



C&A

1Q23 Earnings Release

Results Videoconference:

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Strong start to the year with sharp increase in Adjusted EBITDA and a 3 p.p. increase in gross margin in 1Q23

HIGHLIGHTS

- 3.6% increase in total net revenue compared to 1Q22
- Apparel net revenue up 6.1% over 1Q22
- Total same store sales increased 1.3% and apparel same store sales increased 4.3% compared to 1Q22
- Gross Merchandise Margin was 48.1%, a 3.1 p.p. increase over 1Q22
- Operating expenses dropped 12.5% compared to 1Q22
- Adjusted EBITDA post IFRS16 was R\$ 76.9 million, compared to R\$ 0.1 million in 1Q22
- Over 400,000 new C&A Pay cards were issued in the quarter, for a total of almost 3 million, with conservative risk management focusing on sustainability
- Disciplined Capex, with investments of R\$ 49.8 million in the quarter, 10.3% less than in 1Q22
- R\$ 1.5 billion cash position at the end of 1Q23, maintaining initiatives adopted in 2022 to improve working capital

Indicators (R\$ million)	1Q23	1Q22	Δ
Net Revenue	1,240.6	1,197.0	3.6%
Net Revenue from Merchandise	1,157.3	1,125.1	2.9%
Same Store Sales (SSS) ¹ (%)	1.3%	53.5%	-52.2p.p.
Digital Gross Revenue (GMV ² 1P+3P)	328.6	208.4	57.7%
Total Gross Margin (%)	50.3%	47.4%	2.9 p.p.
Gross Merchandise Margin (%)	48.1%	45.0%	3.1 p.p.
Operating Expenses ³	(499.1)	(570.3)	-12.5%
Adjusted EBITDA (after-IFRS16) ⁴	76.9	0.1	76800.0%
Adjusted EBITDA margin (after-IFRS16) (%)	6.2%	0.0%	6,2p.p.
Net profit (loss)	(126.3)	(152.7)	-17.3%
Investments	49.8	55.5	-10.3%

(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 and deliveries (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, includes 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 turned in a solid start to the year, even while operating in a challenging environment marked by weak consumption, constrained purchasing power and heightened competition, notably from cross-border e-commerce players. Sales increased 3.6% in the first quarter, with apparel sales growing by a stronger 6.1%, offsetting a weak performance in Fashiontronics due to constrained discretionary spending. Gross margin improved 3.1 percentage points, boosted by our strategic levers. Efforts to manage costs and expenses also bore fruit, with operating expenses dropping 12.5%. This resulted in a significant advance in Adjusted EBITDA, with margin growing 620 basis points to 6.2%.

This robust performance attests to the solid execution of our strategic drivers. We remained focused on the strategy of transforming C&A Fashion Tech, investing in the four levers that have sustained us in recent years and that now represent a significant share of our results. The main highlight this quarter was continued growth of our WhatsApp sales, which are now at the core of our customer relations via direct sales or at the stores, providing assisted sales and increased conversion, in addition to higher tickets and more frequent purchases. Multichannel sales continue to grow, with omnichannel customers spending some 2.5 times more than other customers, confirming the accuracy of our pursuit for proximity. Our gross margin benefitted from the investments we made in developing our dynamic pricing algorithm and in our supply chain to switch our distribution model to push-pull. Finally, C&A Pay continues its ramp-up and now counts almost 3 million cardholders who can buy in our stores and benefit from data-based personalized credit offerings.

Our results also reflect our continued financial discipline. Continuing our practice of protecting cash, we limited investments to R\$ 49.8 million in the quarter, focusing on priorities and opening no new stores. We have also maintained a cautious stance on granting of credit. In a quarter in which business seasonality meant increased cash consumption to pay for purchases made in 4Q22 as well as winter inventory, we ended the quarter with R\$ 1.5 billion in cash and net debt of R\$ 766.7 million.

C&A continues to evolve its customer value proposition. In the first quarter of 2023, we notably acted on store segmentation to meet the specific needs of the communities they serve. In today's challenging environment, we increasingly need to focus on the perceived value of our apparel offering, improving customer engagement and communication and offering an experience that will capture their loyalty.

We know we will face continued challenges in the second quarter, but we remain focused on protecting our cash position and improving our offer to customers. By doing this, we are positioning C&A to accelerate its growth when macroeconomic conditions improve, creating value for our stakeholders.

The Management of C&A Modas S.A.

