2Q20 and 1H20 Results

August 20, 2020

muito eu

Return to Operations

Focusing on protecting our diverse publics: associates, customers and suppliers, we have resumed operations following safety protocols that include the use of protective equipment, temperature measurements, hand sanitizers and distance signaling, among others.

Store Associates: trained to instruct customers regarding the new operating procedures such as the maximum number of customers allowed in stores at any one time, and the closure of the fitting rooms

Distribution Center Associates: instructed to take particular care at meal times and when interacting with others

Office Associates: the use of Home Offices demanded adjustments in our offices, which will gradually reopen starting in September

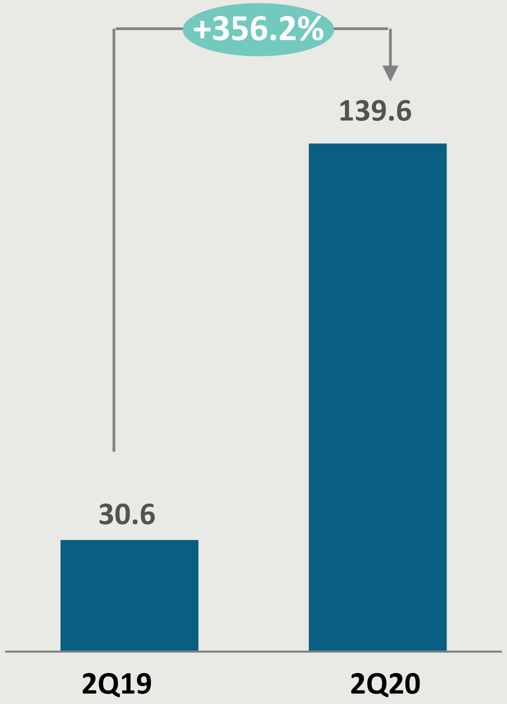
Strategic Position

Be a complete platform our customers may use to express themselves through fashion using diverse channels, formats and content.

Omnichannel Growth and Results

R$ 189.2 GMV [2]
(Gross Merchandise Value)

Omnichannel Net Revenue[1]
(R$ million)



% Total Revenue of Merchandise Sales	2Q19	2Q20
	2.5%	50.1%

Rapid Growth of the Operation

Distribution Center

- DC floor area increased by more than 50%
- Staff increased three-fold

Ship From Store

- Focused squads enabled increasing this to 109 stores by the end of 2Q20
- Hub store operating optimization
- Improved order distribution algorithm to optimize operations

