

Earnings Release 4Q21



muito eu



Earnings Teleconference:

- Portuguese/English
- Date: 11-Mar-2022
- Time:
 - Brasília: 10:00 a.m.
 - New York: 08:00 a.m.
 - London: 01:00 p.m.
- Webcast: ri.cea.com.br

CEAB
B3 LISTED NM

IGCT B3

IGC-NM B3

IGC B3

SMLL B3

IBRA B3

ITAG B3

ICON B3

IGPTWB3

Barueri, March 10 2022 – C&A Modas S.A. (B3: CEAB3) a leading fashion retailer in Brazil, hereby discloses its earnings for the fourth quarter of 2021 (4Q21) and for the year 2021. 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

- Launched C&A Pay, with over 400 thousand digital cards at the end of 2021.
- Total net revenue of R\$ 1,862.1 million in the quarter, 6.6% higher than 4Q20, and R\$ 5,153.2 million for the year, 26.1% higher than 2020.
- Same store sales (SSS) increased by 5.8% and 24.7% compared to 4Q20 and 2020 respectively.
- Gross revenue from online operations (omnichannel and the *Galeria C&A* marketplace) was R\$ 256.4 million in 4Q21, and R\$ 900.7 million in the year, a 24.7% growth compared to 4Q20 and 36.8% compared to 2020.
- Gross merchandise margin was 48.6%, a 2.0 p.p. increase in 4Q21, and 45.8% in the year, a 0.4 p.p. increase in the past 12 months.
- Operating expenses ex-depreciation were R\$ 535.0 in the quarter, 3.8% higher than 4Q20, and R\$ 1,749.4 million in the year, a 13.9% increase versus 2020.
- Adjusted EBITDA for the quarter was R\$ 201.4 million, 22.6% higher than 4Q20.
- A total of R\$ 347.2 million were invested in 4Q21, a 93.6% increase. In the year, we invested R\$ 682.1 million, or 125.5% more than in 2020.

Indicators	4Q21	4Q20	△	2021	2020	△
Total Online Gross Revenue (GMV 1P+3P)	256.4	205.6	24.7%	900.7	658.5	36.8%
Total Net Revenue (R\$ Mn)	1,862.1	1,747.0	6.6%	5,153.2	4,085.5	26.1%
Same Store Sales (SSS)²(%)	5.8%	-0.8%	6.6p.p.	24.7%	-23.6%	48.3p.p.
Gross Merchandise Margin (%)	48.6%	46.6%	2.0p.p.	45.8%	45.4%	0.4p.p.
Operating Expenses (R\$ Mn)³	(535.0)	(515.4)	3.8%	(1,749.4)	(1,535.9)	13.9%
Adjusted EBITDA ⁴ (R\$ Mn)	201.4	164.3	22.6%	55.6	(58.5)	R\$114.2
Adjusted EBITDA margin (%)	10.8%	9.4%	1.4p.p.	1.1%	-1.4%	2.5p.p.
Net profit (loss) (R\$ Mn)	154.4	109.3	41.2%	329.0	(166.3)	R\$495.3
Investments (R\$ Mn)	347.2	179.3	93.6%	682.1	302.5	125.5%

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

(2) 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).

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

(4) Pursuant to article 4 of CVM Instruction 527, the Company chose to disclose adjusted EBITDA as per the table above, to use data that best reflects gross operating cash generation from its activities. Adjustments include: (i) Other net operating revenue (expenses); (ii) Supplier financial income; (iii) Recovered tax credits; (iv) Commercial lease (IFRS 16).

Message from Management

In 2021 we were still feeling the effects of the pandemic, including operating restrictions in the first half of the year, and in broader terms, its impact on global supply chains. As the year progressed, the challenges associated with the pandemic and its uncertainties dissipated, and the new challenge became the macroeconomic scenario.

In 4Q21, the situation worsened, with major inflationary pressure significantly driving up interest rates. Furthermore, in late 4Q21 traffic in our stores diminished due to greater concern with the new Coronavirus variant (omicron). Higher inflation in the past year is particularly critical for the low and middle-income segments, which are C&A's primary targets.

Nevertheless, once again our revenue increased compared to the pre-pandemic period of 2019. Furthermore, we made significant deliveries in our growth plan, in particular completing negotiations with our formerly exclusive partner and launching of our own digital credit platform C&A Pay. Another celebrated delivery was our fully automated eCommerce distribution center, which came on-stream as planned in early November, and was up and running for the year-end holidays in the fourth quarter.

We also continue to make progress in our sustainability front. On the environmental front we celebrated 1 year of *Ciclos*, a line that is Cradle-to-Cradle Gold® certified. This line is manufactured in Brazil by providers developed by C&A and certified to provide these goods, whose guiding principle is circularity. We also launched a collection for men comprised of cotton items that are more sustainably dyed. This is a partnership with the *OffChannel*. Full half of the raw material in our polyester goods is recycled. Our line of shirts made with traceable viscose [rayon] provides transparency for consumers, as the fiber has an indelible identifier proving that it comes from sustainably handled timber, uses only 50% of the water normal viscose uses, and cuts greenhouse gas emissions in half.

On the Social front, we made important deliveries in Entrepreneurism regarding the activities of *Instituto C&A* and our business. In particular, we mention the Fashion Futures Award, which aims to rethink the future of fashion by recognizing new talents and disclosing initiatives that focus on more sustainable, inclusive, and regenerative fashion. From the 323 entries in the first edition in November, 5 finalists were selected to receive funds to enable their projects, they will also be monitored by C&A Institute in 2022.

On the governance front, we created an internal ESG Committee to advise our Executive Board and HR Committee on an ESG responsibility strategy. We also point out that, for the 4th

consecutive year, C&A was ranked number 1 in the *Moda Brasil 2021* Transparency Index. And finally, we were the leading traded leader in the Abrasca Annual Report Award, recognizing the clarity, transparency, and quality of the information disclosed in our annual report.

By late 2021 we had fulfilled one more year of important deliveries in our growth plan, with record investments for C&A Brasil. Although the macroeconomic scenario will have an impact on our outlook for increased revenue, making us more cautious, we will continue investing in our growth plan so that we may continue delivering on all levers.

The Management of C&A Modas S.A.

Growth Plan Levers

New Stores and Formats

We opened eleven new stores in 4Q21, or a total of 26 new stores in the year (gross store openings). Two stores were closed early in the year, consistent with our portfolio management, resulting in 24 net store openings.

