
C&A
muito eu
earnings
2Q22

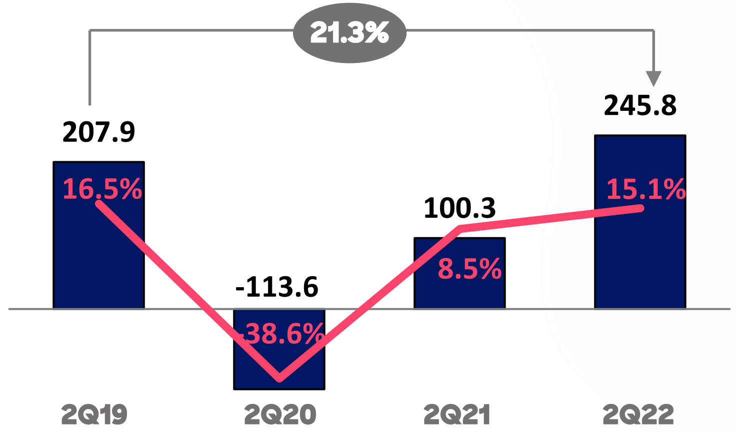
2Q22 Highlights

The operation recovered in the quarter, with almost no residual impact from the pandemic

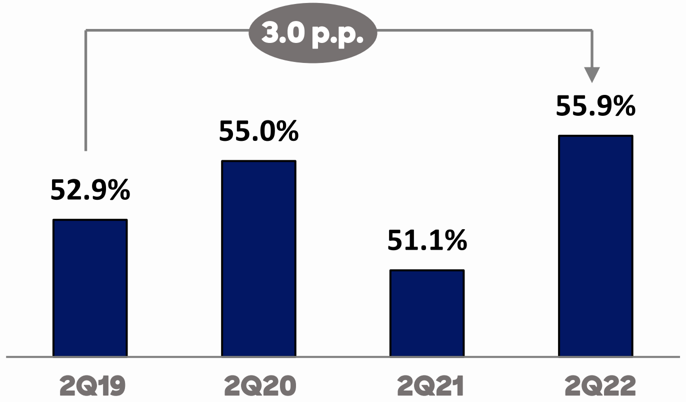
- **Gross Margin from Merchandise: +50% -** Highlight to apparel performance
- **Apparel**: **Sales** ~ **39%** over 2Q19 and **Gross Margin** of **55.9% -> Winter** and **collections** stand out
- Digital gross revenue: **R$ 300.7 million -> 14%** of total sales
- **Adjusted EBITDA* (post-IFRS 16)** above **pre-pandemic levels**

Adjusted EBITDA* (post-IFRS 16) and Margin

(R$ million and %)



Apparel Gross Margin



* Adjusted EBITDA aims to show the information that best reflects gross operating cash generation from our activities. EBITDA considers the impact of the payment of leases, as per accounting standard IFRS16, and is adjusted: (i) for other net operating revenue (expenses); (ii) supplier financial revenue; and (iii) recovered tax credits

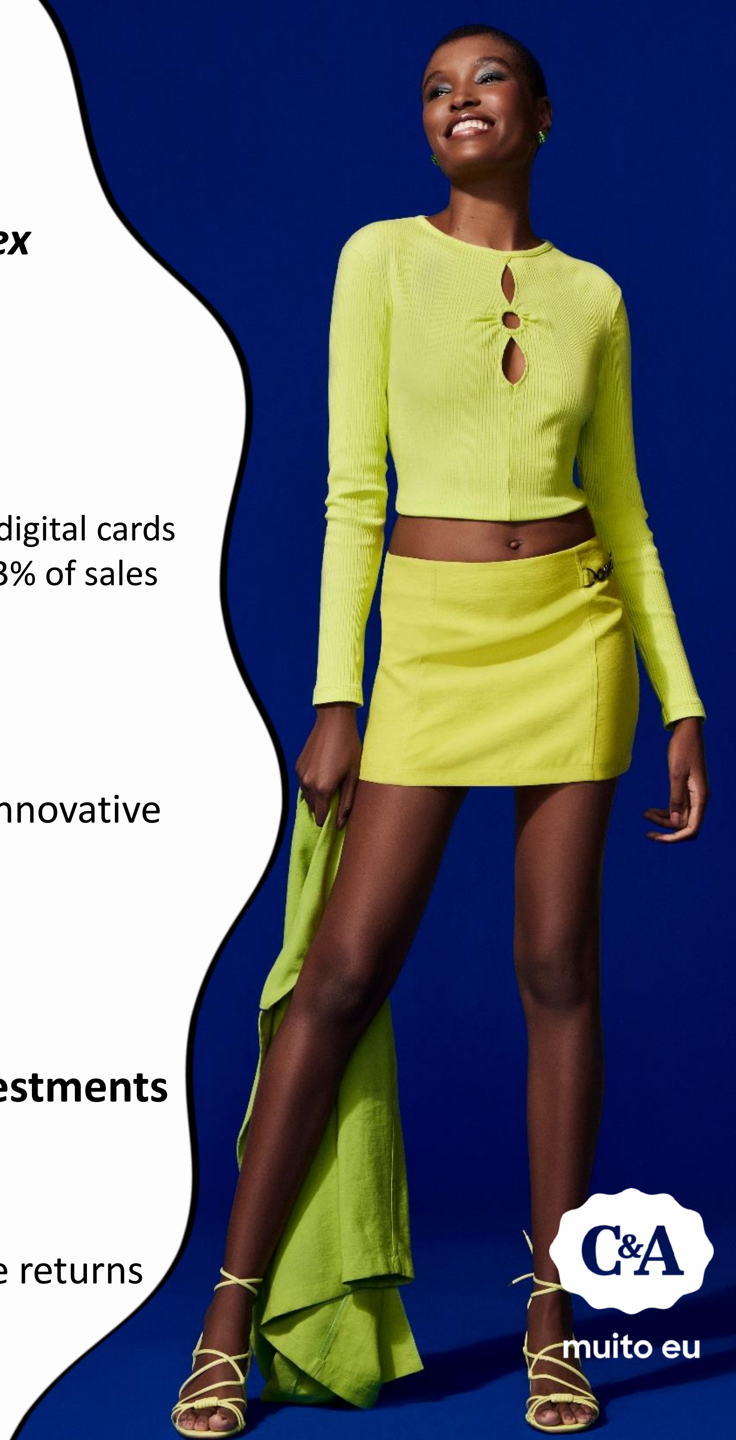
Positioning

Cautiously optimistic with a much stronger and recognized operation in a more complex macroeconomic scenario

