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Earnings Release

2Q21



Earnings Teleconference:

Portuguese/English

Date:
11/08/2021

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Brasília: 11:00 a.m.
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London: 3:00 p.m.

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Barueri, August 10 2021 – C&A Modas S.A. (B3: CEAB3) a leading fashion retailer in Brazil, hereby discloses its earnings for the second quarter of 2021 (2Q21). Unless otherwise stated, the financial and operating information that follows is presented on a consolidated basis, as per Brazilian Corporate Law. The statements are submitted in Reals, and unless stated otherwise all growth rates refer to the same period in 2020.

Highlights

This Quarter we continued to feel the impact of the pandemic,

with stores remaining closed or opened for shorter hours. While our **total net revenue** was **R\$ 1,175.6 million, 299.2%** higher than in **2Q20**, it was **6.7%** lower than **2Q19**, which in operational terms is a more relevant comparison.

Same store sales (SSS) **were 303.9% higher than in 2Q20.**

Omnichannel operations and our marketplace, **Galeria C&A**, continue to evolve, and our **online gross revenue (GMV 1P+3P*)** reached **R\$ 252.9 million, a 33.7% growth.**

Gross merchandise margin was **46.1%, a 0.2 pp increase.**

Operating Expenses were **R\$ 462.7 million, 19.3% higher.**

As a result, **adjusted EBITDA** in the quarter was **R\$ 1.4 million.**

The Company issued its first simple debentures in the **amount of R\$ 500 million.**

Investments in 2Q21 totaled **R\$ 141.6 million, a 212.6% increase.**

	2Q21	2Q20	△	6M21	6M20	△
Online Gross Revenue (GMV 1P+3P)*	252.9	189.1	33.7%	392.1	239.1	64.0%
Total Net Revenue (R\$MM)	1,175.6	294.5	299.2%	1,951.7	1,271.3	53.5%
Same Store Sales** (%)	303.9%	-77.0%	380.9p.p.	55.4%	-46.8%	102.2p.p.
Gross Merchandise Margin (%)	46.1%	45.9%	0.2p.p.	44.0%	45.8%	-1.8p.p.
Operating expenses (R\$MM)	(462.7)	(387.7)	19.3%	(982.8)	(914.0)	7.5%
EBITDA from Retailing Operation (R\$MM)	213.5	(97.1)	R\$310.6	142.6	(35.9)	R\$178.6
EBITDA (R\$MM)	223.7	(114.9)	R\$338.6	186.4	(36.7)	R\$223.1
EBITDA margin (%)	19.0%	-39.0%	58.0p.p.	9.5%	-2.9%	12.4p.p.
Adjusted EBITDA*** (R\$MM)	1.4	(201.0)	R\$202.4	(132.4)	(196.8)	-32.7%
Adjusted EBITDA margin (%)	0.1%	-68.3%	68.4p.p.	-6.8%	-15.5%	8.7p.p.
Net Income (loss) (R\$MM)	69.2	(192.1)	R\$261.3	(69.3)	(247.4)	-72.0%
Investments	141.6	45.3	212.6%	212.2	78.8	169.3%

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

(**) SSS: same store sales. This is the sales of stores active for more than 13 months compared to the same period of the prior year, including all forms of e-commerce sales and delivery (100% online, ship-from-store and click-and-collect).

(***) Pursuant to Article 4, CVM Instruction 527, the Company has chosen to show Adjusted EBITDA as in the above table in order to provide information which best reflects the gross operational cash generation from its activities. The adjustment are: (i) Other net operating income (expenses); (ii) Financial Income of Supplier; (iii) Tax Credit Recovery; and (iv) Commercial Lease Payments (IFRS16).



Message from Management

At the close of the second quarter, we are optimistic that by the second half of the year sales will again be normal. The start of 2Q21 still suffered from the restrictions brought on by the pandemic, especially in our stronger markets of São Paulo and Rio de Janeiro, where our average operating hours available in April was only 49.3%; nevertheless, recovery was quite good during the rest of the quarter with sales growth in May and June combined at 4.2%. At the start of the third quarter sales improved even more, with an almost normal scenario and benefited by low winter temperatures, resulting in net revenue from merchandise sales (preliminary and unaudited numbers) in July of 14% compared to 2019. This recovery makes us optimistic regarding the future, in particular the fourth quarter of the year, normally the most important. With the advance of vaccinations, sales are expected to experience strong recovery, not least to supply repressed demand after so many months of on-gain-off-again restrictions on our mobility. C&A is prepared for a promising year-end.

We continue to deliver in all levers of our growth plan. In 2Q21 we invested R\$ 141.6 million, mostly in the digital transformation lever which is very important to build C&A Fashion Tech. We are building a digital fashion company with the best understanding of Brazilian women, with B&M stores and a lot of emotional connection. This document provides details on the progress made along each lever. In addition, this quarter we started a project to diagnose and realign C&A's culture to the goal of becoming C&A Fashion Tech.

This quarter we had two important events to celebrate. First our performance in apparel, with net income just 0.7% below 2019, the last pre-pandemic year. Second, the performance of our e-Commerce, which grew 36.9%, despite being compared to a strong year, to R\$ 191.0 million or 16.8% of our net income from merchandise.

We are also celebrating the 30th anniversary of Instituto C&A, with which we work very closely. Instituto C&A's goal is to strengthen Brazilian communities through fashion. Right now, it works with Volunteering, Entrepreneurism and Humanitarian Help.

Finally, the third quarter will spearhead a major recovery. Our constant surveys show optimism and positivity among our customers, and our associates are energetic and confident as they return to our stores, distribution centers and office. We are currently in the midst of executing projects that are part of our growth plan and have the support of our suppliers for this new cycle of growth, when we will be working more closely and with more agility. We are excited about the prospect of a period without the oscillations brought on by the pandemic to demonstrate growth in our results as well.

The Management of C&A Modas S.A.



Growth

Plan Levers

New Stores and Formats

In 2Q21 we opened nine new stores, all click-and-collect, ship-from-store, endless-aisle, and WhatsApp sales omnichannel ventures.