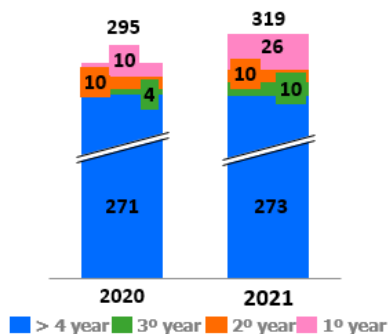
Date	Location	Size (m ²)
28Oct2021	Shopping Sinop – Sinop, MT	1,677
18Nov2021	Shopping Metropolitano – Rio de Janeiro, RJ	1,612
19Nov2021	Park Shopping Jacarepaguá – Rio de Janeiro, RJ	2,058
23Nov2021	Partage Shopping Parauapebas – Parauapebas, PA	1,612
23Nov2021	Shopping Pátio Mix – Teixeira de Freitas, BA	1,209
23Nov2021	Parnaíba Shopping – Parnaíba, PI	1,830
25Nov2021	Park Shopping Canoas – Canoas, RS	1,385
29Nov2021	Itapê Shopping – Itapetininga, SP	1,738
02Dec2021	Shopping Piratas – Angra do Reis, RJ	1,179
06Dec2021	Street store, Botucatu – Botucatu, SP	895
08Dec2021	Shopping Center Araguaia – Gurupi, TO	1,395

We remind readers that our new stores were all born as CVP (Customer Value Proposition) stores and include omnichannel initiatives (ship-from-store, infinite aisles, click and collect, and WhatsApp sales). All seek to be closer to customers and offer them new experiences. Below are pictures of the new stores and regionalized panels:



By the end of the fourth quarter, we had 319 stores across the country, 273 of which (~85%) have been in operation for more than 4 years.

Store Distribution by Age



	4Q21	4Q20	Δ	2021	2020	Δ
Stores	319	295	24	319	295	24
New	11	6	5	26	10	16
Closed	0	0	0	2	2	0
Sales floor area (thousand m²)	597	559	38	597	559	38

Regarding new formats, in 4Q21 we added one more store in Fortaleza under our ACE sports brand. This means there are now two C&A stores identified at the main entrance simply with the ACE brand. We also strengthened our collections this quarter, adding new modalities. Our results continue to encourage us, and ACE's contribution to the stores included in the project is 3 times what it is in other stores. During the course of 2022 we will increase the number of stores in the project and strengthen the brand even more. For instance, we will launch an exclusive Pantone + ACE collection in the first quarter of 2022.



Digital Transformation

Omnichannel Indicators	Unit	4Q21	4Q20	Δ
App				
MAU (monthly active users)	thousand, end of period	3,908	3,447	13.4%
App Installations	thousand, end of period	5,137	4,828	6.4%
C&A&VC Relationship Program				
# of C&A&VC customers	million, end of period	19.7	14.1	39.7%
C&A&VC sales as a % total sales	% end of period	68%	55%	13 p.p.
Galeria C&A (marketplace)				
# of sellers	end of period	462	229	233

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

The highlight of our digital transformation continues to be the growth of our direct sales via WhatsApp, the dominant initiative in our omnichannel sales.

Our C&A&VC (C&A&You) relationship program now has 19.7 million registered customers, who account for some 70% of sales. Still on the theme of our customer base, in the past 12 months our e-Commerce (including omnichannel) customer base increased 14%. Our multichannel customers, who spend twice as much as the average customer, increased 60% compared to the same period in 2020.

Our Galeria C&A marketplace had 462 sellers by the end of 2021. We continue to focus on improving our relationship with sellers, leveraging their sales by improving the assortment offered and campaigns developed between 1P and 3P.

Modernizing our Supply Chain

On the store distribution front, we made important investments in software (*WMS – warehouse management system* and a store demand, planning and supply system). We also invested in hardware (sorters) to adopt a push-pull SKU model. The new operation, which came on-stream in 3Q21, continues to grow and by the end of the fourth quarter accounted for 20% of all items distributed.

Another important optimization project, not only in push-pull but also for the company's omnichannel activities (such as ship-from-store and click-and-collect), is the implementation of radio-frequency identification technology (RFID). We implemented the project in 2021, and by year-end all domestic suppliers and 200 stores were benefiting from the technology.

In the customer delivery pillar, the main highlight this quarter was progress made in implementing automation (KNAPP OSR Shuttle) at our eCommerce distribution center in São Paulo. This allows us to assemble 15 orders a minute with higher productivity. With this increase in process efficiency, the service level indicator also improved. The percent 2-day deliveries in 4Q21 exceeded 50%, with increases in same-day and next-day deliveries as well.

Credit Offering

When it comes to increased credit, once again we had cause to celebrate in 4Q21. We completed our negotiations with Bradesco and in December were able to launch our proprietary digital credit product – **C&A Pay**. This gives our customers additional credit in an economic situation where this makes a difference, with a product that is intuitive and easy to use. The goal is to increase retail sales and offer customers an improved experience with the C&A brand, enabling easier access and complementing the C&A&VC benefits.

This operation kicked-off in December 2021, supported by the partner ecosystem we put together and the team we hired to manage the operation ensuring precise execution, that quickly and accurately made whatever adjustments were necessary.

It is also important to point out that C&A Pay Governance is in operation in the form of risk and credit committees that regularly validate the business metrics and parameters as it develops, and the economic situation it is a part of.

Comments on the Company's Financial Performance

Net Revenue

R\$ million	4Q21	4Q20	Δ	2021	2020	Δ
Total Net Revenue	1,862.1	1,747.0	6.6%	5,153.2	4,085.5	26.1%
Revenue from Merchandise Sales	1,833.1	1,693.6	8.2%	4,960.6	3,922.9	26.5%
<i>Apparel</i>	1,601.8	1,392.4	15.0%	4,204.1	3,121.1	34.7%
<i>Other - Fashiontronics</i>	231.3	301.2	-23.2%	756.6	801.8	-5.6%
Financial Services	25.2	49.1	-48.7%	175.0	149.3	17.2%
Other revenue	3.9	4.3	-9.5%	17.6	13.3	31.9%

%	4Q21	4Q20	Δ	2021	2020	Δ
Same Store Sales (SSS)¹ (%)	5.8%	-0.8%	6.6 p.p.	24.7%	-23.6%	48.3 p.p.
Apparel	12.5%	-3.3%	15.8 p.p.	32.7%	-25.7%	58.4 p.p.
Other - Fashiontronics	24.7%	12.4%	-37.1 p.p.	-6.3%	-14.4%	8.1 p.p.

