

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**"), in compliance with the Brazilian Securities and Exchange Commission ("**CVM**") 358 of January 3, 2002, as amended announces to its shareholders and the market in general that it concluded, on this date, the acquisition of R.A. Marques Assessoria Comércio Digital EIRELI and RRG Log Armazéns e Vendas On Line EIRELI, collectively known as "**Hubsales**". Hubsales enables manufacturers with little or no familiarity with e-commerce to significantly scale their businesses by offering their products directly to consumers via marketplace platforms. This emerging segment is known as Factory to Consumer, or **F2C**.

Hubsales assists the seller -- in this case a manufacturer -- with everything from registering and uploading their catalog, to order management and marketing, ensuring the highest quality information and service levels. Leveraging Hubsales' expertise enables manufacturers to quickly gain relevance and distinguish themselves on crowded marketplace platforms. In exchange for their services, Hubsales receives a commission, which is on top of the take-rate charged by the marketplace platforms.

The Factory to Consumer model, already popular in Asia, eliminates intermediaries, increasing manufacturers margins and reducing distribution costs. Today, Hubsales is one of the leading companies in the F2C segment, particularly with regards to the footwear and apparel industries in the Franca region of the State of Sao Paulo. Hubsales is currently booking more than R\$100 million in orders at an annualized run rate of more than 700,000 orders.

The Hubsales acquisition marks Magalu's entry into the rapidly growing Factory to Consumer (F2C) segment. Through Hubsales, Magalu will be able to onboard a wide array of manufacturers onto the marketplace platform at scale, contributing to the expansion of Magalu's assortment. Magalu may also expand Hubsales' value-added service capabilities, offering new logistics, payment and big data services, all within the strategic pillar of Magalu-as-a-Service.

The addition of manufacturers to Magalu's marketplace platform represents yet another important step towards the Company's goal of digitalizing Brazilian retail.

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

São Paulo, July 30, 2020.

Roberto Bellissimo Rodrigues

Chief Financial Officer and Director of Investor Relations