Date	Location	Size (m ²)
2021/04/15	Shopping Norte Sul Plaza - Campo Grande/MS	1,789
2021/04/18	Super Shopping Osasco - Osasco/SP	1,442
2021/04/22	Shopping Park Sul - Volta Redonda/RJ	1,695
2021/04/26	Shopping Cidade dos Lagos - Guarapuava/PR	1,839
2021/04/27	Bragança Garden Shopping - Bragança Paulista/SP	1,264
2021/04/29	Várzea Grande Shopping - Várzea Grande/MT	1,682
2021/04/29	Shopping Rio Sul - Rio de Janeiro/RJ	2,526
2021/06/04	Shopping Palladium Umuarama - Umuarama/PR	1,512
2021/06/14	Shopping Carpina - Carpina/PE	1,425

Our new stores are all Customer Value Proposition (CVP) stores and offer all our omnichannel initiatives.

They also seek to offer new experiences and be closer to the customer, as shown in the pictures below. The first is our store in Shopping Rio Sul, in Rio de Janeiro, with an open ship-from-store area that allows customers to watch as our associates assemble and ship their orders. The second picture is an area close to the fitting rooms in our Bragança Paulista store, in the interior of São Paulo, with panels showing some of the city attractions.



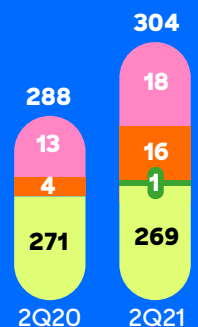
We also closed two stores, a 589m² store in Leblon, and a 2,241m² store in Recife. It is important to remember that we manage our stores as a portfolio, continuously reviewing their performance, developing action plans and taking action as necessary.

This brings our total to 304 stores across Brazil, 269 of which, or 88.5%, have been in operation for more than 4 years.

	2Q21	2Q20	Δ	6M21	6M20	Δ
Stores	304	288	16	304	288	16
New	9	2	7	11	3	8
Closed	2	0	2	2	2	0
Sales area (Thousand m²)	575	547	28	575	547	28

Store Distribution by Age

- > 4 YEAR
- 3° YEAR
- 2° YEAR
- 1° YEAR



Digital Transformation



In digital transformation we are focusing on implementing projects in our new CRM (Customer Relationship Management) project to support our sales force, in particular our WhatsApp sales and PLM (Product Lifecycle Management). This system helps product development teams, so the entire product life cycle management is digital.

In 2Q21, we focused on digital transformation technology, and the team, currently made up of more than 620 professionals, intensified structuring deliveries and new implementations, deploying cross-functional squads. At this point we have dozens of initiatives underway, all of them orchestrated according to the governance defined by the Transformation Office. These initiatives are organized to enable corporate goals, in particular focusing on the Customer Experience. In this regard, the most important delivery was the consolidation of customer data into a single view, not only in terms of the registration data itself, but organizing it into Data Lakes associated with the behavior and profile of each customer.

To enable this digital transformation, we revised our technology architecture, making updates in our telecom infrastructure, including the main network (equipment and links to the cloud and C&A Data Centers) and the network of B&M store links, so stores are functionally mobile, for our customers involved in an OMNI journey, or for our associates to be more productive (e.g. inventory management via RFID). In 2Q21 we made important updates in the C&A App, improving performance and response time, and enabling automatic monitoring of routines with automatic warnings in case of errors, such as navigation errors, and products and campaigns displayed in a clear, simplified way. We constantly strive to improve our customers' experience with our App and have a dedicated team for this.

Our WhatsApp sales have been a highlight this quarter. They are now available in all our stores and are a significant percentage of our online sales – about 35% of the total in 2Q21.

Minha C&A (My C&A) experienced accelerated, structured growth this past quarter, having been assigned experienced leadership dedicated to this channel. The goal is to bring in new customers at a lower, more optimized cost of acquisition, adapting C&A to the different parts of the country by assigning consultants of the correct profile, increasing recurring sales. By late in 2Q21 we had 4.5 thousand Minha C&A stores. Our aspiration is to continue evolving, seeking more efficient profiles within and outside the C&A base, and providing new tools that result in a better journey, making it possible for our consultants to work faster.

Our C&A&VC (C&A&You) relationship program now has 16.8 million registered customers, who account for 78% of sales. Still on the theme of our customer base, in the past 12 months our e-Commerce (including omnichannel) customer base doubled. It is important to mention that multichannel customers, who spend about twice as much as average customers, also increased 80%.



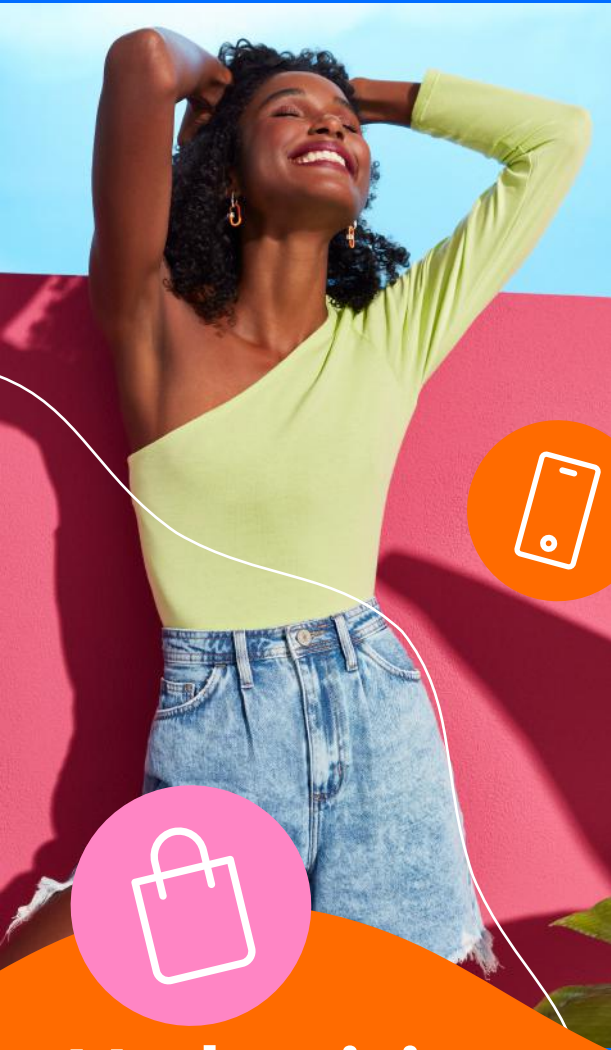
Omnichannel Indicators	Unit	2Q21	2Q20	Δ
App				
MAU (monthly active users)	thousand end of period	3,517	2,554	38%
App Installs	thousand total period	4,203	4,585	-8%
Relationship Program C&A&VC (C&A & YOU)				
# customer C&A&VC (C&A & YOU)	million end of period	16.8	10.7	57%
% of revenues from C&A&VC customers	%	78%	53%	25.0p.p.
Galeria C&A (marketplace)				
# sellers	end of period	440	23	1813%

Source: Google Analytics (active users 28 days - Android + iOS); Appsflyer (Android+IOS); internal systems

Our Galeria C&A marketplace had 440 sellers by the end of 2Q21. The focus this quarter was to adopt the seller portal, improving our relationships and the functionalities partners use to register their products. We also focused on integrating our campaigns.