Financial Performance

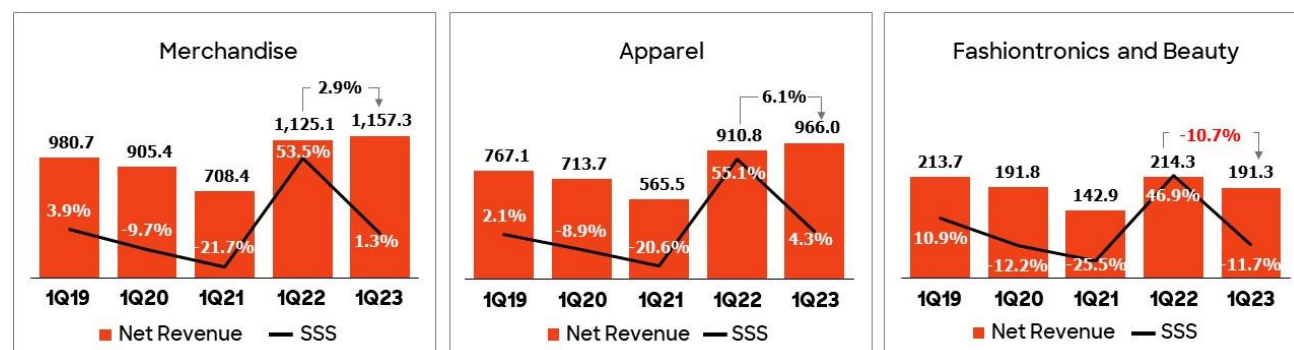
Net Revenue

In the first quarter, net revenue was R\$ 1,240.6 million, 3.6% higher than in 1Q22. Net revenue from retail was R\$ 1,161.4 million, 2.7% higher than in the previous quarter, accounting for 93.6% of total revenue. Revenue from financial services was R\$ 79.2 million, up 19.5%.

R\$ million	1Q23	1Q22	Δ
Retail Net Revenue	1,161.4	1,130.7	2.7%
Goods	1,157.3	1,125.1	2.9%
Other revenue	4.1	5.6	-26.8%
Financial Services	79.2	66.3	19.5%
Total Net Revenue	1,240.6	1,197.0	3.6%

Retail Net Revenue

Net revenue from retail is net revenue from merchandise and other revenue, primarily telephony operator commissions, seller commissions, and shipping revenue from our omni sales.



Net Revenue from Merchandise

Net revenue from merchandise was 2.9% higher, or R\$ 1,157.3 million. This increase was primarily the result of a good performance in apparel.

Same-store sales increased 1.3% in 1Q23.

Apparel

In 1Q23, apparel revenue increased 6.1%, and SSS 4.3%. Apparel performance was impacted by the success of our collections, despite lower traffic, especially in February due to Carnival.

Fashiontronics and Beauty

This category is primarily comprised of cell phones and smartphones, and by beauty goods and watches. Beauty products already account for 15% of the category, although they were only introduced in late 2019, and the company is focused on improving their profitability.

Net Revenue was down 10.7% compared to 1Q22, and SSS dropped 11.7%. Demand for smartphones and cell phones remains low in Brazil's weak consumption environment.

Omnichannel

R\$ million	1Q23	1Q22	Δ
Total Gross Omnichannel Revenue (GMV¹ 1P+3P)	328.6	208.4	57.7%
Omnichannel Net Revenue	240.9	157.7	52.8%
% Net Revenue from Digital / Total Merchandise Revenue	20.8%	14.0%	6.8 p.p.

Our Omnichannel Gross Revenue, or online GMV, which includes sales via our website, app, direct sales (including WhatsApp), and marketplace *sellers* sales increased 57.7% in the quarter, to R\$ 328.6 million.

Omni net revenue in 1Q23 was R\$ 240.9 million, a 52.8% growth. They accounted for 20.8% of total sales.

Other revenue

Other revenue reduced 26.8% in 1Q23, to R\$ 4.1 million, mostly due to a decrease in cell phone and smartphone sales, and thus a decrease in the commission from sim-card activation.

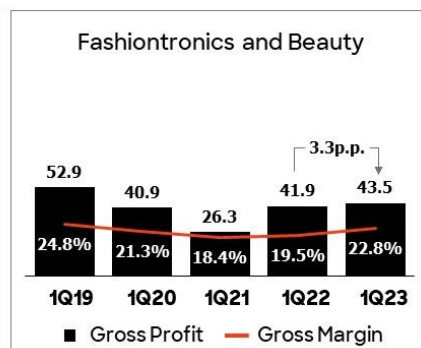
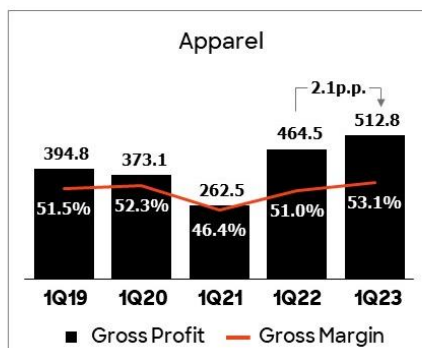
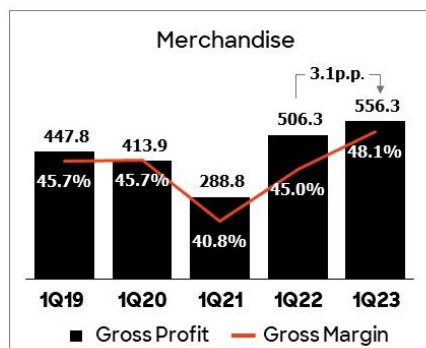
Net Revenue from Financial Products and Services

Revenue from financial services in the quarter amounted to R\$ 79.2 million, a 19.5% increase, primarily due to the growth of C&A Pay operations.

