



C&A

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3Q22 Earnings Release

Results Teleconference:

- Portuguese/English
- Date: 11/09/2022
- Time:
 - Brasília: 01:00 p.m.
 - New York: 11:00 a.m.
 - London: 04:00 p.m.
- Webcast: ri.cea.com.br

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Sales and profitability increase in the third quarter with gross margin expansion of 4.6 pp to 49.3%, and Adjusted EBITDA (post-IFRS16) of R\$ 139.7 million, up 60.9%

HIGHLIGHTS

- Net income increased 5.1% compared to 3Q21;
- Adjusted EBITDA post-IFRS 16 of R\$ 139.7 million, 61% higher than 3Q21;
- Gross margin at 49.3%, up almost five percentage points;
- Positive net free cash flow of close to R\$ 160 million;
- Digital sales remain at around 15% of total sales;
- Nearly 2 million C&A Pay cards issued, accounting for 14% of sales;
- Four new stores in the quarter, a total of 16 in the 9M22;

Indicators (R\$ million)	3Q22	3Q21	△	9M22	9M21	△
Total Net Revenue	1,407.5	1,339.4	5.1%	4,234.8	3,291.1	28.7%
Net Revenue from Goods	1,329.2	1,285.2	3.4%	4,024.8	3,127.6	28.7%
Same Store Sales (SSS)¹ (%)	0.0%	21.0%	-21.0p.p.	24.5%	39.2%	-14.7p.p.
Digital Gross Revenue (GMV² 1P+3P)	264.8	253.2	4.6%	773.9	644.3	20.1%
Total Gross Profit	49.3%	44.7%	4.6p.p.	49.5%	45.5%	4.0p.p.
Gross Merchandise Margin (%)	47.8%	44.3%	3.5p.p.	48.1%	44.1%	4.0p.p.
Operating Expenses³	(498.8)	(501.3)	-0.5%	(1,634.7)	(1,214.4)	34.6%
Adjusted EBITDA (post-IFRS16)⁴	139.7	86.8	60.9%	385.7	147.0	162.4%
Adjusted EBITDA margin (post-IFRS16) (%)	9.9%	6.5%	3.4p.p.	9.1%	4.5%	4.6p.p.
Net profit (loss)	(61.4)	243.9	-125.2%	(212.0)	174.6	-221.4%
Investments	93.4	122.7	-23.9%	262.6	334.9	-21.6%

(1) SSS: Growth in same store sales. This is comprised of sales in stores in activity for more than 13 months compared to the same period in the previous year. It includes e-commerce and all types of sales delivered (100% online, ship-from-store and click-and pick-up).

(2) GMV - Gross Merchandise Value: 1P – first-party relationship or direct sales, 3P – third-party relationship or marketplace sales

(3) Excludes depreciation and amortization, including right-of-use (lease) depreciation to facilitate the analysis.

(4) Adjustments include: (i) other net operating revenue (expenses); (ii) trade financial revenue; e (iii) Recovery of tax credits.

Message from Management

C&A's 3Q22 results continue to show the company's progress in operations and its competitiveness in an uncertain macro environment, with inflation putting pressure on expenses and consumer purchasing power.

Net revenue increased 5.1% compared to 3Q21, with the strongest performance coming from financial services. Our focus on efficiency, with tight control of expenses, resulted in and adjusted EBITDA post-IFRS 16 of R\$ 139.7 million, 61% higher than 3Q21. Gross margin was another highlight, at 49.3%, almost 5 percentage points higher, with improvements across all segments. We also posted positive net free cash flow of close to R\$ 160 million.

We made progress on our four growth drivers. In digital, direct sales via WhatsApp continue to perform well, capturing customer loyalty and increasing their propensity to spend. Digital sales remain at around 15% of total sales; they are more profitable and provide better customer service, with new types of delivery, such as express delivery (2 hours or less) in metropolitan São Paulo. In our supply area, push-pull distribution now covers 23% of our apparel sales and helped significantly to reduce stockouts. This development, combined with the RFID project already implemented in 270 stores and dynamic pricing, have resulted in a structural improvement of ~0.5 p.p. in our gross margin from apparel. On credit, we have almost 2.0 million cards issued, accounting for 14% of sales. Finally, on store expansion, we opened four new stores in the quarter, a total of 16 in the 9M22.

We remain cautiously optimistic for the remainder of 2022. We are prepared for year-end events such as Black Friday, which now extends over a longer period and focuses on digital, to offset the negative impact of shorter store hours on days when Brazil is playing in the soccer World Cup. The expectation of stable, warmer weather is another trigger to increase sales, especially in the southeast where some 50% of our stores are located. We are confident in the quality of the goods we offer our customers, with collections that translate the essence of C&A, with a lot of color, diversity, and happiness. Given our investments in our growth drivers over the past two years, we are advertising and enabling availability of these goods where and how our customers want them, facilitating customer access to our merchandise.

We have also advanced on the sustainability front. With regards to our objective to promote circularity, we launched the Eco ACE collection of sportswear, a sustainable line that is entirely made of fibers from recycled PET bottles. We also announced an innovative partnership with AMBEV to make store mannequins entirely of recycled polyethylene. On the objective to promote diversity, we have combined the efforts of Instituto C&A to develop Brazilian designers

and our business with a collection named Identities (“Identidades”), which seek to show a bit of the plurality of the Brazilian people. Finally, to accelerate the employability of young Black and Indigenous professionals in the industry, we created a platform entitled MinhaCarreiraNaModa (MyCareerInFashion) to increase their employability.

The Management of C&A Modas S.A.

Growth Plan Drivers

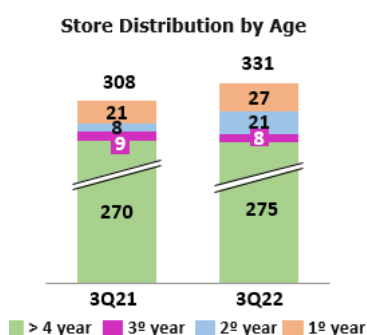
New Stores and Formats

In the third quarter of 2022 we opened four new stores and closed two (in Aracaju and downtown São Paulo).

STORE OPENED

Date	Location	Size (m ²)
08/04/2022	Street store, Barbacena - Anápolis/GO	1,612
08/31/2022	Street store on Rua São Bento in downtown São Paulo/SP	1,453
00/06/2022	Shopping Mais - São Paulo/SP	1,225
09/15/2022	Shopping Center Fernandópolis - Fernandópolis/ SP	1,432

At the end of the third quarter, we had 331 stores across the country, 275 of which (~83%) have been in operation for more than 4 years. Our sales area already exceeds 610,000 m².



	3Q22	3Q21	Δ	9M22	9M21	Δ
Stores	331	308	23	331	308	23
New	4	4	0	16	15	1
Closed	2	0	2	4	2	2
Sales area (thousand m²)	613	581	5.5%	613	581	5.5%

With the near doubling of sales of our ACE sportswear brand in our double-door stores, we have decided to open another 10 such stores by the end of this year.