Regarding our click-and-collect initiative, the OMNI team, which focuses on omnichannel, supported important improvements that reduced time to process so customers can pick up their purchases in stores within 2 hours.

Another important front is our partnership with scaleup and startups to integrate our ecosystem. This identifies companies able to solve certain business challenges faster and cheaper. We use technology to quickly incorporate these solutions into our systems, test the solution incrementally and, if successful, scale it up in a manner that is transparent to Customers and Associates. In 2Q21 we ran tests with over 20 companies to help improve our goods and services. Because of our current technology architecture and multidisciplinary teams by business mission, the entire process was and is run without affecting deliveries or the customer journey.



Modernizing our Supply Chain

This lever continues to move along as scheduled. Below are some of the deliveries across all three fronts: **(i) distribution network; (ii) omnichannel operations; (iii) technology.**

Distribution network: our second sorter (which enables distribution by SKU rather than packages) came on-stream as scheduled and is now in the operational ramp-up stage. With the arrival of the necessary parts our third sorter is being assembled. We are currently starting a Push-Pull pilot, integrating projects we already implemented with the new sorter and Manhattan WMS (Warehouse Management System), our new store distribution system. 100% of the categories eligible for Push-Pull will be implemented by the second half of 2022.

Omnichannel Operations: by the end of the quarter, we had 23 hub stores for ship-from-store operations. By optimizing processes, infrastructure and training we are able to process up to 1,000 orders a day in the main hubs. In our shipping matrix we stabilized average time to deliver and delivery routes (local, state, national) across the entire country. Our current time to deliver is about 3 days between order capture and merchandise delivery. Finally, by the end of the year we will have automated (KNAPP OSR Shuttle) our e-commerce DC. This is on-schedule, and we are confident it will take us to another level by year-end and holiday sales.

Technology: we implemented WMS - Manhattan Active in our dedicated e-Commerce assortment. Suppliers worldwide recognized our success in terms of time to implement and time to reach stable operations. Right now, we continue with implementation, focusing on São Paulo distribution center, which operates according to the Push-Pull by SKU model, using our new sorters and supply system.

Another technology front is RFID (radiofrequency identification) labeling. Following a pilot in 2020, roll-out started early this year and is on schedule. Right now, nine stores have their entire assortment in the pilot phase. By the end of 2Q21 we had another 101 stores and 89 suppliers within the defined matrix implementation. By late this year we expect to have 200 stores with their entire supply covered by technology - apparel, cosmetics, fashiontronics and some accessories.

Credit Offering

We are negotiating with our Bradescard partner to increase credit. Negotiations are in an advanced stage, and we believe this will be resolved by the end of this year.

As a result, we are preparing to work in this industry directly, speaking to partners and hiring professionals who will ensure we are well positioned to be competitive in credit offerings and can improve the customer journey.



Comments on the Company's Financial Performance

Net Revenue

R\$ million	2Q21	2Q20	Δ	6M21	6M20	Δ
Total Net Revenue	1,175.6	294.5	299.2%	1,951.7	1,271.3	53.5%
Revenue from Merchandise Sales	1,133.9	275.1	312.2%	1,842.3	1,180.6	56.1%
<i>Apparel</i>	<i>951.3</i>	<i>194.3</i>	<i>389.6%</i>	<i>1,516.8</i>	<i>908.0</i>	<i>67.0%</i>
<i>Others - Fashiontronics</i>	<i>182.7</i>	<i>80.8</i>	<i>126.0%</i>	<i>325.5</i>	<i>272.6</i>	<i>19.4%</i>
Financial Services - Bradescard Partnership	37.7	15.9	137.2%	100.2	84.1	19.1%
Other Revenues	4.0	3.5	13.7%	9.2	6.7	37.7%
%	2Q21	2Q20	Δ	6M21	6M20	Δ
Same Store Sales* (%)	303.9%	-77.0%	380.9p.p.	55.4%	-46.8%	102.2p.p.
Apparel	377.7%	-79.7%	457.4p.p.	66.3%	-48.4%	114.7p.p.
Others - Fashiontronics	125.7%	-66.0%	191.7p.p.	19.5%	-40.5%	60.0p.p.
R\$ million	2Q21	2Q20	Δ	6M21	6M20	Δ
Online Gross Revenue (GMV 1P+3P)**	252.9	189.1	33.7%	392.1	239.1	64.0%
Online Net Revenue	191.0	139.6	36.9%	297.6	178.1	67.1%

* 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-collect).

** GMV - Gross Merchandise Value: 1P - first-party relationship or direct sales, 3P - third-party relationship or marketplace sales.

In the second quarter, net revenue was R\$ 1,175.6 billion, 299.2% more than in 2Q20. We remind you that, due to the pandemic, all our stores were closed for over a month in 2Q20, which significantly affected our sales. Although not listed in the table, if we compare 2Q21 and 2Q19 net revenue actually dropped 6.7%.

Revenue from apparel increased 389.6%, and revenue from Others-Fashiontronics was up 126.0%. It is worth adding that apparel sales are only 0.7% lower than they were in pre-pandemic 2Q19. The environment in the dominant Others-Fashiontronics category - cell phones and smartphones - remains competitive, impacting sales and margins, despite a three-digit growth compared to the same period in 2020. If we compare sales to the pre-pandemic period, they dropped 22.5%.