Gross Profit and Margin

R\$ million	1Q23	1Q22	Δ
Retail Gross Profit	545.7	501.2	8.9%
Gross Profit from Merchandise	556.3	506.3	9.9%
Other Gross Profit	(10.6)	(5.1)	107.8%
Gross Profit from Financial Services	78.8	66.2	19.0%
Total Gross Profit	624.5	567.4	10.1%
%	1Q23	1Q22	Δ
Retail Gross Margin	47.0%	44.3%	2.7 p.p.
Consolidated Gross Margin	50.3%	47.4%	2.9 p.p.

Gross profit in 1Q23 amounted to R\$ 624.5 million, 10.1% over 1Q22. Total gross margin in the quarter was 50.3%, 2.9 p.p. higher, primarily due to better margins in all business lines.



Gross Margin From Merchandise

Gross margin from merchandise was 48.1%, 3.1 p.p. more than in 1Q22. This is the result of improved margins in *fashiontronics* and beauty, and apparel.

Gross margin from apparel was 53.1%, a 2.1 p.p. increase due to the continued use of dynamic pricing and the benefits of push-pull distribution for our higher turnover goods.

Gross margin from Fashiontronics and Beauty this quarter was 22.8%, a 3.3 p.p. improvement. In addition to the baseline for 1Q22 being below normal, the increase due to higher beauty sales, which have better margins and, therefore, benefit the consolidated, but also due to better negotiations with cell phone suppliers, which ended up having a positive impact on costs.

Operating expenses

R\$ million	1Q23	1Q22	Δ
Selling Expenses	(393.3)	(446.5)	-11.9%
General and administrative expenses	(111.5)	(122.3)	-8.8%
Total Selling and G&A Expenses¹	(504.7)	(568.9)	-11.3%
Other operating revenue (expenses)	5.6	(1.4)	-500.0%
Operating Expenses¹	(499.1)	(570.3)	-12.5%
%	1Q23	1Q22	Δ
Selling Expenses / Total Net Revenue	31.7%	37.3%	-5,6p.p.
G&A Expenses / Total Net Revenue	9.0%	10.2%	-1.2 p.p.
Selling Expenses and G&A/Total Net Revenue	40.7%	47.5%	-6.8 p.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) and net credit provisions to facilitate the analysis.

Operating expenses in the first quarter, excluding depreciation and net credit losses, amounted to R\$ 499.1 million, 12.5% less than in 1Q22, primarily due to lower selling expenses.

Sales expenses were down 11.9% to R\$ 393.3 million. This is mainly the result of lower marketing investment, down 68.6% compared to 1Q22, as the company decided to end its sponsorship of Big Brother Brazil (BBB).

General and administrative expenses were 8.8% lower, at R\$ 111.5 million, from lower spending on third-party services such as IT software maintenance and consulting services.

Our operating expenses are available in the fundamentals spreadsheet on the company's IR site - <https://ri.cea.com.br>.

Selling and G&A expenses as a percentage of net revenue was 40.7%, a 6.8 p.p. drop, as we improve our operating leverage.

Other operating revenue of R\$ 5.6 million, an improvement of R\$ 7.0 million compared to last year thanks to increased recovery of tax credits and less spend on strategic consulting services.

Financial Services

As mentioned previously, net revenue from financial services was R\$ 79.2 million this quarter, 19.5% above 1Q22 due to the good performance of C&A pay, which offset the significant drop in revenue from the Bradescard Partnership. The reduction on the partnership contribution is related to the macroeconomic environment with higher delinquency rates that have been impacting banks and retailers.

Provisions for losses in the C&A Pay operation in the quarter were R\$ 44.1 million due to the portfolio maturity, still in formation. Total expenses amounted to R\$ 58.1 million, a 21.3% increase as the C&A pay operation is now mature. Our financial services operating expenses are available in the fundamentals spreadsheet on the company's IR site - <https://ri.cea.com.br>.

Credit, both via the Bradescard partnership as well as C&A pay, accounted for 23% first-quarter sales.

Indicators (R\$ million)	1Q23	1Q22	Δ
Bradescard Partnership	9.9	56.4	-82.4%
C&A Pay (Private Label)	69.2	9.9	599.0%
Net revenue from Funding and Taxes on Financial Services	79.2	66.3	19.5%
Gross profit - Financial Services	78.8	66.2	19.0%
(-) Losses Net of Recoveries (C&A Pay - Private Label)	(44.1)	(1.2)	3575.0%
(-) Total Financial Services Expenses¹	(58.1)	(47.9)	21.3%
(=) Financial Services Results	(23.4)	17.1	-236.8%

(1) Includes depreciation

Indicators	1Q23	1Q22	Δ
Bradescard Partnership			
Net Average Trade Receivables (billion)	2.6	2.9	-9.3%
% of Sales	5%	10%	-5,0p.p.
Number of new cards (thousand)	71.1	96.0	-26.0%
Number of active cards (million)	2.0	2.7	-25.3%
Losses net of recoveries over average portfolio - period %	4.8%	1.3%	3,5p.p.
C&A Pay (Private Label)			
Portfolio End of period (million)	568.3	179.0	217.5%
% of Sales	18%	10%	8p.p.
Number of new cards (thousand)	423.2	490.0	-13.6%
Number of cards issued (mil)	2,988.9	892.0	235.1%
Losses net of recoveries over average portfolio - period %	7.8%	0.9%	6,9p.p.