Digital Transformation

We have advanced in the process of digital transformation. In 9M22, the total digital gross revenue grew by 20.1%, compared to 9M21. Digital sales via WhatsApp accounted for over 60% of our omnichannel sales, contributing to improved profitability, higher gross margins, and reduced delivery costs. Inventory sold via WhatsApp is mostly already in store, and customers prefer purchase in-store pick-up, leading to increased store traffic, lower shipping costs and higher average ticket.

Our C&A&VC (C&A&You) relationship program has 22.9 million registered customers, accounting for some 75% of total sales. In the past 12 months our total customer base grew 16%, while our e-Commerce (including omnichannel) customer base increased by 9%. Multichannel customers are now 9.2% of the total, having grown 35% and spending on average almost 2.5 times more than other customers in the last 12 months.

Modernizing the Supply Chain

We continue implementing our push-pull distribution model. By late 3Q22 23% of our apparel sales used this model. At quarter-end, we had implemented RFID (radio-frequency identification) in 270 stores. Increased accuracy of product distribution to stores enabled us to reduce our promotions, improving apparel gross margin by around 0.5 p.p.

In direct-to-customer distribution, our fully automated dedicated distribution center, and ship-front-store hub operations, have improved service levels, and over 50% of all deliveries in Brazil arrive in 2 days, with an average delivery time of 3 days.

Credit Offering

Offering customer credit is critical for retailers in Brazil. In our case, it is still offered in the form of the Bradescard co-branded card, and in the past 10 months via our proprietary C&A Pay operation, our digital (private-label) credit offering for in-store use. C&A Pay has grown faster than initially planned, with the expected benefits of higher tickets and increased frequency among C&A Pay customers, compared to those who use other payment means. The role of C&A Pay in supporting retail sales has increased, and the operation is closely monitored by committees focusing on risk and collection. More detailed information is available in the Financial Services section of this report.

Financial Performance

Net Revenue

R\$ million	3Q22	3Q21	Δ	9M22	9M21	Δ
Total Net Revenue	1,407.5	1,339.4	5.1%	4,234.8	3,291.1	28.7%
Revenue from Merchandise Sales	1,329.2	1,285.2	3.4%	4,024.8	3,127.6	28.7%
Apparel	1,133.9	1,085.5	4.5%	3,373.5	2,602.3	29.6%
Fashiontronics and Beauty	195.3	199.8	-2.3%	651.3	525.3	24.0%
Financial Services	73.4	49.6	48.0%	194.5	149.8	29.8%
Other revenue	4.9	4.6	6.5%	15.4	13.7	12.4%

%	3Q22	3Q21	Δ	9M22	9M21	Δ
Same Store Sales (SSS)¹	0.0%	21.0%	-21.0 pp	24.5%	39.2%	-14.7 pp
Apparel	0.9%	30.3%	-29,4p.p.	27.6%	49.2%	-21,6p.p.
<i>Fashiontronics and Beauty</i>	-5.2%	-12.5%	7,3p.p.	25.3%	5.0%	20.3 p.p.

(1) SSS: Growth in same store sales. This is comprised of sales in stores in activity for more than 13 months compared to the same period in the previous year. It includes e-commerce and all types of sales delivered (100% online, ship-from-store and click-and pick-up).

In the third quarter, net revenue was R\$ 1,407.5 billion, 5.1% more than in 3Q21. Net revenue from merchandise was 3.4% higher, or R\$ 1,329.2 million.

Consolidated same-store sales were stable in 3Q22.

Apparel

Apparel revenue increased by 4.5%, and SSS increased by 0.9% in the quarter. Category performance was justified by the good acceptance of our collections and collabs, but unfavorably impacted by early winter 2Q22 sales, and the atypical cold weather late in the third quarter.

Fashiontronics and Beauty

This category is primarily comprised of cell phones and smartphones, but also beauty items and watches. C&A only began introducing beauty products in late 2019, but they already account for almost 15% of the category and are offered online and at 271 stores.

Revenue decreased by 2.3% this quarter. Demand was weak, especially during the “consumer week” event, with more aggressive competition. The arrival of 5G should benefit the category over the medium term, with clear triggers in customer perception of its benefits such as app and streaming performance, among others.

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Same store *Fashiontronics and Beauty* sales dropped 5.2% this quarter.

R\$ million	3Q22	3Q21	Δ	9M22	9M21	Δ
Total Digital Gross Revenue (GMV¹ 1P+3P)	264.8	253.2	4.6%	773.9	644.3	20.1%
Net Revenue from Digital	198.0	194.0	2.1%	576.4	491.6	17.3%
% Net Revenue from Digital / Total Merchandise Revenue	14.9%	15.1%	-0.2 p.p.	14.3%	15.7%	-1.4 p.p.

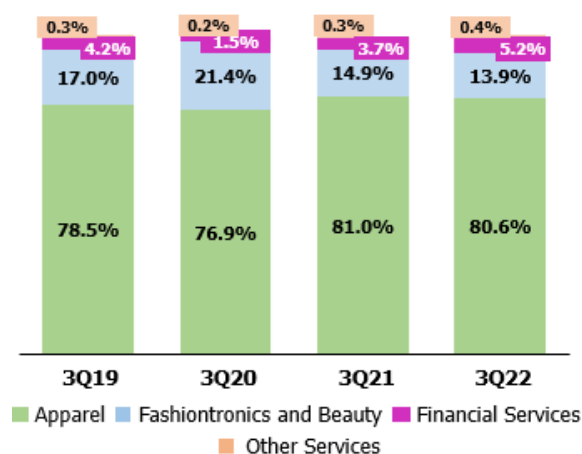
(1) GMV - Gross Merchandise Value: 1P – first-party relationship or direct sales, 3P – third-party relationship or marketplace sales

Looking at our omnichannel operations, our Gross Merchandise Value, or online GMV including our online sales and the sales of our partners (sellers) merchandise on our marketplace increased by 4.6% to R\$ 264.8 million. C&A's omnichannel net revenue was R\$ 198.0 million, a 2.1% growth. Omnichannel sales amounted to 14.9% of total sales in the quarter.

Revenue from financial services amounted to R\$ 73.4 million, a 48.0% increase, mainly driven by the growth of C&A Pay.

Other revenue increased by 6.5% in 3Q22, to R\$ 4.9 million.

Net Revenue by Business



In 3Q22 *Fashiontronics* and *Beauty* accounted for 13.9% of net revenue, a 1 p.p. drop compared to 3Q21, and a 3.1 p.p. decrease compared to 3Q19. The share of revenue from financial services increased to 5.2%.