- **Stronger operation** across all levers compared to 2T19
  - +47 stores Omnichannel Initiatives
  - 11.5 pp increase in digital as a percent of sales
  - Push-pull and new e-Commerce DC
  - Over 1.5 million digital cards accounting for 13% of sales

- **C&A Fashion Tech** recognized:
  - The only fashion retailer on the list of **Innovative Workplaces** - the 20 most innovative companies in Brazil according to MIT Technology Review Brasil
  - Ranked **# 2 in the Retail Fashion Category by Merco ESG Responsibility**

- The **expectation of interest rates** for a longer period led to a **review of the company's investments** and further discipline when it comes to expenses**:**
  - Slower store **expansions** – ~15 gross store openings
  - The scope of the **digital transformation** projects was reviewed to focus on those with immediate returns
  - Adjustments in the pace of implementation of some of the **supply** projects



Growth Levers - 2Q22

Investments in our levers have started to bring in benefits to the business, with greater growth due to new stores, C&A pay, improved products/collections, and higher gross margins supported by dynamic pricing (digital transformation), and the start of push-pull (supply)

New stores and formats:

- **10** new stores opened in 2Q22
- **1 new** double-door **ACE** store – Shopping Anália Franco
- A total of **329** stores at the end of 2Q22

Modernized Supply Chain operating model:

Store Distribution

- **Push-Pull:** 25 p.p. drop in average stockouts for products within the project scope
- **RFID:** 100% of apparel using RFID in 264 stores

Customer Deliveries

- Over 70% D+1 deliveries in São Paulo
- Over 50% D+2 deliveries across Brazil

Digital Transformation:

- **Focus on increasing profitability:**

✓ Consolidated **WhatsApp sales** - the best gross margin (store inventory) with no shipping expenses, as most customers pick up in stores, larger tickets with more items and cross selling in store

✓ **More efficient CSC** and reduced shipping costs - 9 p.p. drop as percent digital net revenue

Increased credit offering

- **1.5 million** digital cards in **June 2022**
- **Average credit limit** cautiously **increased to ~R$ 790** as a function of customer behavior
- **~35% approval rate**

Evolution in our Products

Continuous focus on product development / relevant collections and customer attractions

- More focused and frequent **Collabs** Mindse7 + DoD, Surreal e ACE+KVRA

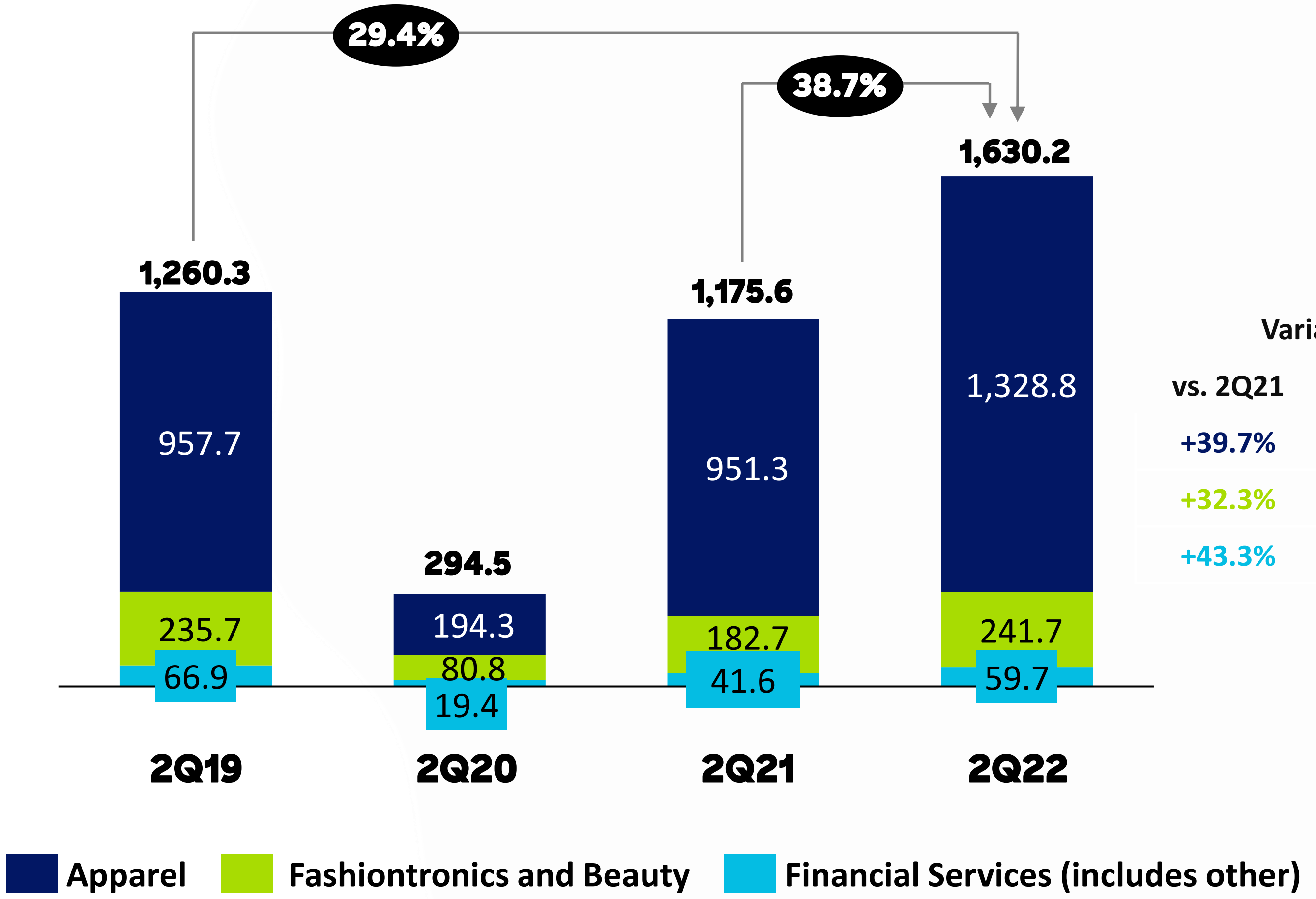
- Aligned **campaigns** for **events**

- Relevant **products** in the **winter** collection: knits, puffer-jackets, sherpa