In the Bradescard partnership, 71,000 new cards were issued, and Bradescard credit as a percentage of sales was 5%, down 5 p.p.

In the quarter C&A Pay issued over 420,000 new digital cards, bringing the total to nearly 3 million cards. The C&A Pay credit now accounts for 18% of sales, an 8 p.p. increase. Losses net of recovery over the average portfolio in the quarter amounted to 7.8%.

C&A Pay - Private Label (R\$ thousand)	Coming due	Past due	Balance
Up to 30 days	124,224	15,574	139,798
31 – 60 days	77,617	17,017	94,634
61 – 90 days	54,058	26,552	80,611
91 - 180 days	96,565	43,755	140,320
180 - 360 days	50,090	61,984	112,074
Longer than 361 days	825	-	825
Total	403,379	164,882	568,261

The 90 days or more past due portfolio accounted for 18.6%. As a reminder, C&A Pay completed its first full year of operations in December 2022 and is still in the process of creating baskets. This percentage should increase as the business matures, and to date it has been in line with expectations.

C&A Pay - Private Label (R\$ thousand)	Portfolio	PDD	% Coverage
On-Balance-Sheet Balance	568,266	93,195	16.4%
Stage 1	402,432	6,439	1.6%
Stage 2	58,672	4,107	7.0%
Stage 3	107,162	82,649	77.1%
Off-Balance Sheet Balance1	1,398,386	420	0.03%
Grand Total	1,966,652	93,615	
Coverage over credit portfolio			16.5%

(1) Includes limits granted but not used

Coverage over credit portfolio ended the quarter at 16.5%. Regarding Stage 3 portfolio, the 90 days or more past due portfolio, the coverage was 77.1%.

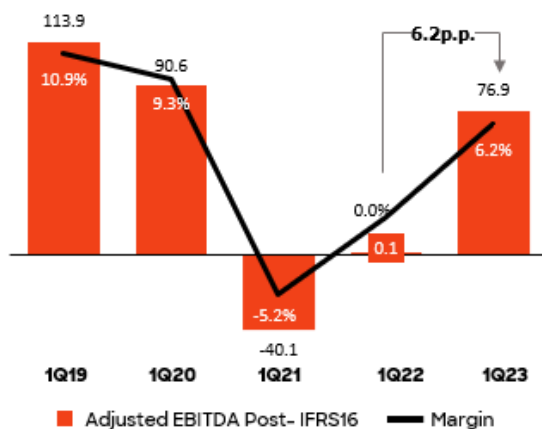
Payment methods	1Q23	1Q22	Δ
Cash (lump sum) payments	31%	32%	-1p.p.
Bradescard Partnership Cards	5%	10%	-5p.p.
<= 5 installments	3%	6%	-3p.p.
> 5 installments	1%	2%	-1p.p.
Other	1%	2%	-1p.p.
C&A Pay (Private Label)	18%	10%	8p.p.
<= 5 installments	11%	6%	5p.p.
> 5 installments	1%	1%	0p.p.
Other	6%	3%	3p.p.
Third-Party Cards	46%	48%	-2p.p.
<= 3 installments	28%	27%	1p.p.
> 3 installments	7%	12%	-5p.p.
Other	11%	9%	2p.p.

In payment methods we highlight the increase share of C&A Pay, to the detriment of other payment forms.

Adjusted EBITDA (Post IFRS 16)

R\$ million, except margins	1Q23	1Q22	Δ
Net Profit (Loss) for the Period	(126.3)	(152.7)	-17.3%
(+) Income taxes	(67.8)	(86.8)	-21.9%
(+/-) Net financial results	101.0	68.6	47.2%
(+) Depreciation and Amortization	174.4	166.9	4.5%
(=) EBITDA (post-IFRS 16)	81.2	(4.0)	-2130.0%
(+/-) Other net operating income (expenses)	1.0	4.9	-79.6%
(+) Financial income from suppliers	1.2	2.8	-57.1%
(-) Tax credit recovery	(6.6)	(3.5)	88.6%
(=) Adjusted EBITDA (post-IFRS 16)¹	76.9	0.1	76800.0%
Adjusted EBITDA Margin (post-IFRS 16)¹ over Net Revenue	6.2%	0.0%	6,2p.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) was R\$ 76.9 million in 1Q23, a significant improvement compared to 1Q22, with post-IFRS 16 Adjusted EBITDA margin of 6.2%.