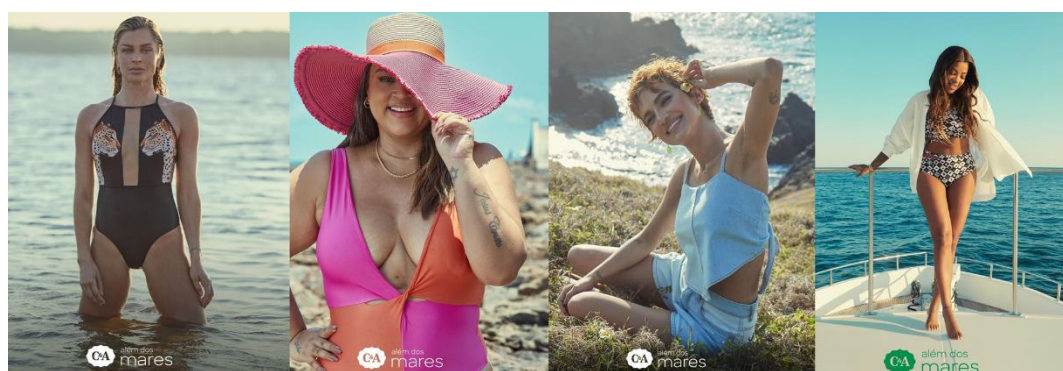
(1) SSS: Growth in same store sales. This is comprised of sales in stores in activity for more than 13 months compared to the same period in the previous year. It includes e-commerce and all types of sales delivered (100% online, ship-from-store and click-and collect).

In the fourth quarter, net revenue was R\$ 1,862.1 million, 6.6% more than in 4Q20. Revenue in 2021 totaled R\$ 5,153.2 million, 26.1% above 2020. Net merchandise revenue was 8.2% higher than in 4Q20, or R\$ 1,833.1 million, and 26.5% higher than in 2020, or R\$ 4,960.6 million.

Consolidated same-store sales increased 5.8% in 4Q21 and 24.7% in 2021. Below is the behavior of the two categories that comprise our revenue from merchandise:

Apparel

In 4Q21 apparel revenue increased 15.0%, and SSS increased 12.5%. Category performance was driven by solid demand for the collections launched in the quarter, including "brilhos" collab for the year-end holidays with Joulik brand, or the traditional beach fashion collection: "Além dos Mares", in collaboration with different personalities. The quarter was negatively impacted by adverse climate in some locations and reduction of foot traffic towards the end due to concerns with the new Coronavirus variant. Apparel revenue increased 34.7% in the year, and SSS 32.7%.



Other - Fashiontronics

Before we start explaining what happened in this category, it is important to bear in mind that it is primarily (some 80%) made up of cell phones and smartphones. Other items in this category are watches and beauty products. C&A did not introduce beauty products before late 2019, and by year-end they were available in 201 stores and online.

Revenue from Other - Fashiontronics dropped 23.2% this quarter, and 5.6% in 2021. As mentioned above, the competitive environment and the supply of cell phones and smartphones are experiencing difficult moments, which is reflected in both revenue and gross margins. In the quarter, such dynamics was even stronger in the “Liquida Friday” event, in the online sales.

Fashiontronic SSS dropped 24.7% in the quarter and 6.3% in the year.

R\$ million	4Q21	4Q20	Δ	2021	2020	Δ
Total Online Gross Revenue (GMV 1P+3P)	256.4	205.6	24.7%	900.7	658.5	36.8%
Online Net Revenue	195.4	157.3	24.2%	687.0	509.1	34.9%

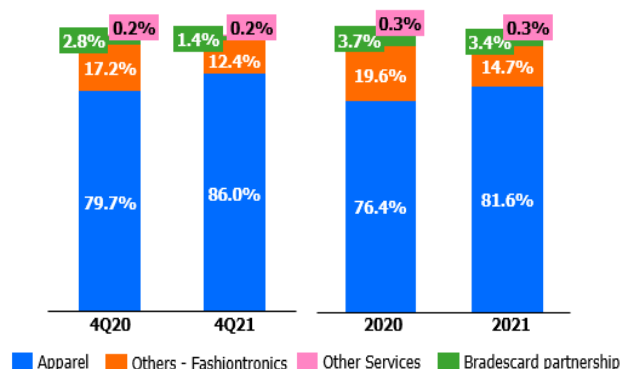
(2) GMV - Gross Merchandise Value: 1P – first-party relationship or direct sales, 3P – third-party relationship or marketplace sales

Focusing on online sales, Gross Merchandise Value or online GMV increased 24.7% to R\$ 256.4 million, if we include the sales of our marketplace partners (sellers), C&A's online net revenue was R\$ 195.4 million, a 24.2% increase. This was cause for celebration, as sales in our stores normally perform very well in the fourth quarter. Online plus omnichannel sales amounted to 10.7% of total C&A sales. For the year, revenue increased 34.9% to R\$ 687.0 million and represented 13.8% of the total sales.

Revenue from Financial Services amounted to R\$ 25.2 million, a 48.7% drop, primarily due to increased provisions for losses due to the worsening macroeconomic scenario. In the year, revenue from financial services was R\$ 175.0 million, a 17.2% increase due to a customer base impacted in 2020 by the pandemic peak.

Other revenue decreased 9.5% in 4Q21, to R\$ 3.9 million. Other revenue accounted for R\$ 17.6 million, a 31.9% increase.

Net Revenue by Business



accounted for 14.7% of total net revenue.