- Launched the proprietary beauty products brand - **Bel&za**

Net Operating Revenue
(R$ million)

Significant recovery due to apparel, winter and collections



Variation

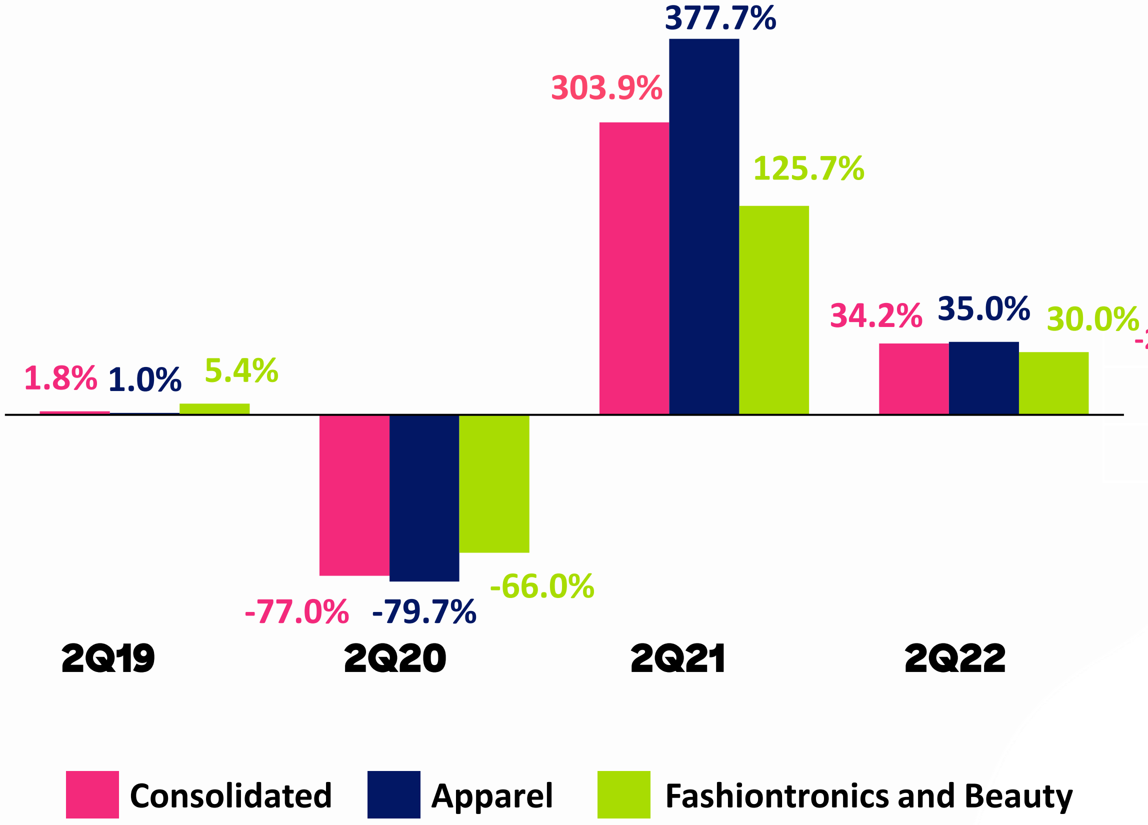
vs. 2Q21	vs.2Q19
+39.7%	+38.8%
+32.3%	+2.5%
+43.3%	-10.8%

C&A muito eu

Same Store Sales (SSS)

(%)

Indicator show a more normal scenario, although the baseline is still impacted by the pandemic