Gross Profit and Margin

R\$ million, except margins	3Q22	3Q21	Δ	9M22	9M21	Δ
Total Gross Profit	693.8	599.3	15.8%	2,097.7	1,498.8	40.0%
Gross Profit from Merchandise	635.1	569.0	11.6%	1,936.9	1,380.2	40.3%
<i>Apparel</i>	586.8	535.2	9.6%	1,794.6	1,283.5	39.8%
<i>Fashiontronics and Beauty</i>	48.3	33.8	42.9%	142.3	96.6	47.3%
Gross Profit from Financial Services	73.0	49.4	47.8%	193.3	149.1	29.7%
Other Gross Profit	(14.3)	(19.1)	-25.1%	(32.5)	(30.5)	6.6%

%	3Q22	3Q21	Δ	9M22	9M21	Δ
Total Gross Margin	49.3%	44.7%	4.6 p.p.	49.5%	45.5%	4.0 p.p.
Apparel Gross Margin	51.8%	49.3%	2.5 p.p.	53.2%	49.3%	3.9 p.p.
Gross Margin from <i>Fashiontronics and Beauty</i>	24.7%	16.9%	7,8p.p.	21.8%	18.4%	3.4 p.p.
Gross Margin from Merchandise	47.8%	44.3%	3.5 p.p.	48.1%	44.1%	40 p.p.

Gross profit in 3Q22 was R\$ 693.8 million, 15.8% above 3Q21. Total gross margin was 4.6 p.p. higher, or 49.3%, primarily due to improved apparel margins and the large share of financial services.

Gross margin from merchandise was 47.8%, a 3.5 p.p. increase over 3Q21. This results from better margins in apparel, *fashiontronics* and beauty, and changing category shares, such as apparel, up 0.8 p.p. compared to the same quarter in 2021.

Gross margin from apparel was 51.8%, a 2.5 p.p. increase from to the continuous development of dynamic pricing, fewer markdowns in the winter collection on strong 2Q22 sales and the benefits of push-pull distribution for our higher-turnover merchandise.

The margin for *Fashiontronics and Beauty* was 24.7%, a 7.8 p.p. increase, driven by the larger share of beauty products, which carry better margin than cell phones and smartphones, and non-recognition of taxes in 3Q21, which impacted gross margin in that quarter.

Gross income from financial services was R\$ 73.0 million, a 47.8% increase, in line with the variation in revenue.

Other gross profit in other categories was negative R\$ 14.3 million due to merchandise losses in the quarter.

Operating expenses

R\$ million	3Q22	3Q21	Δ	9M22	9M21	Δ
Selling Expenses	(427.1)	(409.9)	4.2%	(1,338.6)	(1,102.8)	21.4%
General and administrative expenses	(109.1)	(104.8)	4.1%	(345.9)	(257.1)	34.5%
Total Selling and G&A Expenses¹	(536.3)	(514.7)	4.2%	(1,684.5)	(1,359.9)	23.9%
Other operating income (expenses)	37.5	13.4	179.9%	49.8	145.5	-65.8%
Operating Expenses¹	(498.8)	(501.3)	-0.5%	(1,634.7)	(1,214.4)	34.6%

%	3Q22	3Q21	Δ	9M22	9M21	Δ
Selling Expenses / Total Net Revenue	30.3%	30.6%	-0,3p.p.	31.6%	33.5%	-1.9 p.p.
G&A Expenses / Total Net Revenue	7.8%	7.8%	0.0 p.p.	8.2%	7.8%	0.4 p.p.
Selling Expenses and G&A/Total Net Revenue	38.1%	38.4%	-0,3p.p.	39.8%	41.3%	-1,5p.p.

(1) Expenses include the payment of leases, as per accounting standard IFRS16. Data that excludes this impact is available on the fundamentals spreadsheet on the C&A RI site. Expenses also exclude depreciation and amortization, including right-of-use depreciation (leases) to facilitate the analysis.

In the third quarter, operating expenses excluding depreciation added up to R\$ 498.8 million, 0.5% below 3Q21, primarily due to other operating revenue.

Sales expenses were R\$ 427.1 million, a 4.2% increase and below accumulated inflation for the period, helping offset the impact of the growth of our operations from new stores. This performance was driven by a 9.0% drop in marketing expenses compared to 3Q21, notably due to lower digital marketing as we seek profitability in our online operations. Our occupancy costs also fell 2.1%, primarily due to energy costs which were impacted by savings efforts, and the reversal of provisions for ICMS from energy bought on the free market. A breakdown of our sales expenses is available on the fundamentals spreadsheet on C&A R&I's website – <https://ri.cea.com.br/>.

General and administrative expenses increased 4.1% to R\$ 109.1 million due to the C&A Pay operation, which did not exist in the comparable period last year, partially offset by a reduction in the third-party goods and services line due to increased efficiency, in particular our e-Commerce distribution center with the new automated operation.

SG&A expenses over net revenue were 38.1%, a 0.3 p.p. drop. In 9M22 this indicator dropped 1.5 p.p.

Other Operating (Expenses) and Revenue was revenue of R\$ 37.5 million due to the recovery of numerous tax credits, the most important of them related to a ruling allowing the collection of the Difference in ICMS Rates (DIFAL) on interstate operations involving end-customers not subject to this tax, in the approximate amount of R\$ 20 million.

Financial Services

Net revenue from financial services was R\$ 73.4 million, a 48.0% increase compared to 3Q21. Revenue from our partnership with Bradescard was R\$ 29.8 million, a 39.9% drop.

Provisions for losses in the C&A Pay operation in the quarter were R\$ 20.8 million. Total expenses were R\$ 61.2 million, an 80.5% increase considering that C&A Pay did not exist in 3Q21.

22% of 3Q22 sales used credit, either via our Bradescard partnership or C&A Pay.

R\$ million	3Q22	3Q21	Δ	9M22	9M21	Δ
Bradescard Partnership	29.8	49.6	-39.9%	112.6	149.8	-24.8%
C&A Pay (Private Label)	43.6	0.0	-	81.9	0.0	-
Net revenue from Funding and Taxes on Financial Services	73.4	49.6	48.0%	194.5	149.8	29.8%
Gross profit - Financial Services	73.0	49.4	47.8%	193.3	149.1	29.6%
(-) Losses Net of Recoveries (C&A Pay - Private Label)	(20.8)	0.0	-	(34.2)	0.0	-
(-) Total Financial Services Expenses	(61.2)	(33.9)	80.5%	(161.1)	(89.9)	79.2%
(=) Financial Services Results	(9.0)	15.5	-158.1%	(2.0)	59.2	-103.4%

Indicators	3Q22	3Q21	Δ	9M22	9M21	Δ
Bradescard Partnership						
Net Average Trade Receivables (billion)	2.7	2.7	0.0%	2.8	2.8	0.0%
% of Sales	8%	15%	-7p.p.	9%	15%	-6p.p.
Number of new cards (thousand)	59.0	277.0	-78.7%	272.0	606.0	-55.1%
Number of active cards (million)	2.2	2.5	-12.0%	2.4	2.6	-7.7%
Losses net of recoveries over average portfolio - annualized, %	3.2%	1.6%	1.6 p.p.	7.7%	4.3%	3.4 p.p.