In the breakdown of net revenue for the quarter, the share of apparel increased significantly, while other segments decreased, in particular the share of Other - Fashiontronics, which accounted for 12.4% of total net revenue. This same behavior was seen throughout the year, and revenue from Other - Fashiontronics

Gross Profit and Margin

R\$ million, except margins	4Q21	4Q20	Δ	2021	2020	Δ
Total Gross Profit	898.5	822.0	9.3%	2,397.3	1,896.6	26.4%
Gross Profit from Merchandise Sales	890.3	789.3	12.8%	2,270.4	1,782.2	27.4%
<i>Apparel</i>	839.9	726.4	15.6%	2,123.4	1,602.1	32.5%
<i>Other - Fashiontronics</i>	50.4	62.9	-19.8%	147.0	180.1	-18.4%
Gross Profit from Financial Services	23.9	48.9	-51.1%	173.0	148.2	16.7%
Other Gross Profit	(15.6)	(16.1)	-3.0%	(46.1)	(33.8)	36.3%
Total Gross Margin	48.3%	47.1%	1.2p.p.	46.5%	46.4%	0.1p.p.
Apparel Gross Margin	52.4%	52.2%	0.2p.p.	50.5%	51.3%	-0.8p.p.
Other Gross Margin - <i>Fashiontronics</i>	21.8%	20.9%	0.9p.p.	19.4%	22.5%	-3.1p.p.
Gross Merchandise Margin	48.6%	46.6%	2.0p.p.	45.8%	45.4%	0.4p.p.

In 4Q21, gross profit totaled R\$ 898.5 million, 9.3% above 4Q20. Total gross margin was 1.2 p.p. higher, or 48.3% due to the larger share of apparel. Gross profit in 2021 was R\$ 2,397.3 million, 26.4% above 2020, with a total gross margin of 46.5%, in line with the results in 2020.

Gross margin from apparel was 52.4%, a small (0.2 p.p. increase), as inflation pressured the cost of goods over the entire year. In others- fashiontronics the margin was 21.8%, a 0.9 p.p. increase primarily due to calendar effects in tax recognitions, which were all included in 4Q21, benefiting gross profits for the category in the quarter. Over the year this did not impact gross margin, as the impact was only on the recognition calendar, hence the 3.1 p.p. drop in the y-o-y comparison. This drop is the result of a more challenging competitive environment, especially online, and pressure on the cost of the devices.

Gross profit from financial services dropped 51.1% to R\$ 23.9 million, in line with the variation in revenue.

Other gross profit was negative R\$ 15.6 million due to increased merchandise losses in the quarter.

Operating Expenses

R\$ million	4Q21	4Q20	Δ	2021	2020	Δ
Selling Expenses	(492.9)	(439.4)	12.2%	(1,595.6)	(1,227.3)	30.0%
General and Administrative Expenses	(106.1)	(129.4)	-18.0%	(363.2)	(387.9)	-6.4%
Total Selling and G&A expenses¹	(599.0)	(568.8)	5.3%	(1,958.9)	(1,615.2)	21.3%
Other operating income (expenses)	64.0	53.3	19.9%	209.5	79.3	164.3%
Operating Expenses¹	(535.0)	(515.4)	3.8%	(1,749.4)	(1,535.9)	13.9%

%	4Q21	4Q20	Δ	2021	2020	Δ
Selling Expenses / Total Net Revenue	26.5%	25.2%	1.3p.p.	31.0%	30.0%	1.0p.p.
G&A Expenses / Total Net Revenue	5.7%	7.4%	-1.7p.p.	7.0%	9.5%	-2.5p.p.
Selling and G&A Expenses / Total Net Revenue	32.2%	32.6%	-0.4p.p.	38.0%	39.5%	-1.5p.p.
Operating Expenses / Total Net Revenue	28.7%	29.5%	-0.8p.p.	33.9%	37.6%	-3.7p.p.

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

In the fourth quarter, pro-forma operating expenses were R\$ 535.0 million, 3.8% above what they were in 4Q20. In the year, operating expenses totaled R\$ 1,749.4 million, 13.9% higher than in 2020.

Sales expenses were R\$ 492.9 million, an 12.2% increase. With fully normal operations (all stores open for the full working hours, and all omnichannel initiatives), the lines that suffered the greatest impact due to expanded business with 11 new stores, along with inflation, were occupancy and personnel costs.

General and administrative expenses dropped 18.0% to R\$ 106.1 million due to a reversal of R\$ 13.2 million in labor provisions. If we exclude this effect, general and administrative expenses would have been R\$ 119.3 million, 7.8% below the previous year.

The line of Other Operating Income (Expenses) was income of R\$ 64.0 million, 19.9% above 4Q20. This is the result of a non-recurring effect in the fourth quarter, the recovery of tax credits related to winning the claim regarding PIS/COFINS on operations in the Manaus Free Zone, partially offset by tax provisions for Social Security on Gross Revenue realized in 4Q21.

Financial Services

The biggest news in the quarter was the start of C&A Pay in December. As mentioned, there will be a 2-year transition period for the partnership with Banco Bradescard, during which it will continue to issue and manage the C&A Card.

The following table includes data on C&A Pay. Revenue from Financial Services amounted to R\$ 25.2 million, a 48.7% drop, primarily due to increased provisions for losses due to a worsening macroeconomic scenario. In one month C&A Pay contributed R\$ 0.7 million in revenue.

With the start of C&A Pay we also constituted provisions for operating losses. Given that it only started in December, provisions were R\$ 0.5 million.

Total expenses include the expenses with the Bradescard, store operations, and the expenses with C&A Pay in December.

R\$ million	4Q21	4Q20	Δ	2021	2020	Δ
Bradescard Partnership	24.5	49.1	-50.1%	174.3	149.2	16.8%
C&A Pay (Private Label)	0.7	-	-	0.7	-	-
Net revenue from <i>Funding</i> and Taxes on Financial Services	25.2	49.1	-48.7%	175.0	149.2	17.3%
Gross Profit from Financial Services	23.9	48.9	-51.2%	173.0	148.2	16.7%
(-) Net Recovery Losses (C&A Pay – Private Label)	(0.5)	-	-	(0.5)	-	-
(-) Total Financial Services Expenses	(47.4)	(47.3)	0.3%	(137.3)	(179.4)	-23.4%
(=) Financial Services Results	(24.0)	1.6	-R\$25.6	35.2	(31.2)	R\$66.4

Indicators	4Q21	4Q20	Δ	2021	2020	Δ
Bradescard Partnership						
Net Average Trade Receivables (billion)	2.9	2.8	3.6%	2.9	3.1	-6.5%
% of Sales	13%	14%	-1 p.p.	14%	16%	-2 p.p.
Number of new cards (thousand)	265.0	179.6	47.6%	871.0	516.1	68.6%
Number of active cards (million)	2.6	2.7	-3.7%	2.7	4.0	-32.5%
Delinquency rate ¹ (%)	14.4%	3.8%	10.6 p.p.	7.6%	11.1%	-3.5 p.p.