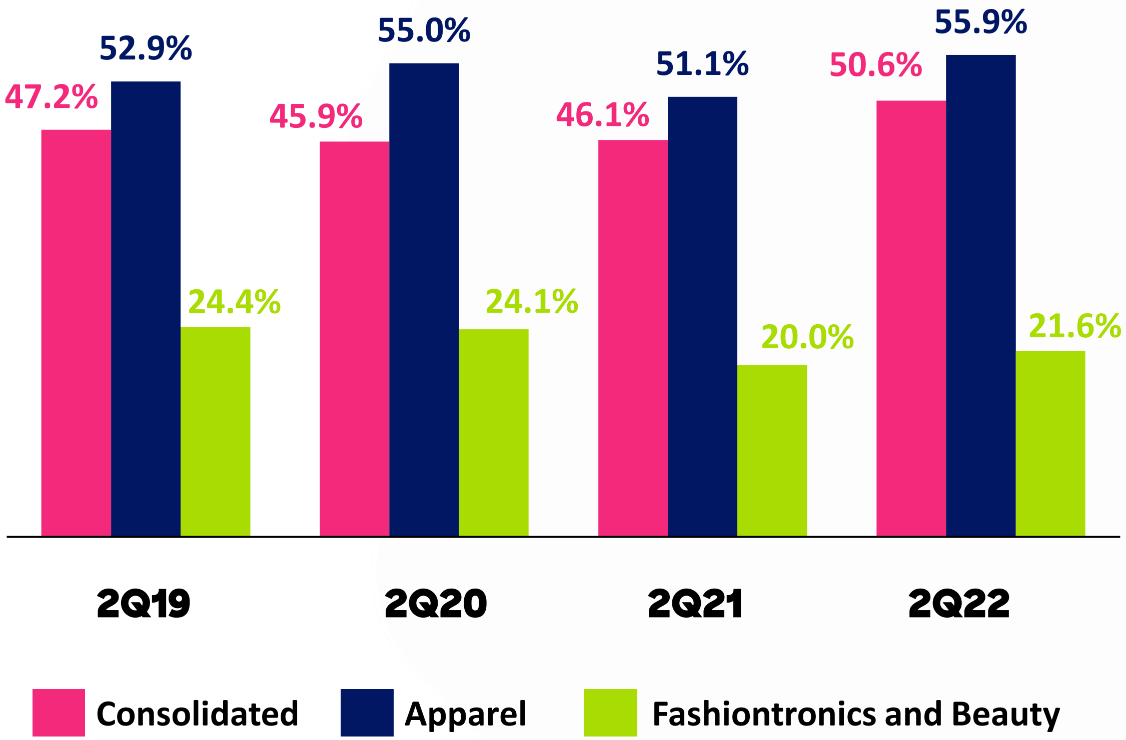


Variation

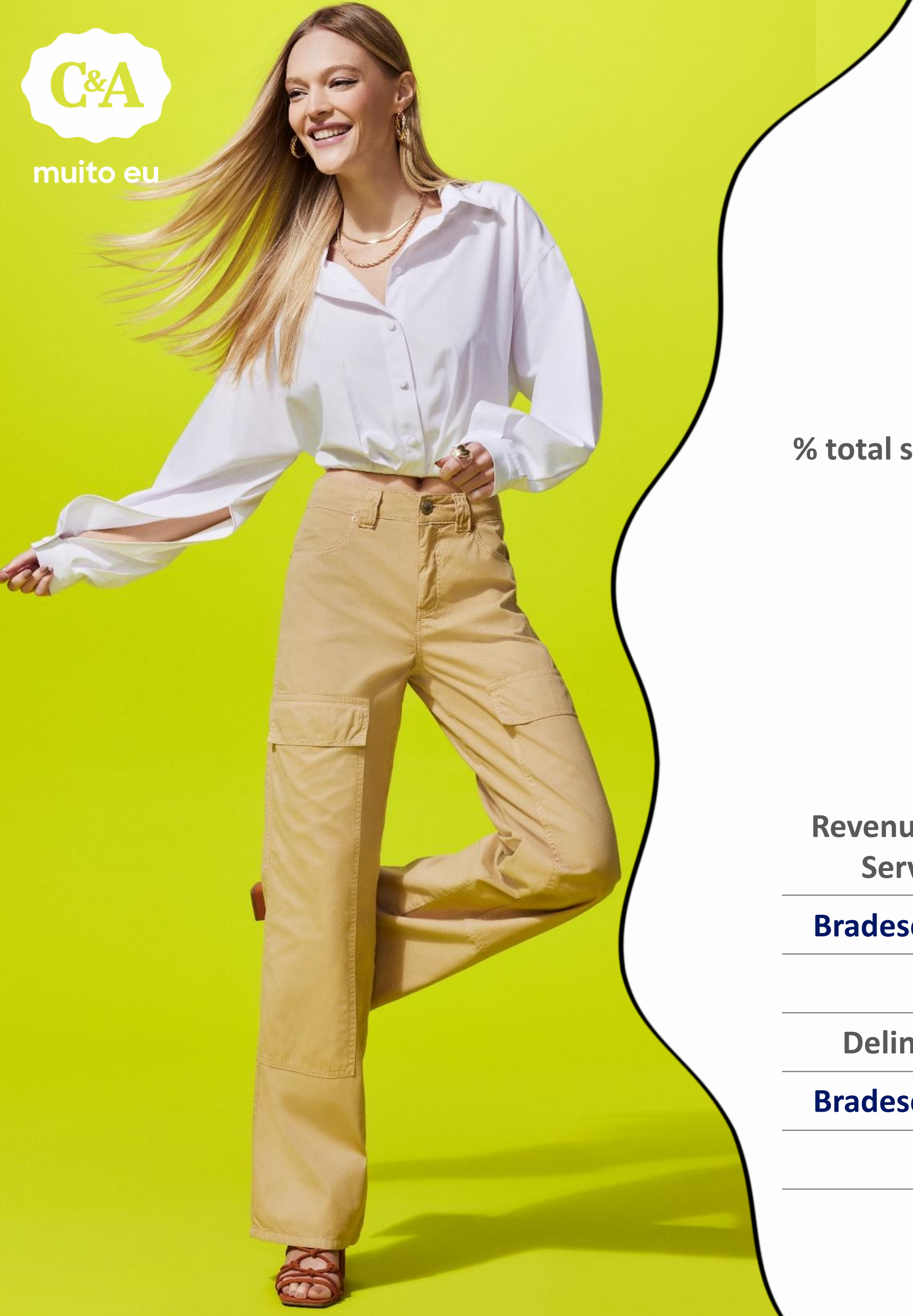
vs. 2Q21	vs. 2Q21	vs. 2Q21
-269.7 p.p.	-342.7 p.p.	-95.7 p.p.
vs.2Q19	vs.2Q19	vs.2Q19
32.4 p.p.	34,0 p.p.	24.6 p.p.

Gross Margin From Merchandise
(%)

Gross Margin From Merchandise above 50% with winter collection sold at full price and evolution in managing our pricing processes



	Variation	
vs. 2Q21	vs. 2Q21	vs. 2Q21
4.5 p.p.	4.8 p.p.	1.6 p.p.
vs.2Q19	vs.2Q19	vs.2Q19
3.4 p.p.	3.0 p.p.	-2.8 p.p.

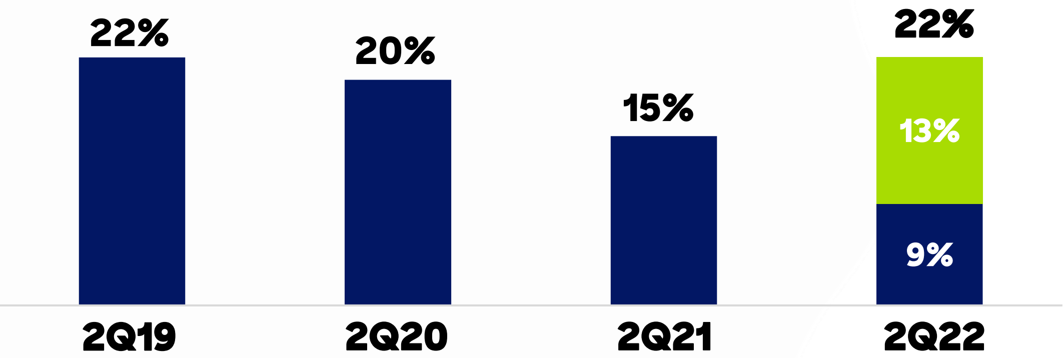


Financial Services

(R$ million and %)