In the Bradescard partnership, the number of new cards issued in the quarter was 59,000, and credit as a percentage of sales was 8%, down 7 p.p.

Indicators	3Q22	3Q21	Δ	9M22	9M21	Δ
C&A Pay (Private Label)						
Portfolio End of period (million)	384.8	-	-	384.8	-	-
% of Sales	14%	-	-	13.0%	-	-
Number of new cards (thousand)	477.7	-	-	1,557.0	-	-
Number de cards issued (mil)	1,958.5	-	-	1,958.5	-	-
Losses, net of recoveries over the average portfolio - annualized (%)	23.5%	-	-	18.9%	-	-
Losses net of recoveries over average portfolio - annualized, %	5.9%	-	-	14.2%	-	-

In 3Q22 C&A Pay issued almost 480,000 new digital cards, bringing the total active cards to over 1.95 million. These accounted for 14% of sales in the quarter. Losses net of recovery over the average portfolio in the quarter amounted to 5.9%.

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The average C&A Pay ticket, around R\$ 210,00 in the 3Q22, and the frequency of purchases, which is higher than observed in customers using other payment means, resulted in customer spending higher by about 80% when compared to other customers.

C&A Pay - Private Label (R\$ thousand)	Coming due	Past due	Balance
Up to 30 days	97,297	11,624	108,921
31 – 60 days	60,036	9,836	69,872
61 – 90 days	41,749	13,815	55,564
91 – 180 days	67,790	26,784	94,574
Longer than 181 days	39,153	16,704	55,857
Total	306,025	78,763	384,788

Non-performing loans for 90 days were 11.3%. C&A Pay has only been in existence for ten months by the end of 3Q22 and is thus still creating its collection baskets. This percentage should increase as the business matures.

C&A Pay - Private Label (R\$ thousand)	Portfolio	PDD	% Coverage
On-Balance-Sheet Balance	384,788	34,465	9.0%
Stage 1	307,628	2,424	0.8%
Stage 2	32,973	3,998	12.1%
Stage 3	44,187	28,043	63.5%
Off-Balance-Sheet Balance	867,923	261	0.0%
Grand Total	1,252,711	34,726	2.8%

Coverage index over credit portfolio

9.0%

Coverage index over credit portfolio ended the quarter at 9.0%.

Payment method	3Q22	3Q21	Δ	9M22	9M21	Δ
Cash (lump sum) payments	30%	34%	-4p.p.	30%	34%	-4p.p.
Bradescard Partnership Cards	8%	15%	-7p.p.	9%	15%	-6p.p.
<= 5 installments	5%	9%	-4p.p.	6%	8%	-2p.p.
> 5 installments	1%	2%	-1p.p.	2%	2%	-0p.p.
Other	2%	4%	-2p.p.	1%	4%	-3p.p.
C&A Pay (Private Label)	14%	0%	14p.p.	13%	0%	13p.p.
<= 5 installments	9%	0%	9p.p.	8%	0%	8p.p.
> 5 installments	1%	0%	1p.p.	1%	0%	1p.p.
Other	4%	0%	4p.p.	4%	0%	4p.p.
Third-Party Cards	48%	51%	-3p.p.	48%	51%	-3p.p.
<= 3 installments	31%	31%	0p.p.	30%	30%	-0p.p.
> 3 installments	7%	11%	-4p.p.	9%	12%	-3p.p.
Other	10%	9%	1p.p.	9%	9%	-0p.p.

We call attention to the growing share of C&A Pay, to the detriment of other payment means.

Adjusted EBITDA (post-IFRS 16)

R\$ million, except margins	3Q22	3Q21	Δ	9M22	9M21	Δ
Net Profit (Loss) for the Period	(61.4)	243.9	-125.2%	(212.0)	174.6	-221.4%
(+) Income taxes	(42.5)	(326.3)	-87.0%	(137.8)	(360.0)	-61.7%
(+/-) Net financial results	101.5	41.8	142.8%	265.7	61.4	332.7%
(+) Depreciation and Amortization	176.6	138.6	27.4%	512.9	408.4	25.6%
(=) EBITDA (post-IFRS 16)	174.2	98.0	77.8%	428.8	284.4	50.8%
(+/-) Other net operating income (expenses)	10.2	(6.3)	-261.9%	17.7	39.2	-54.8%
(+) Financial income from suppliers	2.0	2.1	-4.8%	6.7	8.1	-17.3%
(-) Tax credit recovery	(46.7)	(7.0)	567.1%	(67.5)	(184.7)	-63.5%
(=) Adjusted EBITDA (post-IFRS 16)¹	139.7	86.8	60.9%	385.7	147.0	162.4%
Adjusted EBITDA (post-IFRS 16)¹ over Net Revenue	9.9%	6.5%	3.4p.p.	9.1%	4.5%	4.6p.p.
Adjusted EBITDA (post-IFRS 16)¹ over Revenue from Merchandise	10.5%	6.8%	3.7p.p.	9.6%	4.7%	4.9p.p.

(1) EBITDA adjusted for: (i) other net operating revenue (expenses); (ii) trade financial revenue; (iii) recovery of tax credits.

Adjusted EBITDA post-IFRS 16 in 3Q22 was R\$ 139.7 million, a 60.9% increase compared to 3Q21, with an adjusted EBITDA margin post-IFRS 16 of 10.5%. Adjusted EBITDA post-IFRS 16 in 9M22 was R\$ 385.7 million, with a margin of 9.6%.

R\$ million, except margins	3Q22	3Q21	Δ	9M22	9M21	Δ
(=) Financial Services Results	9.0	(15.5)	-158.1%	2.0	(59.2)	-103.4%
Adjusted EBITDA from Retail Operations (post-IFRS16)	148.7	71.3	108.6%	387.7	87.8	341.6%
Adjusted EBITDA margin from Retail Operations (post-IFRS16)	10.6%	5.3%	5.3p.p.	9.2%	2.7%	6.5p.p.

Adjusted EBITDA from Retail Operations was R\$ 148.7 million in 3Q22, with a 10.6% margin.

Adjusted EBITDA for the retail operation in 9M22 was R\$ 387.7 million.