(1) Recovery Net Losses / portfolio

Indicators	4Q21	4Q20	Δ	2021	2020	Δ
C&A Pay (Private Label)						
Net Average Trade Receivable (billion)	0.1	-	-	0.1	-	-
% of Sales	4%	-	-	2%	-	-
Number of new cards (thousand)	401.5	-	-	401.5	-	-
Number of active cards (thousand)	401.1	-	-	401.1	-	-
Delinquency rate ¹ (%)	0.5%	-	-	0.5%	-	-

(1) Recovery Net Losses / portfolio

In the Bradescard partnership, credit offered by the business as a percent of sales in 2021 was 13%, 1 p.p. lower than in 4Q20. Default in 4Q21 increased 10.6 p.p. to 14.4%. This significant increase is due to the worsening macroeconomic scenario and the impact of comparison with 2020 when few cards were issued. Default is calculated as annualized net recovery losses divided by the net average of accounts receivable in the quarter.

The recently launched C&A Pay operation issued 401.5 thousand digital cards, and accounted for 4% of sales in the quarter. Because this operation is so recent, default is not significant. Because it is a private label card right now (i.e. can only be used for purchases at C&A), we expect default to be higher than in the Bradescard partnership, but in line with the default of similar retailer cards.

Payment methods	4Q21	4Q20	Δ	2021	2020	Δ
Cash payments	35%	41%	-6p.p.	34%	38%	-4p.p.
Bradescard partnership cards	13%	14%	-1p.p.	14%	16%	-2p.p.
<- 5 installments	8%	8%	0p.p.	8%	8%	-0p.p.
> 5 installments	2%	2%	0p.p.	2%	4%	-2p.p.
Other	3%	4%	-1p.p.	4%	4%	0p.p.
C&A Pay (Private Label)	4%	0%	4p.p.	2%	0%	2p.p.
<- 5 installments	3%	0%	3p.p.	1%	0%	1p.p.
> 5 installments	0%	0%	0p.p.	0%	0%	0p.p.
Other	1%	0%	1p.p.	1%	0%	1p.p.
Third-party Cards	48%	45%	3p.p.	50%	46%	4p.p.
<- 3 installments	32%	28%	5p.p.	31%	24%	7p.p.
> 3 installments	8%	10%	-2p.p.	12%	14%	-2p.p.
Other	8%	8%	0p.p.	8%	8%	0p.p.

In Payment Mechanisms, the main change was a reduction in up-front payments, the launch of C&A Pay, and an increase in the share of third-party cards.

Adjusted EBITDA

R\$ million, except margins	4Q21	4Q20	Δ	2021	2020	Δ
Profit (losses)	154.4	109.3	41.2%	329.0	(166.3)	R\$495.3
(+) Income tax	32.0	61.8	-48.3%	(328.0)	(89.3)	267.2%
(+/-) Net financial results	30.4	(1.8)	R\$32.2	91.8	91.4	0.4%
(+) Depreciation and Amortization	146.3	137.2	6.6%	554.6	524.9	5.7%
(=) EBITDA	363.1	306.6	18.4%	647.4	360.7	79.5%
(+/-) Other net operating income (expenses)	(20.3)	40.9	-R\$61.2	18.9	77.9	-75.7%
(+) Financial income from suppliers	4.4	3.8	14.8%	12.4	17.0	-26.7%
(-) Tax credit recovery	(43.7)	(94.2)	-53.6%	(228.4)	(157.2)	45.3%
(-) Commercial lease	(102.0)	(92.7)	10.0%	(394.8)	(356.9)	10.6%
(=) Adjusted EBITDA¹	201.4	164.3	22.6%	55.6	(58.5)	R\$114.2
Adjusted EBITDA margin ¹	10.8%	9.4%	1.4p.p.	1.1%	-1.4%	2.5p.p.

(1) Pursuant to article 4 of CVM Instruction 527, the Company chose to disclose adjusted EBITDA as per the table above, to use data that best reflects gross operating cash generation from its activities. Adjustments include: (i) Other net operating revenue (expenses); (ii) Supplier financial income; (iii) Recovered tax credits; (iv) Commercial lease (IFRS 16).

R\$ million, except margins	4Q21	4Q20	Δ	2021	2020	Δ
(=) Financial Services Results	24.0	(1.6)	R\$25.6	(35.2)	31.2	-R\$66.4
Adjusted retail EBITDA	225.5	162.7	R\$62.8	20.5	(27.3)	R\$47.8
Adjusted retail EBITDA margin	12.1%	9.3%	2.8p.p.	0.4%	-0.7%	1.1p.p.

Adjusted EBITDA in 4Q21 was R\$ 201.4 million, and adjusted EBITDA margin 10.8%.

As mentioned in the previous quarter, and will continue in 2022, the time for the projects in our growth plan to mature results in a mismatch between increased expenses and revenue generation, which impacts the company's profitability short term. Adjusted EBITDA for 2021 was R\$ 53.5 million, and adjusted EBITDA Margin was 1.0%.

With the start of C&A Pay and its expected growth, we are submitting adjusted retail EBITDA. This quarter financial services were a detractor for adjusted total EBITDA; this should repeat itself until the business achieves maturity.

Financial Results

R\$ million	4Q21	4Q20	△	2021	2020	△
Exchange variation	(0.1)	1.2	-R\$1.3	(0.7)	(11.7)	-94.1%
Total Finance expenses	(85.7)	(52.3)	64.1%	(267.3)	(214.1)	24.9%
Interest on loans	(31.7)	(12.7)	148.6%	(81.5)	(35.8)	127.5%
Interest on leases	(34.0)	(30.4)	11.9%	(135.4)	(131.8)	2.7%
Interest on taxes and contingencies	(4.0)	(4.2)	-4.8%	(14.5)	(27.2)	-46.8%
Other Finance expenses	(16.0)	(4.8)	230.0%	(36.0)	(19.3)	86.2%
Total Finance income	55.4	52.8	4.9%	176.2	134.3	31.1%
Interest	51.0	49.0	4.1%	163.7	116.3	40.8%
Total Finance income	4.4	3.8	15.5%	12.4	18.1	-31.1%
Financial Results	(30.4)	1.8	-R\$32.2	(91.8)	(91.4)	0.4%

In 4Q21 financial results were a loss of R\$ 30.4 million, primarily due to an increase in financial expenses due to higher interest, a consequence of the higher CDI rate. In 2021 financial results were a loss of R\$ 91.8 million. Furthermore, in the line of interest on financial revenue, in 4Q21 we recognized R\$ 10.8 million on interest on tax assets regarding credit on the ICMS surcharge on the supply of electricity and, in 4Q20, R\$ 40.6 million in interest on tax credits related to winning the claim concerning PIS/COFINS on our operations in the Manaus Free Trade zone.