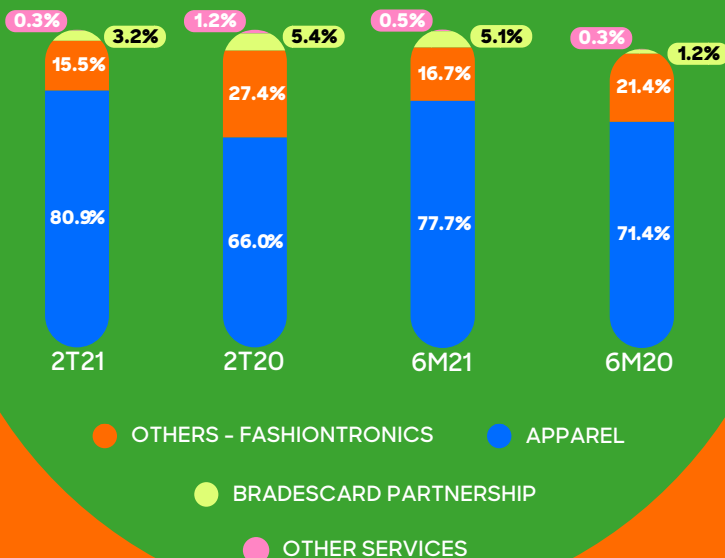
Same Store Sales indicators are strong - 303.9% overall - 377.7% in apparel and 125.7% in Others-Fashiontronics. In a more normal comparison, SSS compared to 2Q19 dropped 9.4%.

Focusing on online sales, Gross Revenue from Goods (online GMV), which includes our own sales and those of partners (sellers) on our marketplace, increased 33.7% to R\$ 252.9 million. C&A's online net revenue was R\$ 191.0 million, a 36.9% increase.

Revenue from Financial Services, our partnership with Bradescard, was R\$ 37.7 million, an increase of 137.2%, primarily due to stores that remained closed in 2Q20.

Other revenue increased 13.7% in 2Q21, to R\$ 4.0 million. This increase is primarily due to shipping revenue from customer deliveries and an increase in the commission from Galeria C&A sellers and cell phone operators.

Net Revenue by Business



In the breakdown of net revenue for the quarter, the share of apparel increased significantly, while other segments decreased, in particular the share of Fashiontronics.



Gross Profit and Margin

R\$ million except margin	2Q21	2Q20	Δ	6M21	6M20	Δ
Total Gross Profit	548.4	143.3	282.8%	899.4	619.6	45.2%
Gross Profit from Merchandise Sales	522.3	126.3	313.7%	811.2	540.2	50.2%
<i>Apparel</i>	485.9	106.8	355.0%	748.4	479.8	56.0%
<i>Others- Fashiontronics</i>	36.5	19.5	87.4%	62.8	60.3	4.1%
Financial Services Gross Profit - Bradescard Partnership	37.5	15.6	139.6%	99.7	83.6	19.3%
Other Gross Profit	(11.4)	1.4	-R\$12.7	(11.4)	(4.2)	174.2%
Total Gross Margin	46.7%	48.6%	-1.9p.p.	46.1%	48.7%	-2.6p.p.
Apparel Gross Margin	51.1%	55.0%	-3.9p.p.	49.3%	52.8%	-3.5p.p.
Others - Fashiontronics Gross Margin	20.0%	24.1%	-4.1p.p.	19.3%	22.1%	-2.8p.p.
Gross Merchandise Margin	46.1%	45.9%	0.2p.p.	44.0%	45.8%	-1.8p.p.

In 2Q21, gross profit totaled R\$ 548.4 million, 282.8% above 2Q20. The total gross margin was 46.7%, 1.9 pp lower due the drop in sales in some categories, partially offset by higher apparel sales.

Gross margin in apparel was 51.1%, a 3.9 pp drop, primarily impacted by the exchange variation in imported goods, which are more relevant for the winter collection, and the domestic supply chain. The margin in Others-Fashiontronics was 20.0%, a 4.1 pp drop, primarily due to a more competitive environment.

Gross profit from financial services increased 139.6%, in line with the variation in revenue.

Operating Expenses



R\$ million	2Q21	2Q20	Δ	6M21	6M20	Δ
Selling Expenses	(456.8)	(277.0)	64.9%	(905.2)	(690.2)	31.2%
General and Administrative Expenses	(131.7)	(110.3)	19.4%	(209.8)	(219.6)	-4.5%
Total Selling and G&A Expenses	(588.5)	(387.3)	51.9%	(1,114.9)	(909.8)	22.6%
Other Operating Income (Expenses)	125.8	(0.4)	R\$126.2	132.1	(4.2)	R\$136.4
Operating Expenses*	(462.7)	(387.7)	19.3%	(982.8)	(914.0)	7.5%
%	2Q21	2Q20	Δ	6M21	6M20	Δ
Selling Expenses/Total Net Revenue	-38.9%	-94.1%	55.2p.p.	-46.4%	-54.3%	7.9p.p.
G&A Expenses/Total Net Revenue	-11.2%	-37.5%	26.3p.p.	-10.7%	-17.3%	6.6p.p.
Selling and G&A Expenses/Total Net Revenue	50.1%	131.5%	-81.4p.p.	57.1%	71.6%	-14.5p.p.
Operating Expenses/ Total Net Revenue	39.4%	131.7%	-92.3p.p.	50.4%	71.9%	-21.5p.p.

*Expenses consider the impact of the lease payment, in accordance with IFRS16 accounting standard. Information excluding this impact is available in the fundamentals spreadsheet on C&A's IR website.

In the second quarter, operating expenses were R\$ 462.7 million, 19.3% above what they were in 2Q20.

Sales expenses were R\$ 456.8 million, a 64.9% increase. It is important to remember that, in 2Q20 we had to shut down our stores and consequently were able to negotiate major reductions in occupancy and personnel cost. If we compare this quarter to 2Q19, our sales expenses increased 4.0%, despite the increase in our e-Commerce operations and the associated shipping and marketing costs, plus inflation for the period.

General and administrative expenses increased 19.4% to R\$ 131.7 million. We reinforced our team with contractors, especially to handle our e-Commerce growth, and also reinforced our executive team. Furthermore, our depreciation increased due to investments in our growth levers.