Service Center

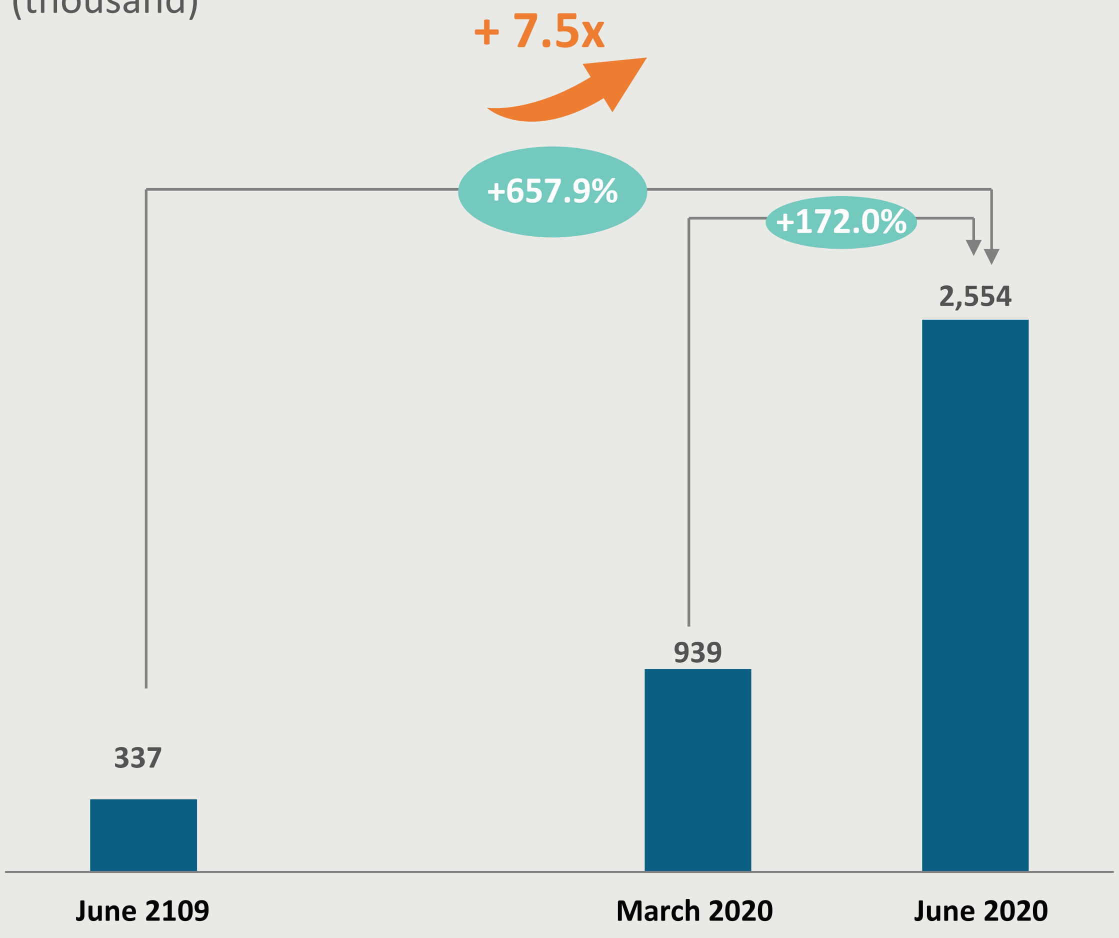
- Increased own and third-party capacity
- Use of *Chatbot*

(1) Includes Ship-From-Store, Click-and-Pick-Up, drive-through and endless aisles
(2) GMV (Gross Merchandise Value) of 1P+3P