Net Income

R\$ million, except margins	4Q21	4Q20	△	2021	2020	△
Net profit (loss)	154.4	109.3	41.2%	329.0	(166.3)	R\$495.3
Net Margin	8.3%	6.3%	2.0p.p.	6.4%	-4.1%	10.5p.p.

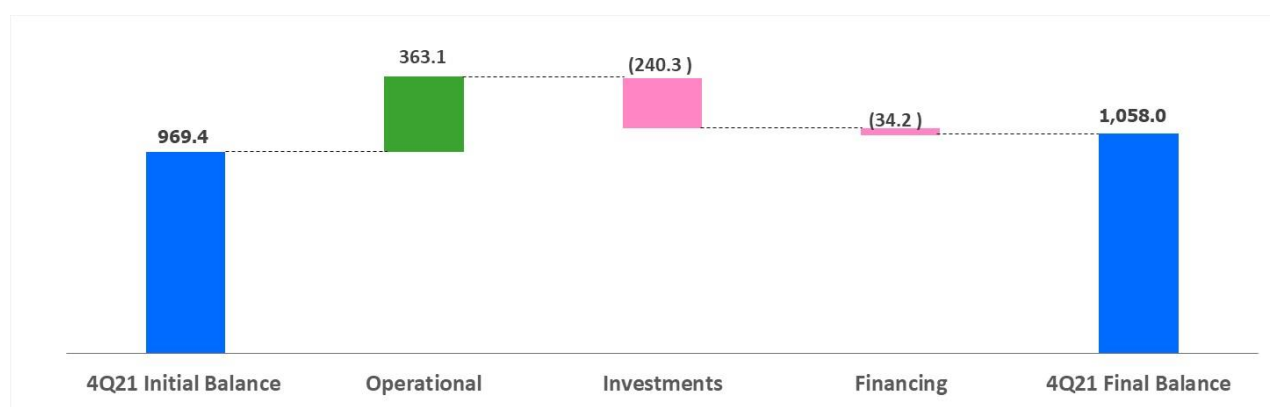
In 4Q21, C&A's net income was R\$ 154.4 million, with an 8.3% margin. Net income in 2021 amounted to R\$ 329.0 million, with a 6.4% margin due to: (i) non-recurring impacts on Income Tax and Social Contribution, reported in 3Q21 (tax credits related to non-payment of Income Taxes and CSLL on SELIC corrections of repeated overpayments), and (ii) the exclusion of ICMS from the basis for calculating PIS and COFINS in 2015 and 2017, reported in 2Q21. If we exclude the effect of unrealized tax gains in 2021, C&A would have had a net loss.

Adjusted Free Cash Flow

R\$ million	2021	2020	Δ
Pro forma income (losses) before Income Tax and Social Contribution	44.2	(202.2)	R\$246.4
Depreciation and amortization	246.7	246.3	0.1%
(+/-) Other	(134.7)	(114.4)	17.8%
Adjustments with no impact on cash	111.9	131.9	-15.1%
Income Tax and Social Contribution paid	(1.8)	(21.9)	-91.8%
Working Capital	(112.8)	304.8	-R\$417.6
Trade receivables	(98.7)	88.9	-R\$187.6
Inventory	(261.0)	(142.1)	83.7%
Trade payables	133.7	337.4	-60.4%
Other	113.3	20.5	452.6%
Cash from operating activities	41.6	212.6	-80.5%
(-) CAPEX	(571.3)	(260.0)	119.7%
(=) Adjusted Free Cash Flow	(529.8)	(47.4)	1017.6%

In 2021 C&A used R\$ 529.8 million in free cash. The main impact factors remained throughout the year: CAPEX and working capital, and using more cash for inventories, partially offset by suppliers.

Change in Cash Position - 4Q21



Looking at changes in the quarter we find that operating activities generated R\$ 363.1 million in cash, while it used R\$ 240.3 million for investments.

Investments

R\$ million	4Q21	4Q20	Δ	2021	2020	Δ
Total Investments¹	347.2	179.3	93.6%	682.1	302.5	125.5%
New Stores	93.7	36.5	156.7%	178.7	63.7	180.5%
Revamps and Remodelings	36.9	30.5	21.0%	59.8	74.4	-19.6%
Supply Chain	43.7	37.0	18.2%	144.5	45.0	221.2%
Digital and Technology	172.9	75.3	129.6%	299.1	119.4	150.5%

(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.

R\$ 347.2 million were invested this quarter, 93.6% more than in 4Q20. The total investment in 2021 was R\$ 682.1 million, a 125.5% increase compared to 2020. Much of the investment in the quarter went into digital and technology – R\$ 172.9 million. In addition to the main omnichannel projects such as WhatsApp sales, and to internal projects such as CRM, the associates APP and the CSC; this quarter we invested in pre-operations for C&A Pay.

Indebtedness

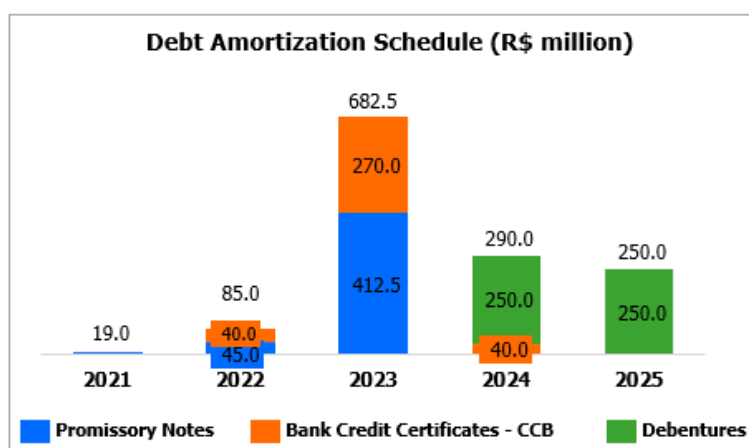
R\$ million	2021	2020	Δ
Gross Debt	1,375.2	1,218.0	12.9%
Short-Term Debt	121.6	397.4	-69.4%
Long-Term Debt	1,253.6	820.7	52.8%
(-) Cash. Cash Investments and Financial Investments	1,058.0	1,509.2	-29.9%
(=) Net Cash or (Net Debt)	(317.2)	291.1	-R\$ 608.3

For issued debt, following we present the reconciliation of the EBITDA used to calculate the leverage, which reached 1.3x at the end of 2021.