Our Other Operating Revenue (Expenses) amounted to revenue of R\$ 125.8 million due to tax credits from excluding ICMS from the basis for calculating PIS and COFINS between 2015 and 2017, which was finally ruled on by the Federal Supreme Court and recognized this quarter.



Financial Services - Bradescard partnership

C&A partnered with Bradesco to offer a number of financial products and services to its customers, such as C&A card issuing and administration, personal loans, and insurance.

R\$ million	2Q21	2Q20	Δ	6M21	6M20	Δ
Financial Services Net Revenues - Bradescard Partnership	37.7	15.9	137.0%	100.2	84.1	19.1%
Financial Services Gross Profit	37.5	15.6	140.1%	99.7	83.5	19.4%
(-) Financial Services Expenses - Selling	(27.2)	(33.4)	-18.6%	(56.0)	(84.4)	-33.7%
(=) Financial Services Result	10.3	(17.8)	R\$28.1	43.7	(0.8)	R\$44.5
	2Q21	2Q20	Δ	6M21	6M20	Δ
Average Trade Receivables (R\$ billions)	2,6	2,7	-3,7%	2,7	3,0	-10,0%
% of sales	15%	20%	-5p.p.	15%	21%	-6p.p.
Number of new cards (thousand)	199,0	18,5	975,7%	329,0	198,0	66,2%
Number of active cards (million)	2,5	3,4	-26,5%	2,6	4,0	-35,0%
Delinquency Rate* (%)	10,2%	21,7%	-11,5p.p.	5,4%	13,7%	-8,3p.p.

*Net Losses /Portfolio

In 2Q21 revenue from this partnership added up to R\$ 37.7 million, a 137.0% increase. It is worth mentioning that in 2Q20 we were forced to shut down our stores, and thus credit generation stopped. Furthermore, there was an initial aversion to risk and limits were tightened. Credit as a percent of sales remained constant compared to 1Q21, or 15.4%.

Default rates are currently returning to normal, after dropping in the first quarter of the year as we sold our receivables portfolio. Default is calculated as annualized net recovery losses divided by the net average of accounts receivable in the quarter.

Payment method	2Q21	2Q20	△	6M21	6M20	△
Cash payment	33%	35%	-2p.p.	34%	34%	0p.p.
Bradesco partnership Cards	15%	20%	-5p.p.	15%	21%	-6p.p.
Up to 5 installments	8%	10%	-2p.p.	9%	10%	-1p.p.
More than 5 installments	3%	6%	-3p.p.	3%	5%	-2p.p.
Other	4%	4%	0p.p.	4%	5%	-1p.p.
Third party Cards	52%	45%	7p.p.	50%	45%	5p.p.
Up to 3 installments	28%	17%	11p.p.	29%	22%	7p.p.
More than 3 installments	14%	20%	-6p.p.	13%	16%	-3p.p.
Other	9%	7%	2p.p.	8%	7%	1p.p.

The 5.0 pp drop in the share of C&A / Bradesco cards was partially offset by third-party cards.

Adjusted EBITDA



R\$ million except margin	2Q21	2Q20	△	6M21	6M20	△
Profit (Losses)	69.2	(192.1)	R\$261.3	(69.3)	(247.4)	-72.0%
(+) Income Tax	35.2	(93.6)	R\$128.7	(33.7)	(127.1)	-73.5%
(+/-) Net Financial Result	(18.6)	41.2	-R\$59.8	19.6	80.1	-75.5%
(+) Depreciation and Amortization	138.0	129.6	6.5%	269.7	257.7	4.7%
(=) EBITDA	223.7	(114.9)	R\$338.6	186.4	(36.7)	R\$223.1
(+/-) Other net operating income (expenses)	47.6	11.6	310.8%	45.5	15.9	186.2%
(+) Financial Income of Supplier	2.4	0.9	170.3%	6.0	9.5	-37.0%
(-) Tax Credit Recovery	(173.3)	(11.2)	1,453.5%	(177.7)	(11.7)	1421.9%
(-) Commercial Lease Payments	(99.0)	(87.4)	13.2%	(192.6)	(173.7)	10.9%
(=) Adjusted EBITDA*	1.4	(201.0)	R\$202.4	(132.4)	(196.8)	-32.7%
Adjusted EBITDA Margin*	0.1%	-68.3%	68.4p.p.	-6.8%	-15.5%	8.7p.p.

*Pursuant to Article 4, CVM Instruction 527, the Company has chosen to show Adjusted EBITDA as in the above table in order to provide information which best reflects the gross operational cash generation from its activities. The adjustment are: (i) Other net operating income (expenses); (ii) Financial Income of Supplier; (iii) Tax Credit Recovery; and (iv) Commercial Lease Payments (IFRS16).

Adjusted EBITDA in 2Q21 was R\$ 1.4 million. Adjusted EBITDA margin was 0.1%. This is the result of store closure and shorter working hours due to government restrictions to contain the pandemic, especially in the start of the quarter.

Financial Results



R\$ million	2Q21	2Q20	Δ	6M21	6M20	Δ
Foreign exchange variation	2.9	(0.3)	R\$3.2	1.3	(12.7)	R\$14.0
Total Financial Expenses	(55.1)	(55.7)	-1.1%	(108.1)	(100.7)	7.4%
Interest on loans	(12.0)	(9.7)	23.2%	(24.8)	(9.7)	155.3%
Interests on Leases	(34.5)	(34.6)	-0.3%	(66.3)	(67.5)	-1.7%
Interest on taxes and contingencies	(3.5)	(6.6)	-47.5%	(7.1)	(12.4)	-43.2%
Other Financial Expenses	(5.2)	(4.8)	8.0%	(10.0)	(11.1)	-10.0%
Total Financial Revenue	70.9	14.9	377.3%	87.2	33.3	162.1%
Interests	68.7	13.5	407.1%	81.2	23.0	253.6%
Other Financial Revenue	2.2	1.3	69.9%	6.0	10.3	-41.6%
Net Financial Result	18.6	(41.2)	R\$59.8	(19.6)	(80.1)	-75.5%

In 2Q21, financial revenue was R\$ 18.6 million, mostly due to a non-recurring amount of R\$ 58.5 million due to the exclusion of ICMS from the basis for calculating PIS and COFINS in 2015 and 2017. If we exclude this the Company would have had financial expenses of R\$ 39.9 million in 2Q21.



