nine hundred and eighty-two) shares issued by Kabum ("Merger of Shares"), as a result of which Kabum will become a wholly owned subsidiary of the Company, pursuant to article 252 of Law 6,404, as of December 15th, 1976, as amended ("Corporations Law").

The terms and conditions of the Merger Protocol of Kabum's Shares by the Company, executed on July 26th, 2021 ("Protocol"), was also approved which, in addition to establishing the terms and conditions of the Merger of Shares, includes information on: (i) the hiring of Ernst & Young Auditores Independentes S/S (CNPJ/ME nº 61.366.936/0011-05) ("Appraiser"); and (ii) the valuation report of Kabum, prepared by the Appraiser based on the criterion of fair market value of the Kabum shares to be merged by the Company, on the cutoff date of April 30th, 2021 ("Cutoff Date"), in order to determine the amount of the Company's capital increase resulting from the Merger of Shares.

Pursuant to articles 252, §2nd, and 137, §1st, of the Corporations Law, the withdrawal right will be guaranteed to the Company's shareholders who did not vote in favor of the Merger of Shares, who abstained from voting or who did not attend the Extraordinary General Meeting, and expressly express their intention to exercise the withdrawal right, within 30 (thirty) days from the date of release in the newspapers used by the Company of the minutes of the Extraordinary General Meeting that approved the Merger of Shares. The withdrawal right, with the consequent payment of reimbursement, will only be ensured in relation to the shares issued by the Company that the shareholder was proven to hold since the closing of the trading session of July 15th, 2021 and maintained by the shareholder, without interruption, until the date of effective exercise of the withdrawal right.

The dissenting shareholders of the Company will be entitled to the reimbursement of their shares, in the amount of BRL1.12 (one real and twelve cents) per share, corresponding to the value of the net equity of Magalu's shares on December 31st, 2020, according to Magalu's financial statements,

approved at the Annual General Meeting held on April 22nd, 2021, without prejudice to the right to request the preparation of a special balance sheet, pursuant to applicable legislation.

Further information regarding the right of withdrawal will be provided through a Notice to Shareholders, to be published in due course by the Company, through (i) the page of B3 SA – Brasil, Bolsa, Balcão on the world wide web (www.b3.com.br); (ii) the website of the Brazilian Securities Commission – CVM on the world wide web (www.cvm.gov.br), and (iii) the Company's web page on the world wide web (ri.magazineluiza.com.br).

For further clarification, please contact Magalu's Investor Relations Department.

Franca, August 26th, 2021.

Roberto Bellissimo Rodrigues
Financial and Investor Relations Executive Officer