R\$ million	2021
EBITDA	647.4
(-) Commercial lease payments	(396.9)
(=) EBITDA excluding IFRS16	250,6
(+/-) Gains/Losses from asset sales excluding IFRS16 effects (Explanatory Note 28.5)	4.6
(+/-) Impairment (Explanatory Note 28.5)	(3.9)
(+) Financial income from suppliers (Explanatory Note 29)	12.4
(-) Occasional restructuring expenses/Consulting services (Explanatory Note 28.5)	4.3
(+/-) Contingency provisions, reversals (Explanatory Note 24.1)	(19.2)
(=) EBITDA Adjusted for covenants	248.9
Net Debt/EBITDA Adjusted for covenants ¹ (12 months)	1.3x

(1) EBITDA Adjusted for debt covenants. excludes the impact of COC 06 (R2) and 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 the purpose of this report, the following shall be considered "Non-Operating Results": (i) Asset sales, (ii) contingency provisions, reversals, (iii) impairment, (iv) occasional restructuring expenses

The total debt has an average maturity of 3.14 years, and an average all-in cost of CDI + 1.99%.



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 4Q21 was R\$ 20.9 million, with a 20.1% loss in value of the shares. On 31 December 2021, the company's market cap was R\$ 1.9 billion.

CEAB3 ¹		CEAB3 x Ibovespa (Oct/2019 - Actual)	
Closing Price (12/31/2021)	R\$6.15		
Higher price in 4Q21	R\$7.98		
Lower price in 4Q21	R\$5.95		
Appreciation/Depreciation in 4Q21	-20.1%		
Number of shares	308,245,068		
Market Cap. (12/31/2021)	R\$1.9 billion		
Average daily liquidity in 4Q21	R\$20.9 million		

¹Source: Enfoque, 12/31/2021

The Company's share capital is 308,245,068 common shares, with 34.5% free-float. The Company's free-float and its main shareholders on December 31, 2021 are described below:

Stockholding structure	Number of Shares (ON)	% of total
Controlling shareholder	201,319,336	65.31%
Verde Asset Management S.A.	15,888,100	5.15%
Management	531,097	0.17%
Tresury	214,500	0.07%
Others	90,292,035	29.29%
Total	308,245,068	100.00%

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, 214,500 of which were purchased in December at an average price of R\$ 6.34. This program runs to May 2023.

Attachments

Consolidated Statement of Financial Position

R\$ million	31Dec2021	31Dec2020	R\$ million	31Dec2021	31Dec2020
Total Assets	8,672.7	7,309.6	Total liabilities and shareholder's equity	8,672.7	7,309.6
Current assets	3,929.4	3,520.0	Current liabilities	2,415.1	2,251.7
Cash and cash equivalents	1,050.3	1,509.2	Lease liabilities	471.7	390.6
Trade receivables	1,145.3	1,063.8	Loans	121.2	390.6
Derivatives	1.5	0.2	Trade payables	1,400.7	1,158.9
Related parties	0.5	0.1	Derivatives	1.9	6.8
Inventory	849.3	641.0	Labor liabilities	155.5	136.1
Taxes recoverable	849.2	282.7	Related parties	59.0	34.8
Other assets	33.3	22.9	Taxes payable	175.6	107.0
Non-current assets	4,743.3	3,789.7	Income Taxes payable	0.5	0.3
Short-term investments	7.8	0.0	Other liabilities	28.9	26.6
Taxes recoverable	839.8	1,157.4	Non-current liabilities	3,262.6	2,403.1
Deferred taxes	378.8	71.5	Lease liabilities	1,342.4	1,264.2
Judicial deposits	61.9	81.5	Trade receivables	435.1	24.8
Related parties	0.1	-	Loans	1,253.6	820.7
Other assets	2.6	2.7	Labor liabilities	5.7	4.4
Property and equipment	836.3	667.2	Provisions for tax, civil and labor proceedings	169.5	230.1
Right-of-use assets - leases	1,640.3	1,514.4	Taxes payable	16.2	25.0
Intangible assets	975.7	295.0	Other liabilities	40.1	33.9
			Shareholder's equity	2,995.0	2,654.8
			Capital stock	1,847.2	1,847.2
			Capital reserve	27.9	19.4
			Shares in Treasury	(1.4)	-
			Profit reserve	1,121.6	792.6
			Comprehensive income	(0.2)	(4.3)

Consolidated Statement of Earnings - 4Q21

R\$ million	4Q21	4Q20	Δ
Net Operating Revenue	1,862.1	1,747.0	6.6%
<i>Apparel</i>	1,601.8	1,392.4	15.0%
<i>Other - Fashiontronics</i>	231.3	301.2	-23.2%
Net revenue from merchandise	1,833.1	1,693.6	8.2%
Financial Services	25.2	49.1	-48.7%
Other revenue	3.9	4.3	-9.5%
Cost of Merchandise/Services	(963.6)	(925.0)	4.2%
Gross profit	898.5	822.0	9.3%
<i>Apparel</i>	839.9	726.4	15.6%
<i>Other - Fashiontronics</i>	50.4	62.9	-19.8%
Gross Profit from Merchandise Sales	890.3	789.3	12.8%
Financial Services Gross Profit	23.9	48.9	-51.1%
Other Gross Profit	(15.6)	(16.1)	-3.0%
OPERATING (EXPENSES) AND REVENUE	(681.8)	(652.6)	4.5%
General and administrative expenses	(106.1)	(129.4)	-18.0%
Sales	(492.9)	(439.4)	12.2%
Depreciation and Amortization	(146.3)	(137.2)	6.6%
Other operating income (expenses) net	64.0	53.3	19.9%
Net credit losses	(0.5)	0.0	-R\$0.5
Profit before Financial Revenue and Expenses	216.8	169.4	28.0%
Financial Results	(30.4)	1.8	-R\$32.2
Exchange variation	(0.1)	1.2	-R\$1.3
Total Finance expenses	(85.7)	(52.3)	64.1%
Total Finance income	55.4	52.8	4.9%
Profit before taxes	186.4	171.2	8.9%
Income taxes	(32.0)	(61.8)	-48.3%
Profit (Losses) for the Period	154.4	109.3	41.2%
(+) Income tax	32.0	61.8	-48.3%
(+/-) Net financial results	30.4	(1.8)	R\$32.2
(+) Depreciation and Amortization	146.3	137.2	6.6%
(=) EBITDA	363.1	306.6	18.4%
(+/-) Other net operating income (expenses)	(20.3)	40.9	-R\$61.2
(+) Financial income from suppliers	4.4	3.8	14.8%
(-) Tax credit recovery	(43.7)	(94.2)	-53.6%
(-) Commercial lease	(102.0)	(92.7)	10.0%
(=) Adjusted EBITDA	201.4	164.3	22.6%