R\$ million, except margins	1Q23	1Q22	Δ
(=) Financial Services Results	23.4	(17.1)	-236.8%
Adjusted EBITDA from Retail Operations (after IFRS16)	100.3	(17.0)	-690.0%
Adjusted EBITDA margin from Retail Operations (after IFRS16)	8.1%	-1.4%	9.5 p.p.

Adjusted EBITDA from Retail Operations was R\$ 100.3 million in 1Q23, with an 8.1% margin.

Financial Results

R\$ million	1Q23	1Q22	Δ
Exchange Variation	(0.7)	3.7	-118.9%
Total Financial Expenses	(168.9)	(110.3)	53.1%
Interest on loans	(74.2)	(40.8)	81.9%
Interest on leases	(38.0)	(38.3)	-0.8%
Financial expenses on trade receivables – APV	(27.9)	(18.2)	53.3%
Interest on trade receivables – Bradescard	(17.9)	(7.9)	126.6%
Interest on taxes and contingencies	(6.2)	(3.6)	72.2%
Financial expenses on prepayment of receivables	(1.6)	-	n/a
Other Financial expenses	(3.3)	(1.5)	120.0%
Total Financial Income	68.6	38.0	80.5%
Revenue from interest	24.6	21.3	15.5%
Interest on short-term investments	42.8	13.9	207.9%
Financial Revenue from supplier	1.2	2.8	-57.1%
Other Financial Income	0.0	0.0	-
Financial Results	(101.0)	(68.6)	47.2%

In 1Q23 financial results were a R\$ 101.0 million expense, primarily due to increased financial expenses with interest on loans, the result of higher debt and the increase in the CDI Rate. In addition to interest on loans, we recognized monetary correction on the amount owed to Bradesco and present value adjustments of suppliers' purchases following the increase in the Selic rate.

Net Income

R\$ million, except margins	1Q23	1Q22	Δ
Net profit (loss)	(126.3)	(152.7)	-17.3%
Net Margin	-10.2%	-12.8%	2.6 p.p.

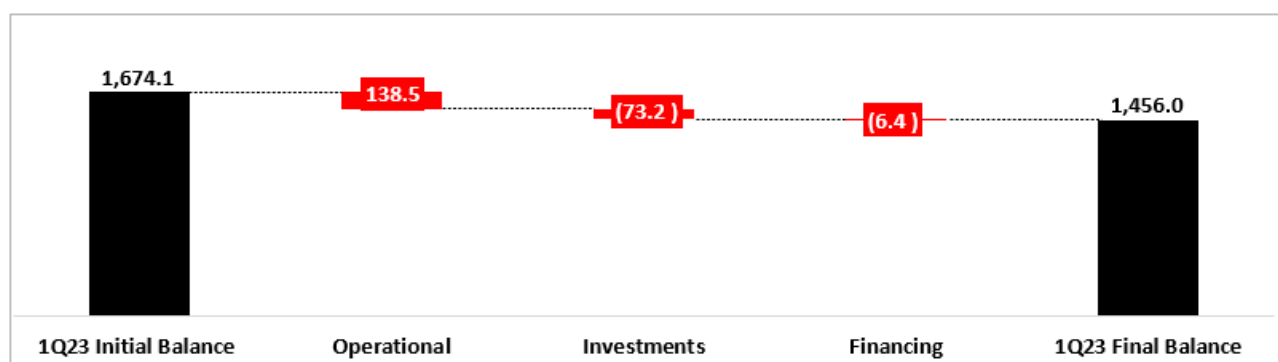
In 1Q23, C&A presented losses of R\$ 126.3 million, 17.3% lower compared to 1Q22, with a -10.2% margin.

Adjusted Free Cash Flow

R\$ million	1Q23	1Q22	Δ
Pre IFRS16 income (losses) before Income Tax and Social Contribution	(187.9)	(223.3)	-15.9%
Depreciation and amortization	88.2	80.8	9.2%
(+/-) Other	121.0	51.0	137.3%
Adjustments with no impact on cash	209.2	131.8	58.7%
Income Tax and Social Contribution paid	(8.6)	(5.2)	65.4%
Working Capital	(151.2)	(405.4)	-62.7%
Trade receivables	395.2	157.3	151.2%
Inventory	(164.4)	(141.5)	16.2%
Suppliers	(315.8)	(404.2)	-21.9%
Other	(66.1)	(17.0)	288.8%
Cash from operating activities	(138.5)	(502.7)	-72.4%
(-) CAPEX (Investments)	(73.2)	(177.7)	-58.8%
(=) Adjusted Free Cash Flow	(211.7)	(680.4)	-68.9%

In first quarter of 2023, free cash flow was a consumption of R\$ 211.7 million in cash, with improved working capital, highlighting initiatives to extend payment cycles with direct and indirect suppliers, and lower investments.