Finance Results

R\$ million	3Q22	3Q21	Δ	9M22	9M21	Δ
Exchange Variation	(1.2)	(1.9)	-36.8%	(0.0)	(0.6)	-100.0%
Total Finance Expenses	(174.3)	(73.4)	137.5%	(429.4)	(181.6)	136.5%
Interest on loans	(85.5)	(25.0)	242.0%	(191.0)	(49.8)	283.5%
Interest on leases	(40.4)	(35.1)	15.1%	(116.3)	(101.4)	14.7%
Interest on taxes and contingencies	(7.0)	(3.4)	105.9%	(15.6)	(10.4)	50.0%
Other Finance expenses	(41.4)	(10.0)	314.0%	(106.5)	(20.0)	432.5%
Total Finance Income	74.0	33.6	120.2%	163.8	120.8	35.6%
Revenue from interest	34.4	20.4	68.6%	84.5	90.7	-6.8%
Interest on short-term investments	37.5	11.1	237.8%	72.5	22.1	228.1%
Other Finance Income	2.0	2.0	0.0%	6.7	8.0	-16.3%
Finance Results	(101.5)	(41.8)	142.8%	(265.6)	(61.4)	332.6%

In 3Q22, net finance results were an expense of R\$ 101.5 million, primarily due to higher financial expenses with interest on loans, related to higher debt and the increase in the CDI rate. In addition to interest on loans, other finance expenses increased, reflecting a higher present value adjustment of supplier purchases due to the increase in the Selic rate, and monetary correction on the amount owed to Bradesco for buying back the right to offer credit, which did not exist in 3Q21, in the amount of R\$ 16.3 million. In 9M22 financial results were expenses of R\$ 265.6 million.

Net Income

R\$ million, except margins	3Q22	3Q21	Δ	9M22	9M21	Δ
Net profit (loss)	(61.4)	243.9	-125.2%	(212.0)	174.6	-221.4%
Net Margin	-4.4%	18.2%	-22.6 p.p.	-5.0%	5.3%	-10.3 p.p.

In 3Q22 C&A posted net loss of R\$ 61,4 million, with a negative margin of 4.4%. In 3Q21, we recognized a significant tax credit (in the amount of R\$ 298 million) that resulted in the profit listed in the table. Excluding this non-recurring effect 3Q21 earnings would have been losses of R\$ 54.2 million. In 9M22, results were a loss of R\$ 212.0 million, primarily due to financial results.

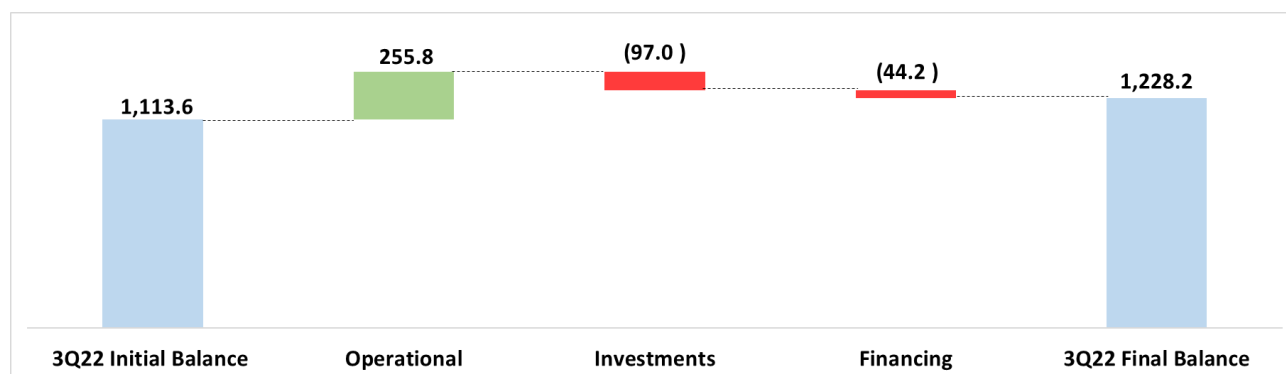
Adjusted Free Cash Flow

R\$ million	3Q22	3Q21	Δ	9M22	9M21	Δ
Pre IFRS16 income (losses) before Income Tax and Social Contribution	(85.1)	(78.5)	8.4%	(299.1)	(154.5)	93.6%
Depreciation and amortization	84.1	61.6	36.5%	247.7	178.5	38.8%
(+/-) Other	106.7	36.7	190.7%	243.2	(141.7)	-271.6%
Adjustments with no impact on cash	190.9	98.4	94.0%	490.9	36.8	1234.0%
Income Tax and Social Contribution paid	0.0	0.0	-	(5.2)	(1.8)	188.9%
Working Capital	150.0	189.2	-20.7%	(419.4)	(208.5)	101.2%
Trade receivables	132.1	(26.2)	-604.2%	(0.1)	183.9	-100.1%
Inventory	(27.6)	(28.1)	-1.8%	(166.0)	(271.7)	-38.9%
Suppliers	(27.1)	216.2	-112.5%	(269.8)	(104.7)	157.7%
Other	72.6	27.4	165.0%	16.6	(16.6)	-200.0%
Cash from operating activities	255.8	209.1	22.3%	(232.8)	(325.9)	-28.6%
(-) CAPEX (Investments)	(97.0)	(124.0)	-21.8%	(388.6)	(331.0)	17.4%
(=) Adjusted Free Cash Flow	158.7	85.2	86.4%	(621.3)	(657.0)	-5.4%

In 3Q22 C&A free cash flow was positive in R\$ 158.7 million, with improved working capital due to our initiatives with our direct and indirect suppliers and to the reduction of our receivables cycle,

among others. In the 9M22, the company free cash flow was negative in the amount of R\$ 621.3 million.

Changes in Cash – 3Q22



Looking at changes in the quarter, C&A generated R\$ 114.6 million in cash. Operating activities generated R\$ 255.8 million in cash. This number was positively impacted by offsetting extemporaneous tax credits for R\$ 45.8 million. Investments consumed R\$ 97.0 million, and financing activities another R\$ 44.2 million.

R\$ million	3Q22	3Q21	Δ	9M22	9M21	Δ
Total Investments¹	93.4	122.7	-23.9%	262.6	334.9	-21.6%
New Stores	24.2	42.6	-43.2%	92.4	85.0	8.7%
Revamps and Refurbishings	8.7	11.1	-21.6%	22.7	22.9	-0.9%
Supply Chain	11.4	55.6	-79.5%	26.2	100.8	-74.0%
Digital and Technology	49.1	13.4	266.4%	121.3	126.2	-3.9%

(1) Investments for the period include investments made but not necessarily paid. The amount paid (cash outlay) is included in the cash flow statement for investment activities.