Net Income

R\$ million except margin	2Q21	2Q20	Δ	6M21	6M20	Δ
Net Profit (Losses)	69.2	(192.1)	R\$261.3	(69.3)	(247.4)	-72.0%
Net Margin	5.9%	-65.2%	71.1p.p.	-3.6%	-19.5%	15.9p.p.

Net profit for the quarter was R\$ 69.2 million. Net margin was 5.9%. This was impacted by the non-recurring recognition of credits. If this is excluded the quarter would have seen a loss of R\$ 83.8 million.



Adjusted Free Cash Flow

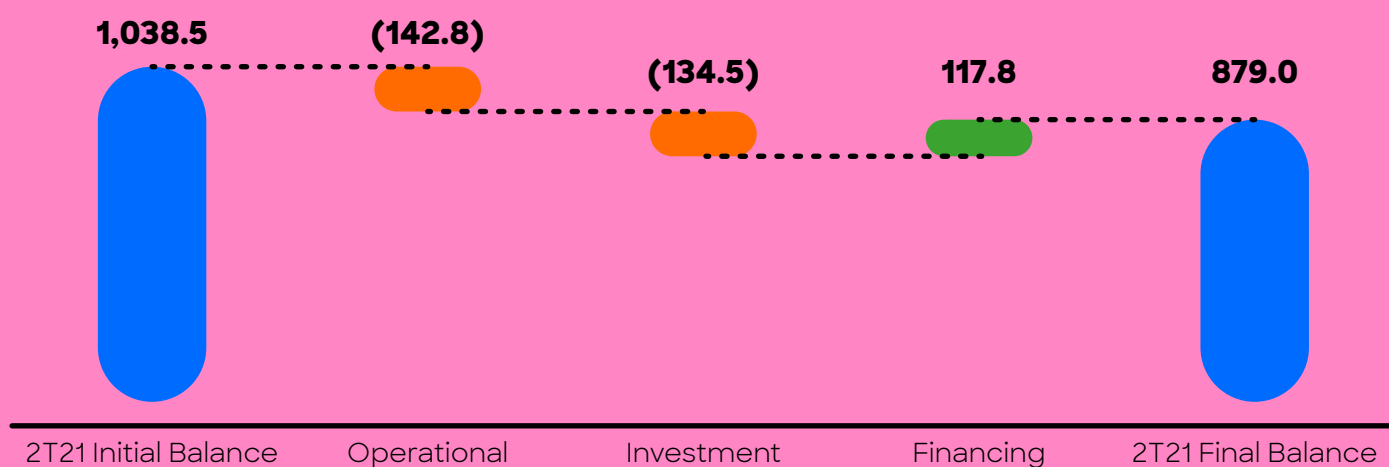


R\$ million	6M21	6M20	Δ
Pro forma (Loss) Income before Taxes	(81.4)	(344.2)	R\$262.8
Depreciation and Amortization	116.9	121.1	-3.5%
(+/-) Others	(178.5)	20.3	-R\$198.8
Non-cash Adjustment	(61.6)	141.4	-R\$203.0
Income tax and social contribution paid	(1.8)	(21.4)	-91.6%
Working Capital	(397.8)	(100.1)	297.4%
Trade Receivables	210.1	785.4	-73.2%
Inventories	(243.0)	(276.9)	-12.2%
Trade Payables	(320.9)	(392.7)	-18.3%
Others	(44.0)	(216.0)	-79.6%
Cash originated from operational activities	(542.6)	(324.3)	67.3%
(-) CAPEX	(207.1)	(76.5)	170.7%
(=) Adjusted Free Cash Flow	(749.7)	(400.8)	87.1%

In 1H21 C&A consumed R\$ 749.7 million in free cash. The main impact was working capital, with more cash used for suppliers and inventories due to the impact of the pandemic on sales early this quarter, as well as CAPEX.



Change in Cash Position - 2Q21



This quarter our operating activities consumed R\$ 142.8 million in cash due to the restrictions early in the quarter, which had a negative impact on sales.

Investments

R\$ million	2Q21	2Q20	△	6M21	6M20	△
Total Investments*	141.6	45.3	212.6%	212.2	78.8	169.3%
New Stores	15.3	7.1	115.5%	42.4	14.6	190.4%
Revamp	8.1	14.4	-43.8%	11.8	28.8	-59.0%
Supply Chain	30.9	2.1	1371.4%	45.2	4.2	976.2%
Digital	87.3	21.7	302.3%	112.8	31.2	261.5%

*The investment value corresponds to the investments acquired in the period, but not necessarily paid. The amount paid (cash outflow) is reported in the cash flow from investment activities

R\$ 141.6 million were invested this quarter, 212.6% more than in 2Q20. Most of our investment this quarter focused on digital and technology. This includes numerous projects, the most important of which are investments in our telecom infrastructure, investments in cloud applications and our new CRM service that will provide a unique vision of customer data.

Indebtedness

R\$ million	6M21	6M20	△
Gross Debt	1,349.3	1,205.2	12.0%
Short-term debt	69.1	375.9	-81.6%
Long-term debt	1,280.2	829.3	54.4%
(-) Cash and cash equivalents	879.0	1,259.0	-30.2%
(=) Net Cash (Debt)	(470.4)	53.8	-R\$524.2

C&A ended 2Q21 with a total gross debt of R\$ 1.35 billion and net debt of R\$ 470.4 million. The total debt has an average maturity of 3.12 years, and an average all-in cost of CDI + 1.98%. In the second quarter one of our CCBs (Bank Credit Certificates), in the amount of R\$ 362.5 million (principal + interest) matured. In May C&A issued its first simple, unsecured debentures in the amount of R\$ 500 million, maturing in 4 years and paying CDI+2.51%, amortized as follows:

Debt Amortization Schedule (R\$ million)

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



Capital Market

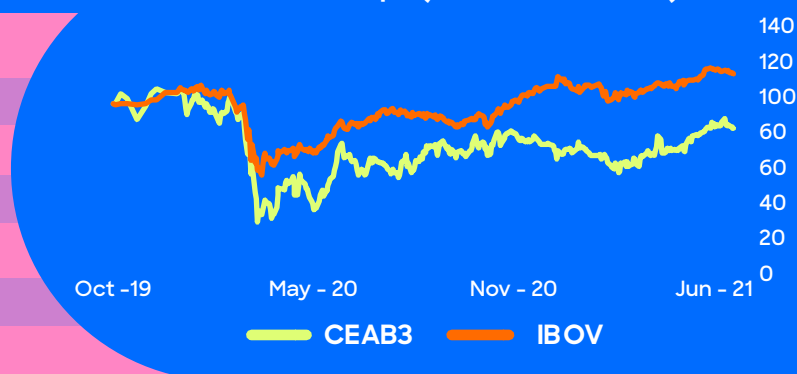
C&A joined the B3 "Novo Mercado" on 28 October 2019, at a starting share price of R\$ 16,50. The average daily volume traded in 2Q21 was R\$ 26.9 million, with a 21.9% increase in the value of the shares. On June 30, 2021 the company's market cap was R\$ 4.4 billion.