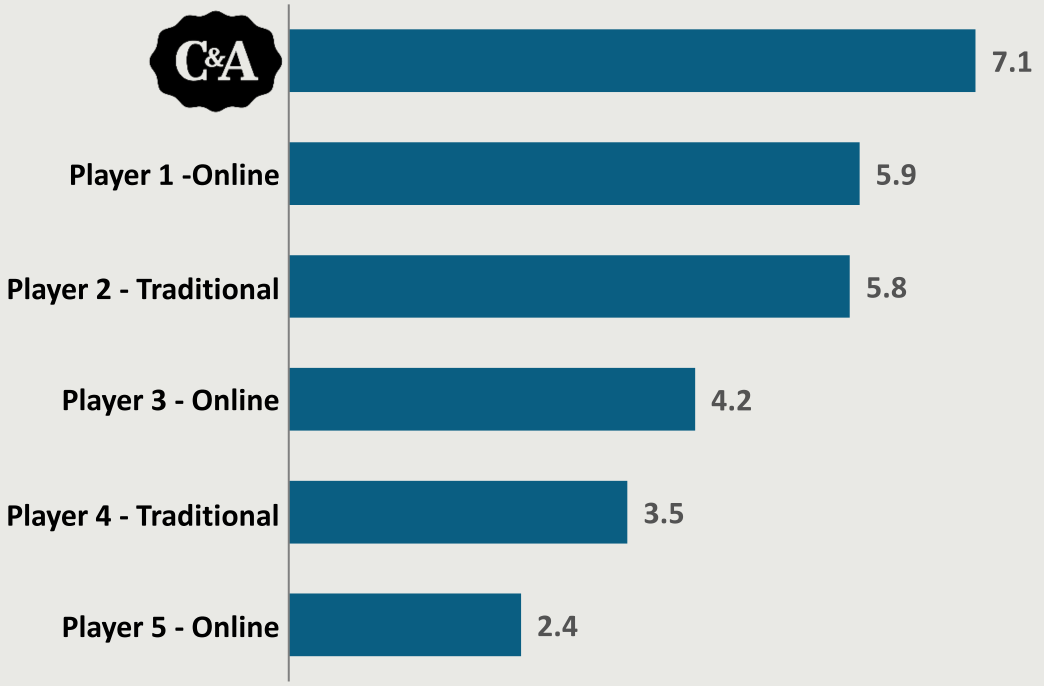
Digitized Customers

The pillar of our omnichannel growth strategy is our App, as it facilitates and enables dialog with our customers using pushes and geolocation

Number of monthly active users (MAU)
(thousand)



Number of app installations (Jan-Jul 2020)
(million)



Source: App Annie

Marketplace Launch - Galeria C&A

- Strengthening the strategic goal of being a fashion expression platform for clients
- Portfolio expansion in complementary categories such as home, toys, jewelry, books, pets, etc.

- + 360% number of active sellers vs Q1
- + 392% in GMV 3P vs Q1
- Activating form to capture leads from interested sellers massively
- Top brands enabled: Vivara, Valisere, Cia Maritima, among others

VIVARA Valisere CIA.MARÍTIMA Usaflex dermage

Omnichannel Initiatives

Click & Collect Drive-Thru

- Launch enabled Click&Collect during store closures
- Customers order online and schedule pick-ups in mall parking lots.
- 194 stores offering drive-thru pick ups

Endless Aisles

- In all reopened stores
- Mobilize to provide equipment and train associates

WhatsApp Sales

- Pilot for direct sales via WhatsApp
  - Inbound: makes C&A available as part of the online customer buying journey
  - Outbound: delivers personalized C&A messages to customers selected by the CRM team

C&A & VC

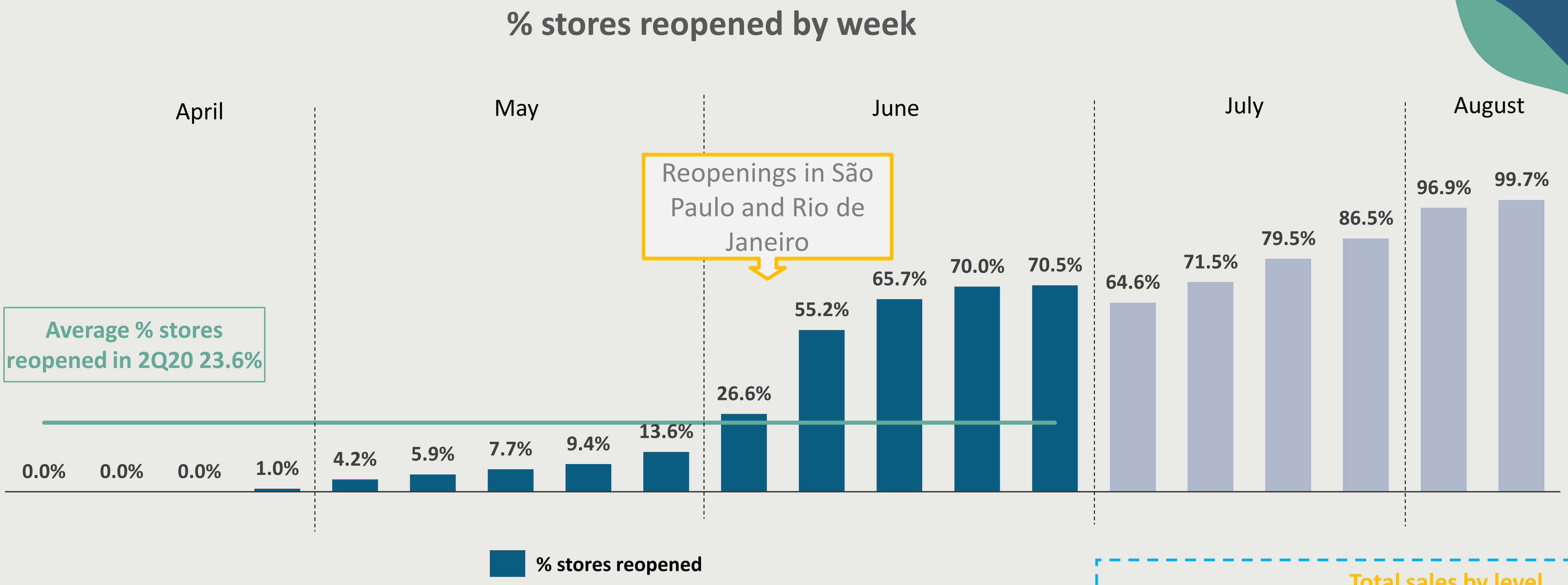
- A relationship program with 11 million members, increase of approximately 70% vs. 2Q19
- personalized push notification campaigns with high conversion rates