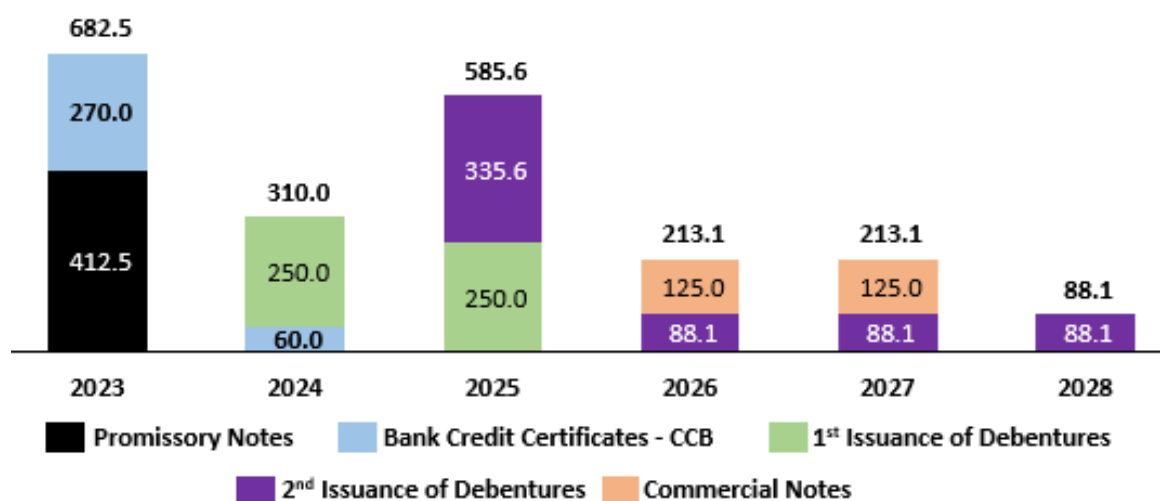
In the quarter, we invested R\$ 93.4 million, 23.9% less than in 3Q21. Of this, Digital and Technology investments reached R\$ 49.1 million. In 9M22 we invested R\$ 262.6 million, 21.6% less than in 9M21.

Indebtedness

R\$ million	9M22	9M21	Δ
Gross Debt	2,382.8	1,372.8	73.6%
Short-Term Debt	978.4	104.0	840.8%
Long-Term Debt	1,404.4	1,268.8	10.7%
(-) Cash and Cash Equivalents and Short-Term Investments	1,236.7	969.4	27.6%
(=) Cash or (Net Debt)	(1,146.0)	(403.4)	184.1%

At the end of the third quarter our net debt was R\$ 1,146.0 million. The average maturity of our total debt was 3.62 years, and the all-in average cost was CDI +2.10%. Leverage calculated using the debt covenants was 3.2x net debt/12M EBITDA, or R\$ 357,7 million (as per the table in the attachment on page 17) as our performance still reflects the impact of last year's pandemic, and the seasonality of our annual operations.

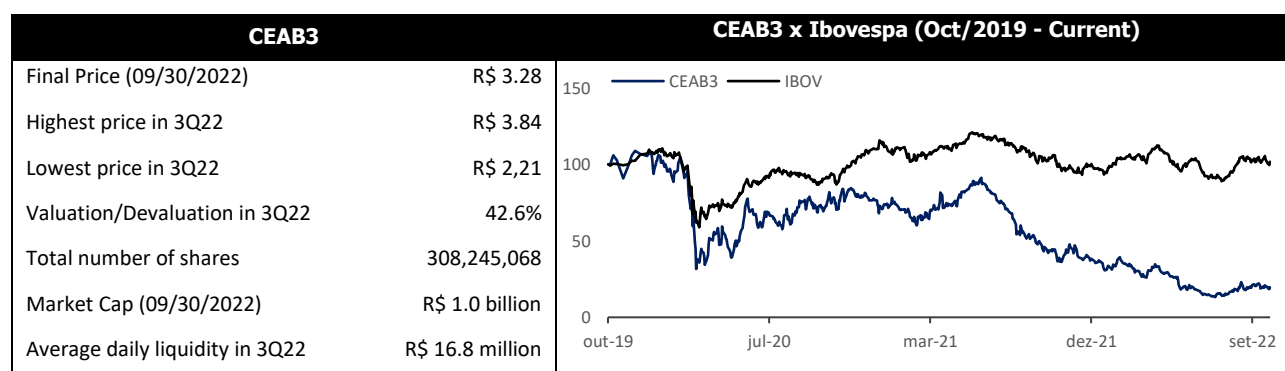
Debt Amortization Schedule (R\$ million)



The amortization schedule refers to the principal only and excludes interest.

Capital Market

C&A was listed on the B3 "Novo Mercado" on 28 October 2019, at an initial share price of R\$ 16.50. The average daily volume traded in 3Q22 was R\$ 16.8 million, with share price appreciating 42.6%. On September 30, 2022, the company's market capitalization was R\$ 1 billion.



The Company's capital stock is comprised of 308,245,068 common shares, with a 34.5% free-float. The Company's free-float and its main shareholders on September 30, 2022 are described below:

Shareholding	# Of common shares (ON)	% of total
Controlling shareholder	201,319,336	65.3%
Officers	805,798	0.3%
Treasury	1,308,400	0.4%
Other	104,811,534	34.0%
Total	308,245,068	100.0%

On November 12, 2021 the Board of Directors approved the purchase of Company shares to be held in treasury for use in its Long-Term Incentive Plan and maximize value creation for the shareholders, with efficient capital management. The Board authorized the buy-back of 5,300,000 shares, 1,308,400 of which had been purchased by September 30 2022, at an average price of R\$ 4,02. In 3Q22 we purchased 327,100 shares at an average price of R\$ 3,06. This program runs to May 2023.

Subsequent Events

On August 16, 2017, the Company filed an Injunction to discuss the right to use the zero PIS and COFINS rate defined in Law 11,196/2005 (known as “Lei do Bem” or “Law for Good”) on the retail sale of smartphones manufactured in Brazil. On October 27, 2022 the final unappealable ruling was issued by the Federal Supreme Court - STF and the Company awaits the completion of the legal procedures and respective formalizations for the earnings to be disclosed.

The amounts to be recorded as credits for future compensation are being surveyed, and up to the disclosure date of the interim financial statements of September 30, 2022, the company's management estimates that these credits, with the respective monetary restatements, total approximately R\$ 140 million.

Attachments

Adjusted EBITDA

Total Adjusted EBITDA (pre-IFRS 16)

R\$ million	3Q22	3Q21	Δ	9M22	9M21	Δ
Net Income (Losses) in the period	(61.4)	243.9	-125.2%	(212.0)	174.6	-221.4%
(+) Income taxes	(42.5)	(326.3)	-87.0%	(137.8)	(360.0)	-61.7%
(+/-) Net financial results	101.5	41.8	142.8%	265.7	61.4	332.7%
(+) Depreciation and amortization	176.6	138.6	27.4%	512.9	408.4	25.6%
(=) EBITDA (post-IFRS 16)	174.2	98.0	77.8%	428.8	284.4	50.8%
(+/-) Other net operating income (expenses)	10.2	(6.3)	-261.9%	17.7	39.2	-54.8%
(+) Financial income from suppliers	2.0	2.1	-4.8%	6.7	8.1	-17.3%
(-) Tax credit recovery	(46.7)	(7.0)	567.1%	(67.5)	(184.7)	-63.5%
(=) Adjusted EBITDA (post-IFRS 16)	139.7	86.8	60.9%	385.7	147.0	162.4%
(-) Lease liabilities	(113.0)	(100.1)	12.9%	(331.8)	(292.8)	13.3%
(=) Adjusted EBITDA¹ (pre-IFRS16)	26.7	(13.3)	-300.0%	53.9	(145.8)	-137.0%
Adjusted EBITDA margin pre-IFRS16):	1.9%	-1.0%	2.9p.p.	1.3%	-4.4%	5.7p.p.