Consolidated Statement of Earnings - 2021

R\$ million	2021	2020	Δ
Net Operating Revenue	5,153.2	4,085.5	26.1%
<i>Apparel</i>	4,204.1	3,121.1	34.7%
<i>Other - Fashiontronics</i>	756.6	801.8	-5.6%
Net revenue from merchandise	4,960.6	3,922.9	26.5%
Financial Services	175.0	149.3	17.2%
Other revenue	17.6	13.3	31.9%
Cost of Merchandise/Services	(2,755.9)	(2,188.9)	25.9%
Gross profit	2,397.3	1,896.6	26.4%
<i>Apparel</i>	2,123.4	1,602.1	32.5%
<i>Other - Fashiontronics</i>	147.0	180.1	-18.4%
Gross Profit from Merchandise Sales	2,270.4	1,782.2	27.4%
Financial Services Gross Profit	173.0	148.2	16.7%
Other Gross Profit	(46.1)	(33.8)	36.3%
OPERATING (EXPENSES) AND REVENUE	(2,304.5)	(2,060.9)	11.8%
General and administrative expenses	(363.2)	(387.9)	-6.4%
Sales	(1,595.6)	(1,227.3)	30.0%
Depreciation and Amortization	(554.6)	(524.9)	5.7%
Other operating income (expenses) net	209.5	79.3	164.3%
Net credit losses	(0.5)	0.0	-R\$0.5
Profit before Financial Revenue and Expenses	92.8	(164.2)	R\$257.0
Financial Results	(91.8)	(91.4)	0.4%
Exchange variation	(0.7)	(11.7)	-94.1%
Total Finance expenses	(267.3)	(214.1)	24.9%
Total Finance income	176.2	134.3	31.1%
Profit before taxes	1.0	(255.7)	-100.4%
Income taxes	328.0	89.3	267.2%
Profit (Losses) for the Period	329.0	(166.3)	R\$495.3
(+) Income tax	(328.0)	(89.3)	267.2%
(+/-) Net financial results	91.8	91.4	0.4%
(+) Depreciation and Amortization	554.6	524.9	5.7%
(=) EBITDA	647.4	360.7	79.5%
(+/-) Other net operating income (expenses)	18.9	77.9	-75.7%
(+) Financial income from suppliers	12.4	17.0	-26.7%
(-) Tax credit recovery	(228.4)	(157.2)	45.3%
(-) Commercial lease	(394.8)	(356.9)	10.6%
(=) Adjusted EBITDA	55.6	(58.5)	R\$114.2

Consolidated Cash Flow

R\$ million	2021	2020
Operating Activities		
Income (loss) before income tax	1.0	(255.7)
(+) Adjustments to reconcile income before taxes to net cash flow:	594.4	577.5
Allowance for (reversal of) expected credit losses	5.6	3.2
Adjustment to present value of accounts receivables and suppliers	1.5	(4.8)
Expenses with stock-based compensation	8.5	7.7
Provisions for inventory losses	52.8	45.8
Gains from tax proceedings	(280.1)	(233.7)
Depreciation and amortization	246.7	246.3
Impairment reversal of property and equipment, intangible and right-of-use assets	(3.9)	(6.2)
Losses from sale or disposal of property and equipment and intangible assets	4.6	7.6
Depreciation of right-of-use	338.3	306.4
Interest on leases	144.2	139.1
Interest on loans	82.2	35.8
Amortization transaction costs on loans	2.4	2.0
Provisions (reversals) for tax, civil and labor proceedings	(5.7)	29.5
Judicial deposits	(2.6)	(1.4)
Working capital adjustments:	(114.6)	282.9
Trade receivables	(98.7)	88.9
Related parties	23.7	(34.5)
Inventories	(261.0)	(142.1)
Taxes recoverable	31.2	148.5
Other credits	(18.4)	(2.0)
Judicial deposits	(8.9)	7.3
Trade Payables	133.7	337.4
Labor liabilities	20.6	8.5
Other liabilities	8.4	4.5
Provisions for tax, civil and labor proceedings	(23.9)	(18.8)
Taxes payable	80.5	(92.8)
Income tax and social contribution paid	(1.8)	(21.9)
(=) Net cash flows from operating activities	480.8	604.6
(+) Investment Activities	(571.3)	(260.0)
Purchase of property and equipment	(302.8)	(158.5)
Purchase of intangible assets	(268.6)	(101.6)
Receivables from the sale of property and equipment	0.1	0.1
Cash flow used in investment activities		
(+) Financing Activities	(360.6)	717.4
New Loan/ Debentures issuance	515.3	1,200.0
Loan/Debentures transaction costs	(3.8)	(5.0)
Repayment of loans	(381.5)	(11.0)
Interest paid on loans	(51.0)	(10.6)
Repayments and interest paid on leases	(438.3)	(387.2)
Share Buyback	(1.4)	0.0
Interest on shareholder's equity paid	(0.0)	(68.8)
Net cash flows obtained from (used in) financing activities		
(=) Increase (reduction) in cash and cash equivalents	(451.1)	1,062.1
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	1,058.0	1,509.2

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 December 31, 2021 there were 319 stores in operation, with a total sales area of around 597 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. 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.

Investor Relations

Milton Lucato Filho – CFO

Roberta Noronha – IR

roberta.noronha@cea.com.br

Carolina Martins – IR

carolina.martins@cea.com.br

Mayara Alves –IR

mayara.alves@cea.com.br