CEAB3*

Closing Price (06/30/2021)	R\$14.36
Higher price in 2Q21	R\$15.01
Lower price in 2Q21	R\$11.65
Appreciation/Depreciation in 2Q21	21.9%
Number of shares	308,245,068
Market Cap. (06/30/2021)	R\$4.4 billion
Average daily liquidity in 2Q21	R\$26.9 million

*Source: Infomoney, 06/30/2021

CEAB3 x Ibovespa (Oct/2019 - Actual)



The Company's capital stock is 308,245,068 common shares, with 34.5% free-float. The Company's free-float and its main shareholders on June 30, 2021 are described below:

Stockholding structure

Number of Shares (ON)

% of total

Controlling shareholder	201,319,336	65.3%
Verde Asset Management S.A.	15,888,100	5.2%
Management	531,097	0.17%
Others	90,506,535	29.4%
Total	308,245,068	100.0%



Attachments

Consolidated Statement of Financial Position

R\$ million	2021/06/30	2020/12/31
Total Assets	6,963.6	7,309.6
Current Assets	2,898.3	3,520.0
Cash and cash equivalents	879.0	1,509.2
Trade receivables	849.9	1,063.8
Derivatives	0.0	0.2
Related Parties	0.9	0.1
Inventories	862.4	641.0
Taxes recoverable	270.4	271.7
Income tax recoverable	3.9	10.9
Other assets	31.8	22.9
Noncurrent Assets	4,065.3	3,789.7
Long term Assets	1,519.4	1,313.0
Taxes recoverable	1,363.6	1,157.4
Deferred taxes	105.3	71.5
Judicial deposits	48.4	81.5
Related Parties	0.2	0.0
Other assets	1.8	2.7
Investment	689.5	667.2
Right-of-use assets	1,492.2	1,514.4
Intangible asset	364.3	295.0

R\$ million	2021/06/30	2020/12/31
Total liabilities and shareholder's equity	6,963.6	7,309.6
Current Liabilities	1,585.6	2,251.7
Lease liabilities	435.8	390.6
Loans	69.1	390.6
Trade payables	848.0	1,158.9
Derivatives	5.8	6.8
Labor Liabilities	129.5	136.1
Related Parties	22.2	34.8
Interest on shareholders' equity and dividends payable	0.0	0.0
Taxes Payable	42.1	107.0
Income Tax payable	0.5	0.3
Other liabilities	32.6	26.6
Noncurrent liabilities	2,788.2	2,403.1
Lease liabilities	1,225.0	1,264.2
Trade payables	20.5	24.8
Loans	1,280.2	820.7
Labor Liabilities	6.4	4.4
Labor, Civil, Security and Tax Provisions	194.4	230.1
Taxes payable	27.8	25.0
Other liabilities	33.9	33.9
Equity	2,589.8	2,654.8
Capital stock	1,847.2	1,847.2
Capital reserves	23.2	19.4
Accumulated profits (Losses)	(73.6)	-
Profit Reserve	796.9	792.6
Other comprehensive income (loss)	(3.8)	(4.3)

Consolidated Statement of Earnings

2Q21

R\$ million	2Q21	2Q20	Δ
Net Operational Revenue	1,175.6	294.5	299.2%
<i>Apparel</i>	951.3	194.3	389.6%
<i>Others-Fashiontronics</i>	182.7	80.8	126.0%
Revenue from Merchandise Sales	1,133.9	275.1	312.2%
Financial Services - Bradescard Partnership	37.7	15.9	137.2%
Other Revenue	4.0	3.5	13.7%
Cost of sales and services rendered	(627.2)	(151.2)	314.7%
Gross Profit	548.4	143.3	282.8%
<i>Apparel</i>	485.9	106.8	355.0%
<i>Others - Fashiontronics</i>	36.5	19.5	87.4%
Merchandise Gross Profit	522.3	126.3	313.7%
Financial Products - Bradescard Partnership	37.5	15.6	139.6%
Other Gross Profit	(11.4)	1.4	-R\$12.7
Operating (expenses) income	(462.7)	(387.7)	19.3%
General and Administrative expenses	(131.7)	(110.3)	19.4%
Selling expenses	(456.8)	(277.0)	64.9%
Other net operating income (expenses)	125.8	(0.4)	R\$126.2
Operating profit	85.7	(244.5)	R\$330.2
Net Finance Results	18.6	(41.2)	R\$59.8
Foreign exchange variation	2.9	(0.3)	R\$3.2
Total Finance Expenses	(55.1)	(55.7)	-1.1%
Interest on loans	(12.0)	(9.7)	23.2%
Interests on Leases	(34.5)	(34.6)	-0.3%
Interest on taxes and contingencies	(3.5)	(6.6)	-47.5%
Other Financial Expenses	(5.2)	(4.8)	8.0%
Total Financial Revenue	70.9	14.9	377.3%
Interests	68.7	13.5	407.1%
Other Financial Expenses	2.2	1.3	69.9%
Income before taxes	104.4	(285.6)	R\$390.0
Income taxes	(35.2)	93.6	-R\$128.7
Net Income (loss) for the period	69.2	(192.1)	R\$261.3
(+/-) Income Tax	35.2	(93.6)	R\$128.7
(+/-) Net Financial Result	(18.6)	41.2	-R\$59.8
(+/-) Depreciation and Amortization	138.0	129.6	6.5%
(=) EBITDA	223.7	(114.9)	R\$338.6
(+/-) Other net operating income (expenses)	47.6	11.6	310.8%
(+/-) Financial Income of Supplier	2.4	0.9	170.3%
(-) Tax Credit Recovery	(173.3)	(11.2)	1453.5%
(-) Commercial Lease Payments	(99.0)	(87.4)	13.2%
(=) Adjusted EBITDA	1.4	(201.0)	R\$202.4