Changes in Cash Position – 1Q23



In the quarter, R\$ 218.1 million in cash were consumed. Operating activities consumed R\$ 138.5 million cash, partially offset by previously unused tax credits in the amount of R\$ 98.5 million (R\$ 27.4 million in 1Q22). We continue to seek acquirer advances for credit card receivables in the amount of R\$ 250 million at a monthly rate of 1.06%, similar to the amount in 4Q22 in order to avoid receivables dislocation. Investments consumed R\$ 73.2 million, and financing activities another R\$ 6.4 million.

Investments

R\$ million	1Q23	1Q22	Δ
New Stores	5.0	22.5	-77.8%
Revamps and Refurbishings	1.0	4.6	-78.3%
Supply Chain	6.4	3.5	82.9%
Digital and Technology	37.4	24.9	50.2%
Total Investments¹	49.8	55.5	-10.3%

(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.

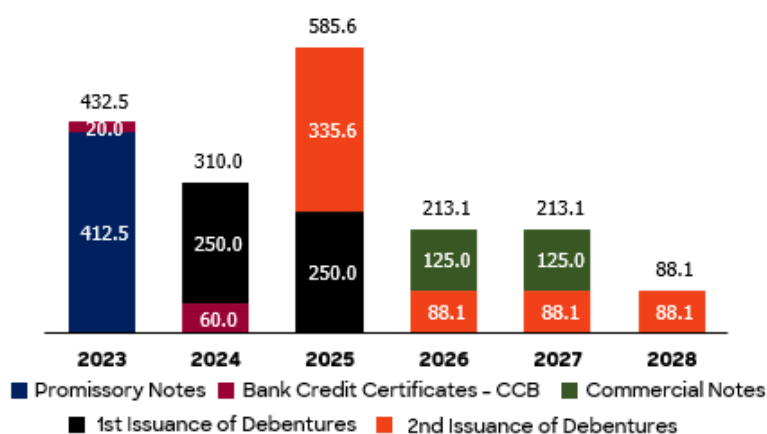
Investments in the quarter totaled R\$ 49.8 million, 10.3% less than in 1Q22. Of this, Digital and Technology accounted for R\$ 37.4 million, primarily from capitalization, consulting to develop the pricing algorithm, and licenses.

Indebtedness

R\$ million	1Q23	1Q22	Δ
Gross Debt	2,227.0	1,739.0	28.1%
Short-Term Debt	841.7	224.0	275.8%
Long-Term Debt	1,385.4	1,515.0	-8.6%
(-) Cash and Cash Equivalents and Short-Term Investments	1,460.4	668.3	118.5%
(=) Cash or (Net Debt)	(766.7)	(1,070.7)	-28.4%

Net debt at the end of the first quarter was R\$ 766.7 million. The average term for the overall debt was 3.7 years, with an average cost (all in) of CDI+2.16%. Leverage, calculated using the debt covenants, was 1.3x net debt/12-m EBITDA (R\$ 573 million as per the table in the appendix).

Debt Amortization Schedule (R\$ million)

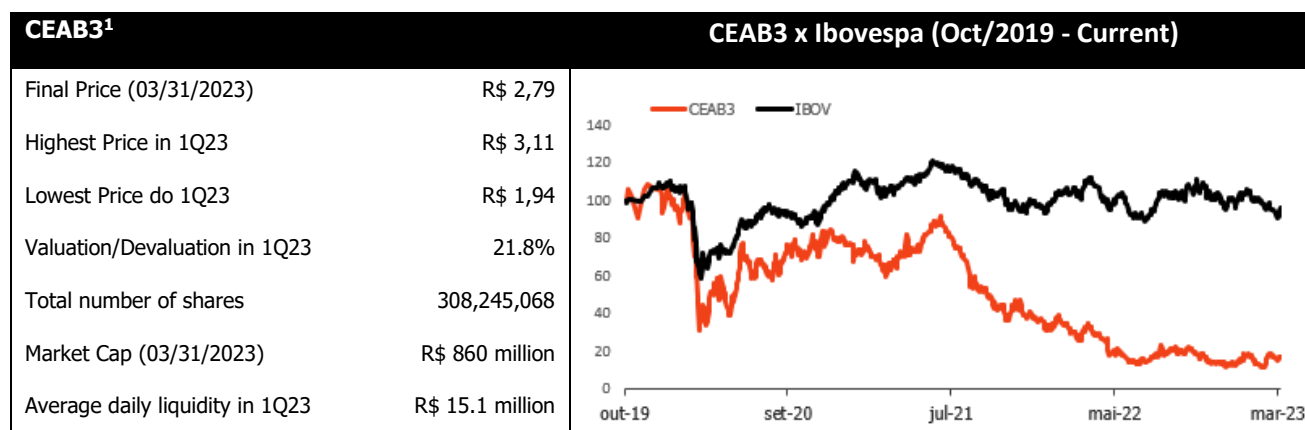


The amortization schedule refers to the principal only and excludes interest.

In 2Q23 we will pay out R\$ 432.5 million to amortize the principal of our debt.

Capital Market

C&A joined the B3 "Novo Mercado" on 28 October 2019, at an initial share price of R\$ 16,50. Average daily trading in 1Q23 was R\$ 15.1 million, and the share price increased 21.8%. On March 31, 2023, the company's market cap was R\$ 860 million.