Assortment

- A full offer to increase relevance
- Significant increase based on ship-from-store, Galeria C&A and Endless Aisle initiatives

Delivering fashion and novelty to customers

Store reopenings and sales growth



Total sales by level in 2019

Week #	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33
%sales(1) per week in 2019	5%	5%	9%	7%	9%	13%	22%	21%	25%	22%	32%	47%	57%	57%	53%	65%	81%	88%	92%	95%

Preliminary and unaudited figures

(1) Includes all sales for B&M stores as well as online merchandise channels

Deliveries in the 2Q20 Growth Plan

New store openings
- 2 new stores opened
- Total of 288 stores

Implement the new **CVP**[(1)] **store concept**
- 7 revamped stores
- A total of 182 stores are now operating in the CVP concept

Modernized the **Supply Chain** operating model
- Focus on adjusting DCs to the new level of omnichannel operations
- Completed the purchase of the second sorter
- RFID pilot

Digital Transformation
- Pilot WhatsApp sales
- Pilot Self-Checkouts
- Created a Digital Acceleration Committee.

Increased **credit offering**
- With closed stores, focus on providing customers with options to pay their bills
- Card data available on the C&A app

(1) CVP – Customer Value Proposition

Highlights for the Quarter - 2Q20

R$ million	2Q20 pro forma	2Q19 pro forma	△ pro forma
Net Operational Revenue	**294.5**	**1,260.3**	**-76.6%**
Apparel	*194.3*	*957.7*	*-79.7%*
Fashiontronics	*80.8*	*235.7*	*-65.7%*
Same Store Sale	**-77.0%**	**1.8%**	**-78.8p.p.**
SSS -Apparel	*-79.7%*	*1.0%*	*-80.7p.p.*
SSS- Fashiontronics	*-66.0%*	*5.4%*	*-71.4p.p.*
Financial Services - Bradescard Partnership	**15.9**	**61.0**	**-74.0%**
Cost of sales and services rendered	**(151.2)**	**(640.2)**	**-76.4%**
Gross Profit	**143.3**	**620.1**	**-76.9%**
Total Gross Margin	***48.6%***	***49.2%***	***-0.6p.p.***
Gross Margin - Apparel	*55.0%*	*52.9%*	*2.1p.p.*
Gross MarginFashiontronics	*24.1%*	*24.4%*	*-0.3p.p.*
Operating (Expenses) Income	**(406.4)**	**(554.2)**	**-26.7%**
Selling Expenses	*(294.2)*	*(444.8)*	*-33.9%*
General and Administrative Expenses	*(112.2)*	*(113.5)*	*-1.1%*
Net Finance Results	**(6.5)**	**(21.8)**	**R$15.3**
Adjusted EBITDA	**(201.4)**	**135.0**	**-R$336.4**
Adjusted EBITDA Margin	*-68.4%*	*10.7%*	*-79.1p.p.*
Net Income (loss) for the period	**(181.6)**	**29.1**	**-R$210.7**
Net Margin	*-61.6%*	*2.3%*	*-63.9p.p.*