C&A Pay is already a relevant share of sales, with delinquency rate reaching business maturity

% total sales



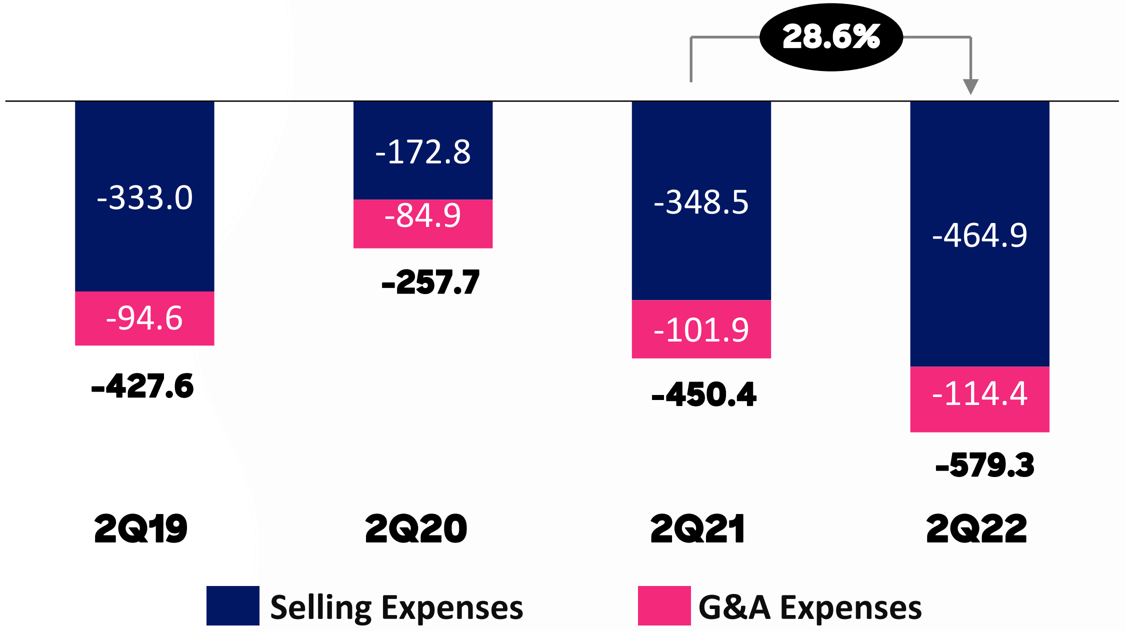
	2Q19	2Q20	2Q21	2Q22
Revenue from Financial Services (R$ million)	61.0	15.9	37.7	54.8
Bradescard Partnership	61.0	15.9	37.7	26.4
C&A pay	-	-	-	28.4
Delinquency Rate (%)				
Bradescard Partnership	8.3%	21.7%	10.2%	13.5%
C&A pay	-	-	-	19.4%

Bradescard Partnership   C&A pay

Operating Expenses[1]

(R$ million)

% SG&A expenses/Total Net Revenue is approaching pre-pandemic levels, with operational leverage despite inflation and growth



Excludes Other Operating Revenue (Expenses)