The Company's capital stock is comprised of 308,245,068 common shares, with a 33.5% free-float. The Company's free-float and its main shareholders on March 31, 2023 are described below:

Shareholding	# Of common shares (ON)	% of total
Controlling shareholder	201,319,336	65.3%
Officers	805,797	0.3%
Treasury	2,650,500	0.9%
Other	103,469,435	33.5%
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 buy-back of 5,300,000 shares was authorized. As of March 31, 2023 2,650,500 had been purchased at an average price of R\$ 3,20. In 1Q23 680,600 shares were purchased, at an average price of R\$ 2,53. This program runs to May 2023.

Appendix

Adjusted EBITDA

Total Adjusted EBITDA (pre-IFRS 16)

R\$ million	1Q23	1Q22	Δ
Net Income (Losses) in the period	(126.3)	(152.7)	-17.3%
(+) Income taxes	(67.8)	(86.8)	-21.9%
(+/-) Net financial results	101.0	68.6	47.2%
(+) Depreciation and amortization	174.4	166.9	4.5%
(=) EBITDA (post-IFRS 16)	81.2	(4.0)	-2130.0%
(+/-) Other net operating income (expenses)	1.0	4.9	-79.6%
(+) Financial income from suppliers	1.2	2.8	-57.1%
(-) Tax credit recovery	(6.6)	(3.5)	88.6%
(=) Adjusted EBITDA (post-IFRS 16)	76.9	0.1	76800.0%
(-) Lease liabilities	(116.9)	(107.2)	9.0%
(=) Adjusted EBITDA¹ (pre-IFRS16)	(40.0)	(107.1)	-62.7%
<i>Adjusted EBITDA margin before IFRS16:</i>	<i>-3.2%</i>	<i>-8.9%</i>	<i>5,7p.p.</i>

(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 (pre-IFRS16) excludes the effects of accounting standard IFRS16.

Covenant-adjusted EBITDA (last 12 months)

R\$ million	1Q23
Adjusted EBITDA post-IFRS16 (last 12 months)	995.4
(-) Lease liabilities (last 12 months)	(457.6)
(=) EBITDA pre-IFRS16 (last 12 meses)	537.8
(+/-) Gains (losses) from the sale of assets, excluding IFRS16	6.3
(+/-) Impairment	(3.1)
(+) Financial income from suppliers	7.7
(-) Restructuring/Consulting Expenses	1.6
(+/-) Provisions (Reversals) for Contingencies	23.0
Covenant-Adjusted EBITDA¹ (last 12 months) pre-IFRS16.	573.2
<i>Net Debt/EBITDA Adjusted for covenants (12 months)</i>	<i>(1.3)</i>

(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 - 1Q23

R\$ million	1Q23	1Q22	Δ
Net Operating Revenue	1,240.6	1,197.0	3.6%
<i>Apparel</i>	966.0	910.8	6.1%
<i>Fashiontronics and Beauty</i>	191.3	214.3	-10.7%
Net revenue from merchandise	1,157.3	1,125.1	2.9%
Other revenue	4.1	5.6	-26.8%
Gross Revenue Retail	1,161.4	1,130.7	2.7%
Financial Services	79.2	66.3	19.5%
Cost of Goods/ Services	(616.1)	(629.6)	-2.1%
Gross Profit	624.5	567.4	10.1%
<i>Apparel</i>	512.8	464.5	10.4%
<i>Fashiontronics and Beauty</i>	43.5	41.9	3.8%
Gross Profit From Merchandise	556.3	506.3	9.9%
Other Gross Profit	(10.6)	(5.1)	107.8%
Gross Profit from Retail	545.7	501.2	8.9%
Gross Profit from Financial Services	78.8	66.2	19.0%
Operating (Expenses) and Revenue	(717.7)	(738.4)	-2.8%
General and Administrative	(111.5)	(122.3)	-8.8%
Sales	(393.3)	(446.5)	-11.9%
Depreciation and Amortization	(174.4)	(166.9)	4.5%
Other Revenue (Expenses) , net	5.6	(1.4)	-500.0%
Net credit losses	(44.1)	(1.2)	3575.0%
Profit before Financial Revenue and Expenses	(93.2)	(170.9)	-45.5%
Finance Results	(101.0)	(68.6)	47.2%
Exchange Variation	(0.7)	3.7	-118.9%
Total Finance expenses	(168.9)	(110.3)	53.1%
Total Finance Income	68.6	38.0	80.5%
Profit before taxes	(194.2)	(239.5)	-18.9%
Income taxes	67.8	86.8	-21.9%
Net Income (Losses) in the period	(126.3)	(152.7)	-17.3%