(1) Pursuant to article 4 of CVM Instruction 527, the Company opted to disclose adjusted EBITDA as per the table above, demonstrating data that best reflects gross operating cash management in its activities. Adjustments include: (i) Other Operating Income (Expenses) Net; (ii) Finance Income de Trade receivables; (iii) Recovery of tax credits; e (iv) Lease liabilities. Adjusted EBITDA (before IFRS16) excludes the effects of accounting standard IFRS16.

Covenant-adjusted EBITDA (last 12 months)

R\$ million	09/30/2022
Adjusted EBITDA post-IFRS16 (last 12 months)	791.8
(-) Lease liabilities	(434.4)
(=) EBITDA pre-IFRS16 (last 12 meses)	357.4
(+/-) Gains (Losses) from the Sale de Assets, excluding the effects of IFRS16	6.1
(+/-) Impairment	(12.2)
(+) Financial income from suppliers	11.1
(-) Restructuring/Consulting costs	8.3
(+/-) Provisions (Reversals) for Contingencies	(13.0)
Covenant-Adjusted EBITDA¹ (last 12 months) pre-IFRS16.	357.7

(1) Debt-covenant adjusted EBITDA excludes the effects of CPC 06 (R2) and International Financial Reporting Standard IFRS-16 before: (i) Income tax and social contribution on net income, (ii) PP&E depreciation (excluding tie-up), (iii) amortization expenses, (iv) financial results (except for revenue from supplier pre-payments, to be considered part of EBITDA), (v) equity, (vi) minority shareholders, and (vii) Non-Operating results. For this report "Non-Operating Income" includes: (i) asset sales, (ii) contingency provisions, reversals, (iii) impairment, (iv) occasional restructuring expenses.

Consolidated Statement of Earnings - 3Q22 and 9M22

R\$ million	3Q22	3Q21	Δ	9M22	9M21	Δ
Net Operating Revenue	1,407.5	1,339.4	5.1%	4,234.8	3,291.1	28.7%
Apparel	1,133.9	1,085.5	4.5%	3,373.5	2,602.3	29.6%
<i>Fashiontronics and Beauty</i>	195.3	199.8	-2.3%	651.3	525.3	24.0%
Net revenue from merchandise	1,329.2	1,285.2	3.4%	4,024.8	3,127.6	28.7%
Financial Services	73.4	49.6	48.0%	194.5	149.8	29.8%
Other Revenue	4.9	4.6	6.5%	15.5	13.7	12.4%
Cost of Goods/ Services	(713.7)	(740.1)	-3.6%	(2,137.1)	(1,792.3)	19.2%
Gross Profit	693.8	599.3	15.8%	2,097.7	1,498.8	40.0%
Apparel	586.8	535.2	9.6%	1,794.6	1,283.5	39.8%
<i>Fashiontronics and Beauty</i>	48.3	33.8	42.9%	142.3	96.6	47.3%
Gross Profit From Merchandise	635.1	569.0	11.6%	1,936.9	1,380.2	40.3%
Gross Profit from Financial Services	73.0	49.4	47.8%	193.4	149.1	29.7%
Other Gross Profit	(14.3)	(19.1)	-25.1%	(32.5)	(30.5)	6.6%
Operating (Expenses) and Revenue	(696.2)	(640.0)	8.8%	(2,181.8)	(1,622.7)	34.5%
General and Administrative	(109.1)	(104.8)	4.1%	(345.9)	(257.1)	34.5%
Sales	(427.1)	(409.9)	4.2%	(1,338.6)	(1,102.8)	21.4%
Depreciation and Amortization	(176.6)	(138.6)	27.4%	(512.9)	(408.4)	25.6%
Other Revenue (Expenses)	37.5	13.4	179.9%	49.8	145.5	-65.8%
Net credit losses	(20.8)	0.0	-	(34.2)	0.0	-
Profit before Financial Revenue and Expenses	(2.4)	(40.6)	-94.1%	(84.0)	(124.0)	-32.3%
Finance Results	(101.5)	(41.8)	142.8%	(265.7)	(61.4)	332.7%
Exchange Variation	(1.2)	(1.9)	-36.8%	0.1	(0.6)	-116.7%
Total Finance expenses	(174.3)	(73.4)	137.5%	(429.5)	(181.6)	136.5%
Total Finance Income	74.0	33.6	120.2%	163.7	120.8	35.5%
Profit before taxes	(103.9)	(82.4)	26.1%	(349.8)	(185.4)	88.7%
Income taxes	42.5	326.3	-87.0%	137.8	360.0	-61.7%
Net Income (Losses) in the period	(61.4)	243.9	-125.2%	(212.0)	174.6	-221.4%

Consolidated Statement of Financial Position

R\$ million	09/30/2022	12/31/2021	R\$ million	09/30/2022	12/31/2021
Total Assets	9,014.9	8,672.7	Total Liabilities and Shareholder's Equity	9,014.9	8,672.7
Current Assets	4,064.3	3,929.4	Current Liabilities	3,240.9	2,415.1
Cash and cash equivalents	1,228.2	1,050.3	Lease liabilities	515.8	471.7
Financial investments	8.5	0.0	Suppliers	1,428.0	1,400.7
Trade receivables	1,107.4	1,145.3	Direct and Indirect Suppliers	975.0	1,400.7
Derivatives	1.2	1.5	Suppliers Buying back the right to offer credit (Bradescard)	453.0	0.0
Related parties	0.1	0.5	Loans	977.7	121.2
Inventory	975.0	849.3	Derivatives	1.9	1.9
Taxes recoverable	692.9	849.2	Labor liabilities	141.4	155.5
Other Assets	51.1	33.3	Related parties	65.6	59.0
Non-Current Assets	4,950.5	4,743.3	Taxes payable	61.3	176.1
Financial investments	0.0	7.8	Other liabilities	49.3	28.9
Taxes recoverable	922.1	839.8	Non-Current Liabilities	2,988.1	3,262.6
Deferred taxes	516.8	378.8	Lease liabilities	1,325.6	1,342.4
Judicial deposits	60.9	61.9	Suppliers	12.5	435.1
Other Assets	1.0	2.6	Direct and Indirect Suppliers	12.5	20.1
Related parties	0.1	0.1	Suppliers Buying back the right to offer credit (Bradescard)	0.0	415.0
Property and Equipment	827.7	836.3	Loans	1,404.4	1,253.6
Right-of-use lease liabilities	1,622.0	1,640.3	Labor liabilities	7.0	5.7
Intangible assets	999.9	975.7	Provisions for tax, civil and labor risks	178.4	169.5
			Taxes payable	15.8	16.2
			Other liabilities	44.4	40.1
			Shareholder's Equity	2,785.9	2,995.0
			Capital stock	1,847.2	1,847.2
			Shares in Treasury	(5.3)	(1.4)
			Capital reserve	34.8	27.9
			Accumulated profit (losses)	(212.0)	0.0
			Profit reserve	1,121.6	1,121.6
			Other comprehensive income	(0.4)	(0.2)