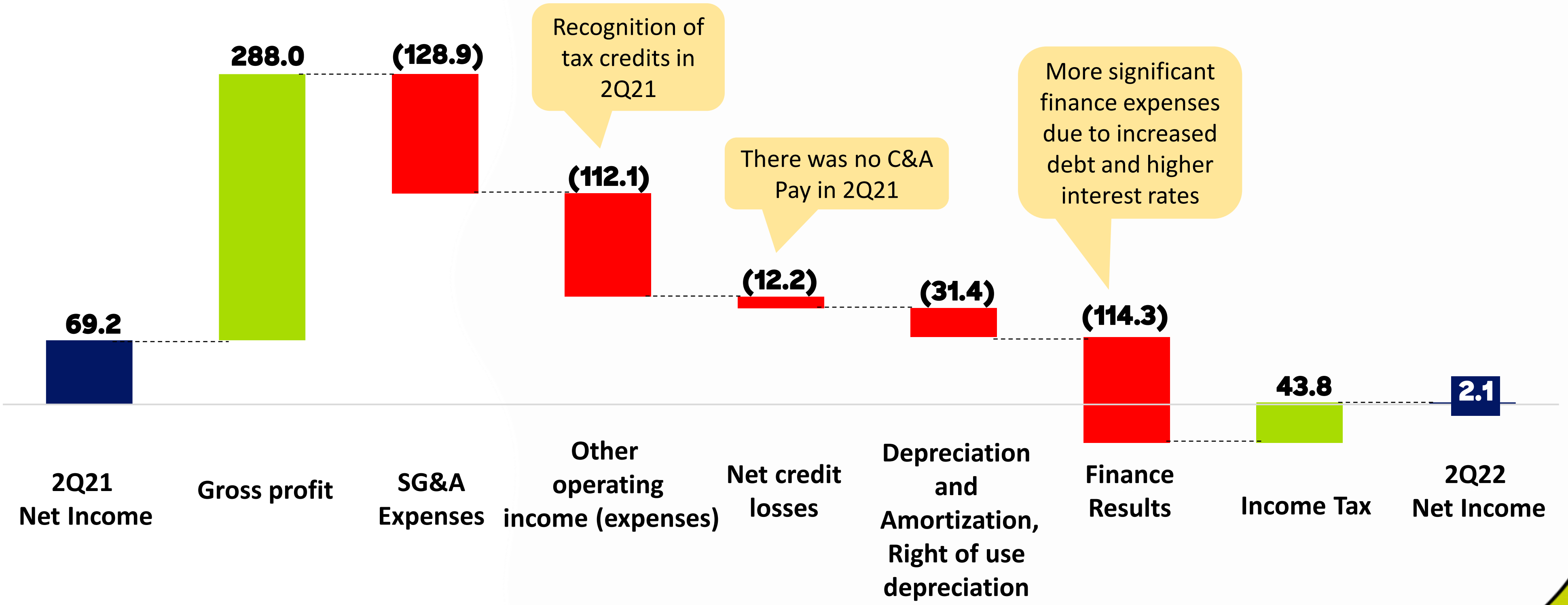
variation vs. 2Q21
33.4%
12.3%

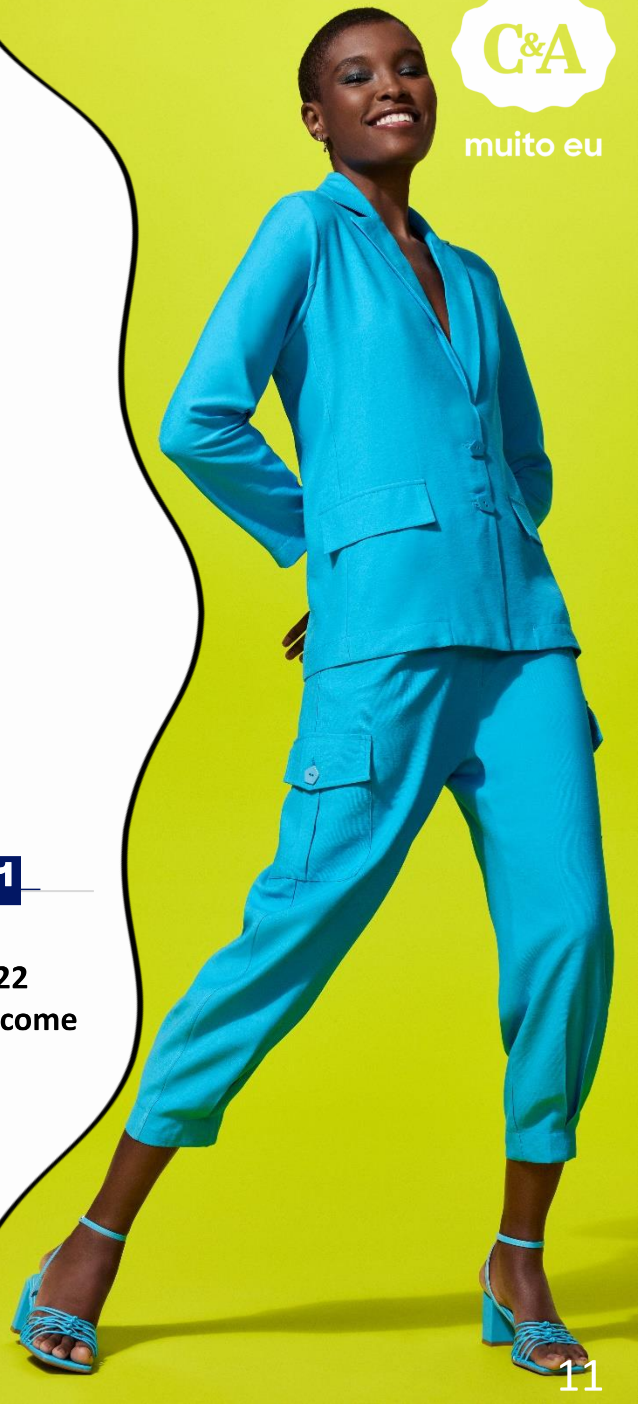
2Q19	2Q20	2Q21	2Q22	
33.9%	87.5%	38.3%	35.5%	% SG&A Expenses / Total Net Revenue

1- Expenses include the payment of leases, as per accounting standard IFRS16. Excludes depreciation and amortization, including right-of-use (lease) depreciation to facilitate the analysis.

Net Income
(R$ million)

Variation in net income impacted by a number of non-recurring effects, but clear impact of operational recovery