Consolidated Statement of Earnings

6M21

R\$ million	6M21	6M20	Δ
Net Operational Revenue	1,951.7	1,271.3	53.5%
<i>Apparel</i>	1,516.8	908.0	67.0%
<i>Others-Fashiontronics</i>	325.5	272.6	19.4%
Revenue from Merchandise Sales	1,842.3	1,180.6	56.1%
Financial Services - Bradescard Partnership	100.2	84.1	19.1%
Other Revenue	9.2	6.7	37.7%
Cost of sales and services rendered	(1,052.2)	(651.8)	61.4%
Gross Profit	899.4	619.6	45.2%
<i>Apparel</i>	748.4	479.8	56.0%
<i>Others - Fashiontronics</i>	62.8	60.3	4.1%
Merchandise Gross Profit	811.2	540.2	50.2%
Financial Products - Bradescard Partnership	99.7	83.6	19.3%
Other Gross Profit	(11.4)	(4.2)	174.2%
Operating (expenses) income	(982.8)	(914.0)	7.5%
General and Administrative expenses	(209.8)	(219.6)	-4.5%
Selling expenses	(905.2)	(690.2)	31.2%
Other net operating income (expenses)	132.1	(4.2)	R\$136.4
Operating profit	(83.4)	(294.4)	-71.7%
Net Finance Results	(19.6)	(80.1)	-75.5%
Foreign exchange variation	1.3	(12.7)	R\$14.0
Total Finance Expenses	(108.1)	(100.7)	7.4%
Interest on loans	(24.8)	(9.7)	155.3%
Interests on Leases	(66.3)	(67.5)	-1.7%
Interest on taxes and contingencies	(7.1)	(12.4)	-43.2%
Other Financial Expenses	(10.0)	(11.1)	10.0%
Total Financial Revenue	87.2	33.3	162.1%
Interests	81.2	23.0	253.6%
Other Financial Expenses	6.0	10.3	-41.6%
Income before taxes	(103.0)	(374.6)	-72.5%
Income taxes	33.7	127.1	-73.5%
Net Income (loss) for the period	(69.3)	(247.4)	-72.0%
(+) Income Tax	(33.7)	(127.1)	-73.5%
(+/-) Net Financial Result	19.6	80.1	-75.5%
(+) Depreciation and Amortization	269.7	257.7	4.7%
(=) EBITDA	186.4	(36.7)	R\$223.1
(+/-) Other net operating income (expenses)	45.5	15.9	186.2%
(+) Financial Income of Supplier	6.0	9.5	-37.0%
(-) Tax Credit Recovery	(177.7)	(11.7)	1421.9%
(-) Commercial Lease Payments	(192.6)	(173.7)	10.9%
(=) Adjusted EBITDA	(132.4)	(196.8)	-32.7%

Consolidated Cash Flow



R\$ million	6M21	6M20
Operating Activities		
Loss before income tax	(103.0)	(374.6)
(+)Adjustments to reconcile income taxes to net cash flow:	176.5	362.5
Allowance for (reversal of) expected credit losses	2.7	(2.1)
Adjustment to present value of accounts receivables and suppliers	0.1	(3.2)
Expenses with stock-based compensation	3.8	2.9
Provisions for inventory losses	21.6	11.3
Gains from tax proceedings	(243.6)	(11.5)
Depreciation and amortization	116.9	121.1
Impairment reversal of property and equipment, intangible and right-of-use assets	0.1	3.9
Losses on sale or disposal of property and equipment and intangible assets	4.4	4.5
Depreciation of right-of-use	167.8	150.3
Interest on leases	70.4	70.8
Interest on loans	24.8	9.7
Amortization transaction costs on loans	1.3	0.4
Provisions (reversals) for tax, civil and labor proceedings	6.8	5.3
Judicial deposits	(0.7)	(0.9)
Working capital adjustments:	(399.6)	(121.5)
Trade receivables	210.1	785.4
Related parties	(13.5)	(32.0)
Inventories	(243.0)	(276.9)
Taxes recoverable	45.7	(1.4)
Other assets	(8.2)	(14.3)
Judicial deposits	3.3	(0.4)
Trade Payables	(320.9)	(392.7)
Labor liabilities	(4.7)	8.5
Other liabilities	5.9	19.7
Provisions for tax, civil and labor proceedings	(12.0)	(8.1)
Taxes payable	(60.5)	(187.9)
Income tax paid	(1.8)	(21.4)
(=)Net cash flows from operating activities	(326.1)	(133.5)
(+)Investment Activities	(207.1)	(76.5)
Purchase of property and equipment	(102.5)	(76.6)
Purchase of intangible assets	(104.6)	0.0
Receivables from the sale of property and equipment	0.1	0.1
Cash flow used in investment activities	(207.1)	(76.5)
(+)Financing Activities	(98.1)	1,022.0
New Loan/ Debentures issuance	500.0	1,200.0
Loan/Debentures transaction costs	(3.7)	(5.0)
Payment of loans	(362.5)	0.0
Interest paid on loans	(21.9)	0.0
Repayments and interest paid on leases	(209.0)	(173.0)
Interest on shareholder's equity paid	(1.0)	0.0
Net cash flows obtained from (used in) financing activities	(630.2)	811.9
(=)Increase (Decrease) in cash and cash equivalents	(630.2)	811.9
Cash and cash equivalents at the beginning of the period	1,509.2	447.1
Cash and cash equivalents at the end of the period	879.0	1,259.0



Glossary of Terms

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

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

Click and Collect: 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.

Hunting and Farming: Prospecting and maintaining partner sellers for our marketplace.

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.

HUB stores: B&M stores in privileged locations that work as hubs to ship goods to customers.

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.

Onboarding: System, product and process integration.

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: transforming 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 collect).

Supply: Supply chain

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

WMS: 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 March 31, 2021 there were 297 stores in operation, with a total sales area of around 562 thousand square meters, plus its e-commerce. 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 14 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. On 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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