Consolidated Statement of Financial Position

R\$ million	03/31/2023	12/31/2022	R\$ million	03/31/2023	12/31/2022
Total Assets	9,038.0	9,629.6	Total Liabilities and Shareholder's Equity	9,038.0	9,629.6
Current Assets	4,311.2	4,753.2	Current Liabilities	2,770.0	3,679.7
Cash and cash equivalents	1,456.0	1,674.1	Lease liabilities	487.1	513.2
Financial investments	4.4	8.7	Suppliers	789.1	1,478.4
Trade receivables	846.0	1,278.2	Direct and Indirect Suppliers	789.1	1,009.1
Derivatives	0.0	1.4	Suppliers Buying back the right to offer credit (Bradescard)	0.0	469.3
Related parties	0.1	0.1	Drawee risk obligations	252.0	386.3
Inventory	1,001.9	852.0	Loans	836.7	746.0
Taxes recoverable	956.0	899.4	Derivatives	5.0	1.8
Other Assets	46.8	39.3	Labor liabilities	204.7	198.7
Non-Current Assets	4,726.8	4,876.4	Related parties	96.9	43.6
Taxes recoverable	815.4	937.4	Taxes payable	49.8	248.0
Deferred taxes	492.5	423.0	Other liabilities	48.6	63.7
Judicial deposits	62.1	61.3	Non-Current Liabilities	3,396.9	2,949.7
Other Assets	2.2	2.5	Lease liabilities	1,251.0	1,276.0
Related parties	0.1	0.1	Suppliers	498.4	12.6
Property and Equipment	836.0	865.5	Direct and Indirect Suppliers	11.2	12.6
Right-of-use lease liabilities	1,507.3	1,565.4	Suppliers Buying back the right to offer credit (Bradescard)	487.2	0.0
Intangible assets	1,011.2	1,021.1	Loans	1,385.4	1,404.8
			Labor liabilities	7.5	7.4
			Provisions for tax, civil and labor risks	190.2	182.8
			Taxes payable	11.3	15.9
			Other liabilities	53.2	50.2
			Shareholder's Equity	2,871.2	3,000.2
			Share capital	1,847.2	1,847.2
			Shares in Treasury	(8.5)	(6.8)
			Capital reserve	39.7	37.6
			Accumulated profit (losses)	(126.3)	0.0
			Profit reserve	1,122.4	1,122.4
			Other comprehensive income	(3.3)	(0.3)

Consolidated Cash Flow

R\$ million	1Q23	1Q22
OPERATIONS		
Income (loss) before income tax	(194.2)	(239.5)
(+) Cash adjustments to reconcile profit before taxes and cash flow		
Allowance (reversal) for expected credit losses	45.6	2.8
Adjustment to present value of accounts receivables and suppliers	(6.7)	0.6
Expenses with stock-based compensation	2.1	2.4
Provisions for inventory losses	14.5	11.0
Previously unused PIS / COFINS credit	(21.0)	(19.3)
Depreciation and amortization	88.2	80.8
Addition (reversal) of property and equipment, intangible and right-of-use asset impairment	(1.4)	(4.4)
Losses from the sale or disposal of property and equipment and intangible assets	2.1	3.6
Depreciation of right-of-use	94.7	94.5
Interest on leases	41.0	40.4
Interest on loans	74.2	40.9
Amortization of the transaction costs on loans	1.6	0.5
Provisions (reversal) for tax, civil and labor risks	12.6	9.7
Update of judicial deposits	(2.4)	(1.5)
Interest on financial investments	(0.2)	(0.2)
Variations in assets and liabilities:		
Trade receivables	395.2	157.3
Related parties	53.4	42.4
Inventory	(164.4)	(141.5)
Taxes recoverable	86.5	51.6
Other credits	(7.2)	(32.7)
Bond and security redemptions	4.5	0.0
Judicial deposits	(0.1)	(0.1)
Suppliers	(181.6)	(220.0)
Drawee risk transactions	(134.2)	(184.2)
Labor liabilities	6.1	5.8
Other debits	(12.2)	1.1
Provisions for tax, civil and labor risks	(3.6)	(3.9)
Taxes payable	(194.2)	(81.4)
Income tax and social contribution paid	(8.6)	(5.2)
(=) Cash flow originating from (applied in) operating activities	(9.8)	(388.3)
(+) Investment activities		
Purchase of property and equipment	(24.1)	(63.7)
Purchase of intangible assets	(49.5)	(114.2)
Received from the sale of property & equipment	0.4	0.2
Cash flow used in investment activities	(73.2)	(177.7)
(+) Investment activities		
New loans and debentures issued	93.9	320.1
Loan/debenture transaction costs	(0.9)	(2.2)
Repayment of loans (principal)	(86.6)	(15.1)
Interest paid on loans	(11.1)	(8.8)
Repayments and interest paid on leases	(128.7)	(117.9)
Share buy-back	(1.7)	0.0
Cash flow originating (invested in) financing activities	(135.1)	176.1
(=) Reduction in the balance of cash and cash equivalents	(218.1)	(389.9)
Cash and Cash Equivalents at the start of the period	1,674.1	1,050.3
Cash and Cash Equivalents at the end of the period	1,456.0	660.4

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 March 31, 2023 there were 331 stores in operation, with a total sales area of around 610 thousand square meters, plus our 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 15 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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