Consolidated Cash Flow

R\$ million	9M22	9M21
OPERATIONS		
Income (loss) before income tax	(349.8)	(185.4)
(+) Cash adjustments to reconcile profit before taxes and cash flow		
Allowance (reversal) for expected credit losses	38.2	3.6
Adjustment to present value of accounts receivables and suppliers	(1.2)	(0.1)
Expenses with stock-based compensation	7.0	6.2
Provisions for inventory losses	40.3	29.4
Gains/Recognition of tax claims	(62.8)	(253.9)
Depreciation and amortization	247.7	178.5
Addition (reversal) of property and equipment, intangible and right-of-use asset impairment	(8.2)	0.1
Losses from the sale or disposal of property and equipment and intangible assets	6.1	4.6
Depreciation of right-of-use	291.1	252.4
Interest on leases	122.8	107.8
Interest on loans	202.0	49.8
Amortization of the transaction costs on loans	2.0	1.9
Provisions (reversal) for tax, civil and labor risks	28.7	18.3
Update of judicial deposits	(8.7)	(1.5)
Interest on financial investments	(0.7)	0.0
Variations in assets and liabilities:	(424.0)	(210.3)
Trade receivables	0.4	183.9
Related parties	7.1	(0.8)
Inventory	(166.0)	(271.1)
Taxes recoverable	136.7	56.5
Other credits	(18.9)	(26.0)
Judicial deposits	0.6	(9.6)
Suppliers	(269.8)	(104.7)
Labor liabilities	(12.8)	24.3
Other debits	24.7	11.7
Provisions for tax, civil and labor risks	(10.7)	(20.3)
Taxes payable	(110.1)	(52.4)
Income tax and social contribution paid	(5.2)	(1.8)
(=) Cash flow originating from (applied in) operating activities	130.5	1.4
(+) Investment activities	(388.6)	(331.0)
Purchase of property and equipment	(160.7)	(167.9)
Purchase of intangible assets	(228.3)	(163.2)
Received from the sale of property & equipment	0.4	0.1
Cash flow used in investment activities		
(+) Investment activities	436.1	(209.9)
New loans and debentures issued	1,103.7	500.0
Loan/debenture transaction costs	(6.0)	(3.8)
Repayment of loans (principal)	(200.0)	(362.5)
Interest paid on loans	(94.4)	(21.9)
Repayments and interest paid on leases	(363.2)	(321.8)
Share buy-back	(3.9)	0.0
Cash flow originating (invested in) financing activities		
(=) Reduction in the balance of cash and cash equivalents	178.0	(539.8)
Cash and Cash Equivalents at the start of the period	1,050.3	1,509.2
Cash and Cash Equivalents at the end of the period	1,228.2	969.4

Glossary of terms

1P: Merchandise in our own inventory marketed by our e-commerce.

3P: Third-party (seller) goods marketed by our e-commerce.

CAC: Customer Acquisition Costs

Click and Pick-up: A solution whereby customers can buy online and pick-up their goods in one of our B&M stores.

Fashiontronics: Electronics and other related goods such as smartphones, tablets, watches and accessories. This includes earphones/pods and chargers. More recently beauty items and cosmetics were added to the category.

Galeria C&A: C&A Marketplace.

GMV (Gross Merchandise Volume): The total amount in Reals (R\$) sold by our e-commerce, including 1P and 3P goods.

Lead time: This is the time it takes for raw materials or goods to be delivered to C&A from the supplier once they are ordered.

MAU (Monthly Active Users): Monthly Active Users measures how many users used our app for any action in the past 30 days.

Mindse7: Launched in November 2018, Mindse7 is a digital native project that presents weekly collections inspired on the main conversations and trends on the streets and on social networks, using a co-creation model between a multidisciplinary team comprised of C&A and its suppliers. Focusing on versatile, timeless items aligned to the desires of Brazilian women, it has already launched some 200 collections, always focusing on innovative offerings of diverse and inclusive fashion for all styles, bodies and ages.

Push and pull: A supply model that consists in replacing individual SKUs of different models, sizes and colors in our B&M stores according to demand, making service to the demand for our fashion items more efficient.

RFID (Radio-Frequency Identification): enables identifying and locating each SKU in both stores and DCs.

Seller: partner sellers who market our goods on our marketplace.

SHIP FROM STORE: transforms B&M stores into distribution centers, shipping goods purchased on our e-commerce directly to customers

SKU: Stock keeping unit

Social selling: A process whereby relationships are developed, and sales made using social networks.

Sorter: Individual sorting/picking equipment.

SSS: Same store sales Growth in same store sales. This is comprised of sales in stores in activity for more than 13 months compared to the same period in the previous year. It includes all forms of e-commerce sales and deliveries (100% online, ship-from-store and click-and pick-up).

Supply: Supply chain

WhatsApp sales: A type of online sale where C&A associates interact with customers using WhatsApp.

WMS (Warehouse Management System): Warehouse management system, an inventory management tool

About C&A

C&A is a fashion company focused on suggesting experiences that go beyond dressing. Established in the Netherlands in 1841 by Clemens and August, C&A believes in and defends Fashion as one of the most fundamental channels for people to connect with themselves and those around them. For this reason, C&A customers are the core of its strategy. C&A is one of the world's leading fashion retailers and has been in Brazil since 1976, when it opened its first store in Shopping Ibirapuera in São Paulo. On September 30, 2022 there were 331 C&A stores with a total sales area of more than 610 thousand square meters, plus its e-commerce operation. The Company has been listed on the Brazilian B3 exchange since October 2019 and innovates by offering digital and omnichannel services and solutions to expand customer online and offline experiences. With over 17 thousand employees all over Brazil, C&A offers young, innovative, diverse and inclusive fashion for women, men and children. It also offers a line of Fashiontronics with a wide array of cell phone and smartphones and has just added beauty care to its range. In December 2021 we launched C&A PAY, a direct credit offer for our customers. In 2021 it committed to becoming C&A Fashion Tech, and in the coming years aims to become the digital fashion company that best understands Brazilian women, with B&M stores and a lot of emotional connection.

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