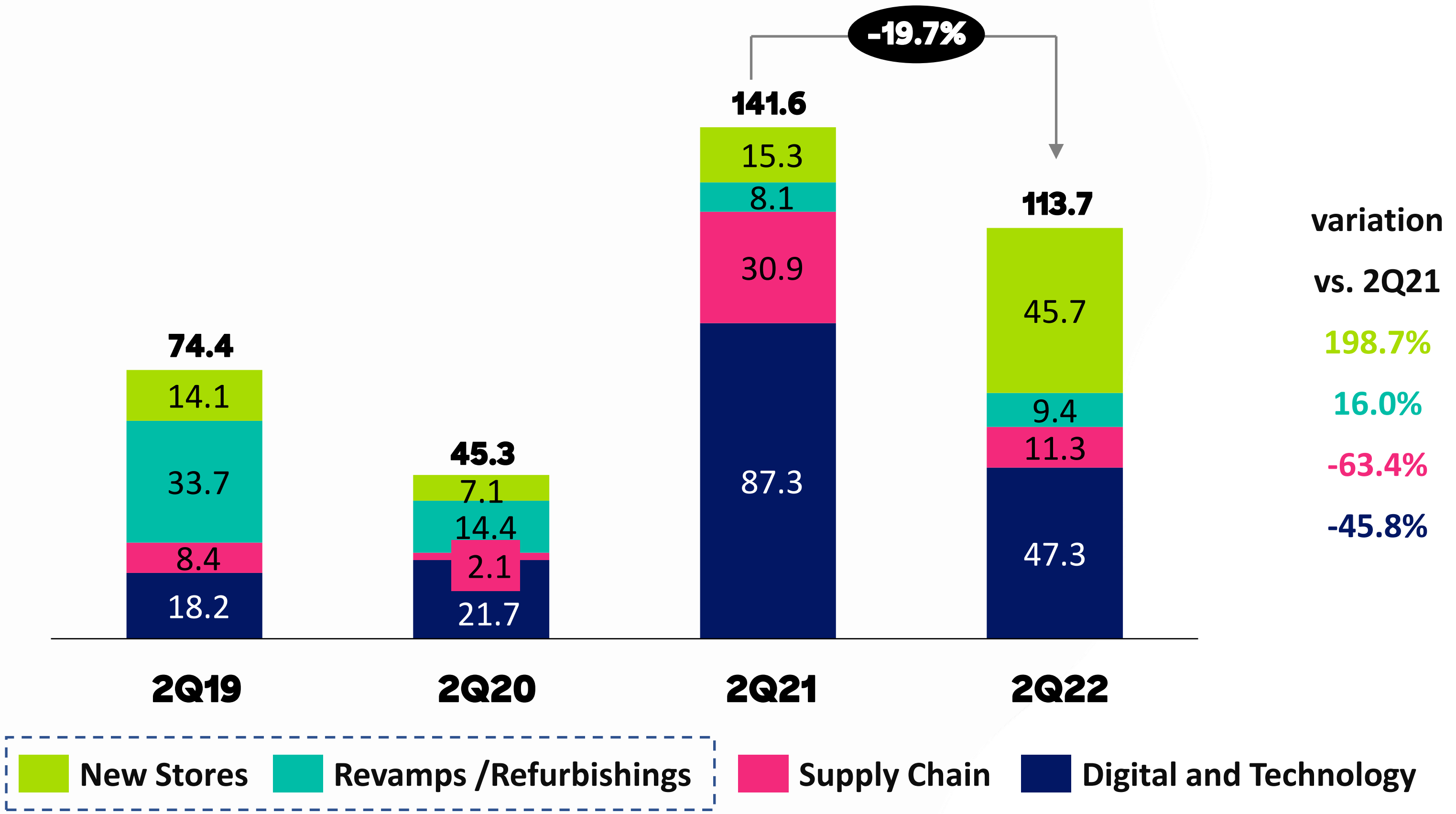




Investments

(R$ million)

Expansion plan and digital transformation levers were the focus of our investments



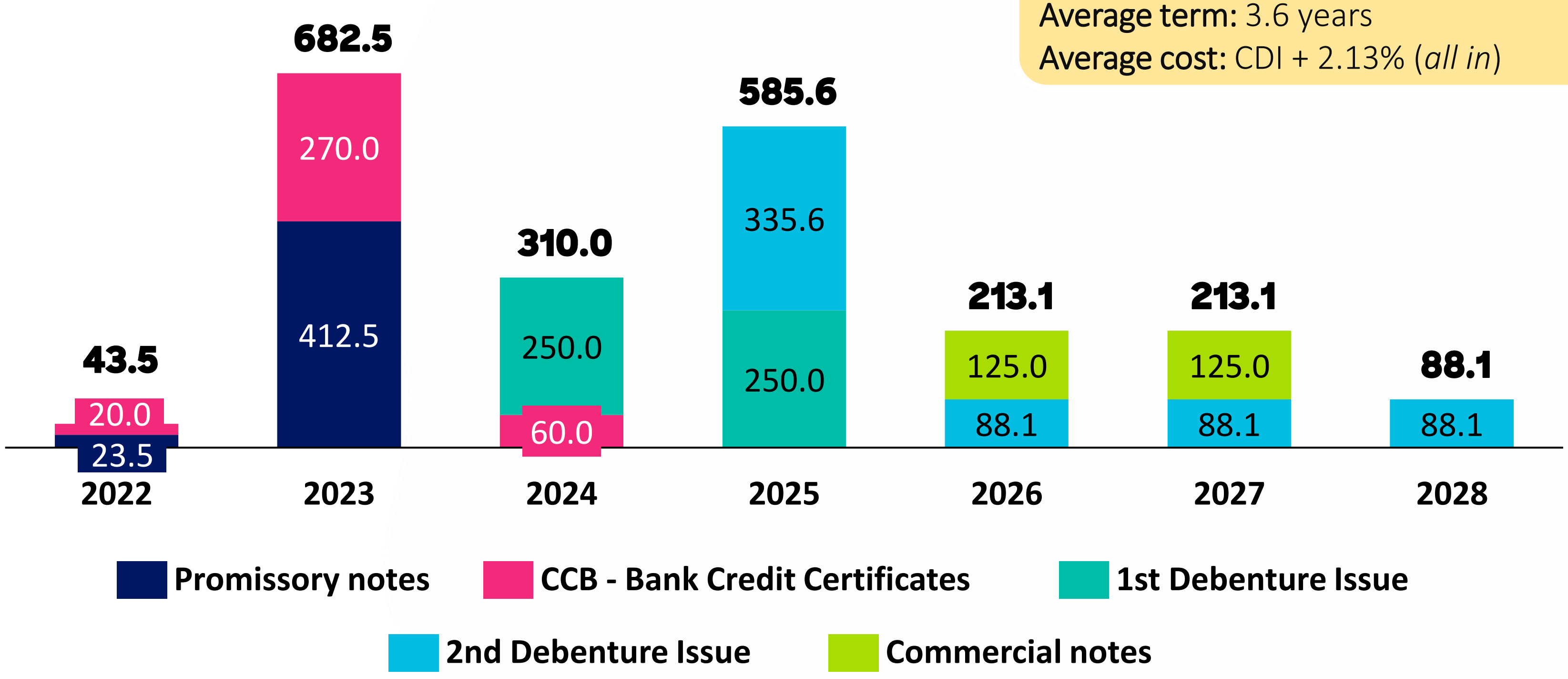
Indebtedness

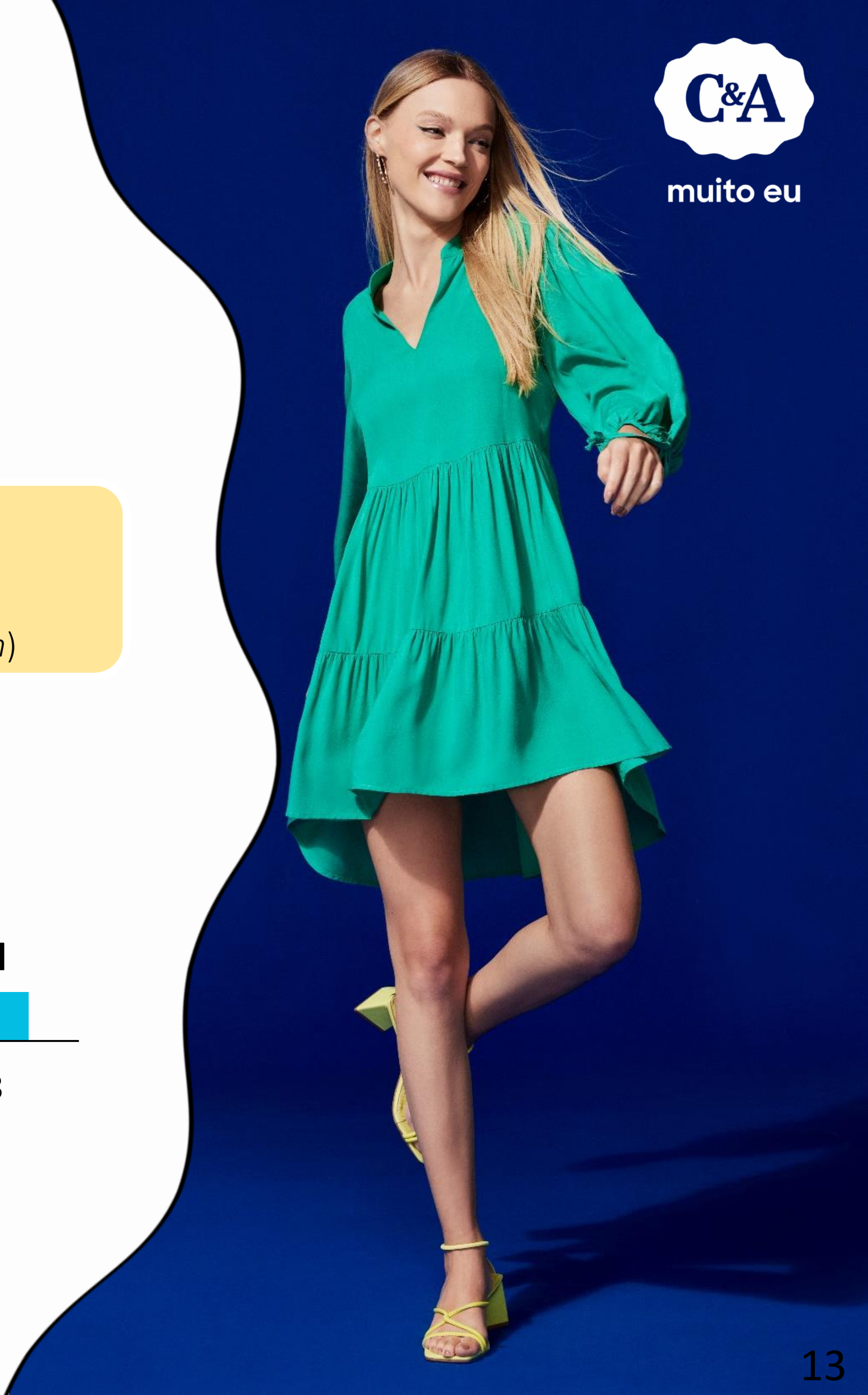
Longer debt terms with 1H22 loans

Debt Amortization Schedule

(R$ million)

Net debt: 1.2 billion
Total Debt: 2.3 billion
Average term: 3.6 years
Average cost: CDI + 2.13% (*all in*)

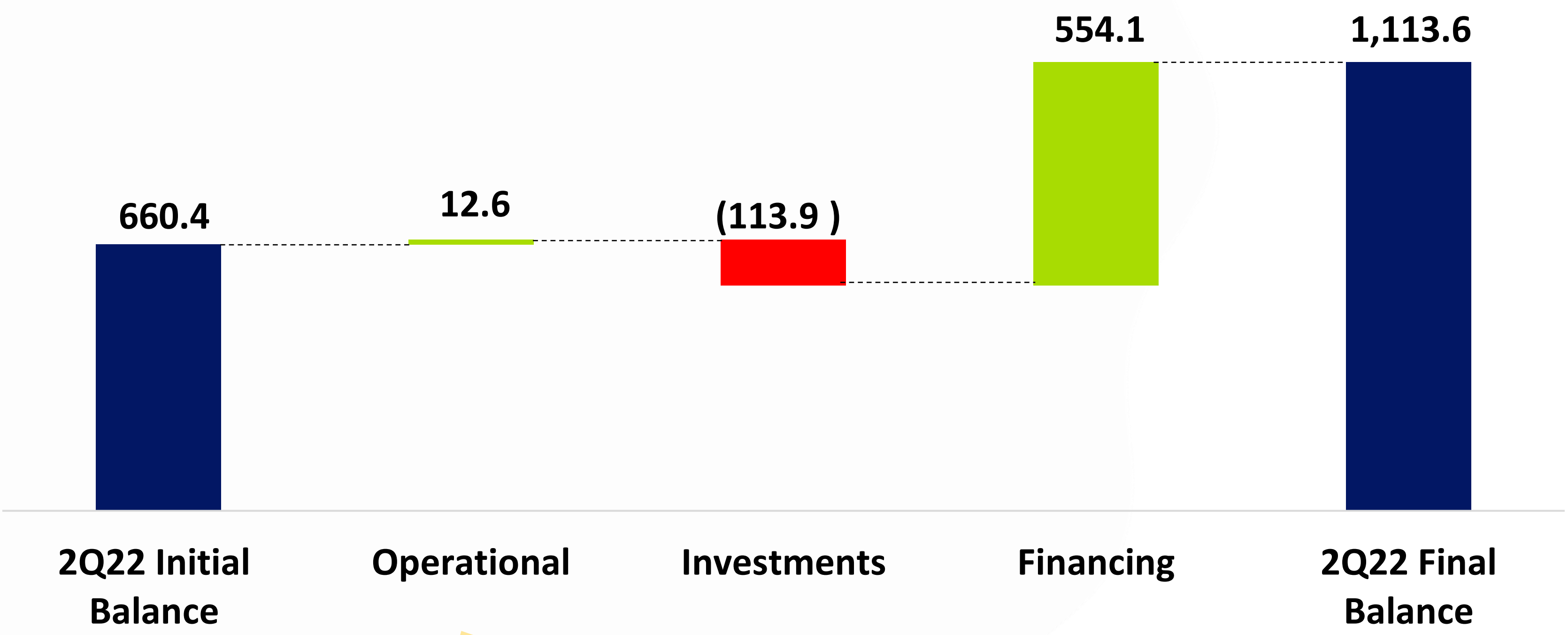




Changes in Cash Position – 2Q22

(R$ million)

Over R$ 1 billion in cash at the close of the quarter



Operating Cash was positively impacted by offsetting **R$ 67.6 million** in tax credits

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