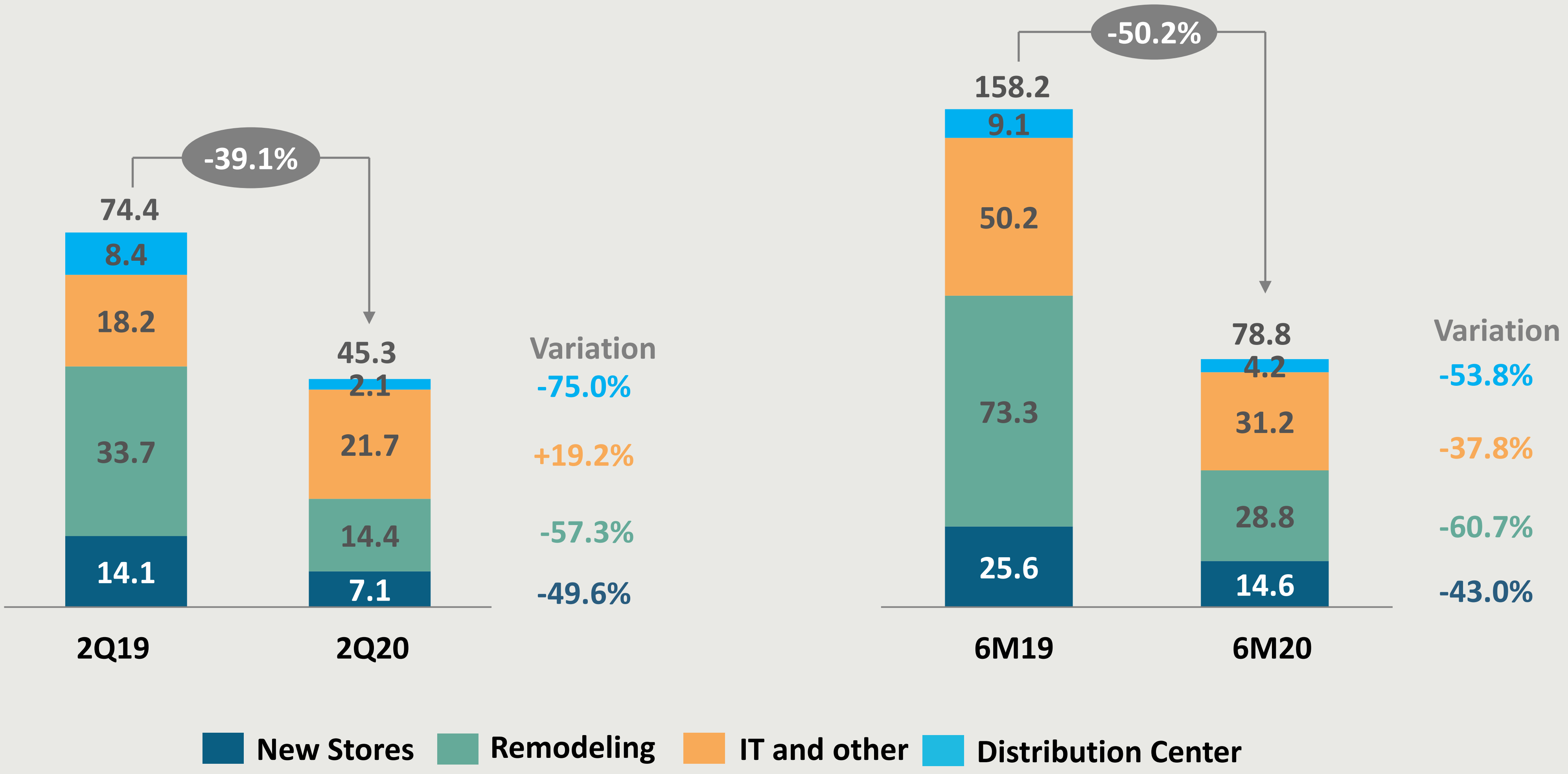
Financial Services Partnership

R$ million	2Q20	2Q19	△	6M20	6M19	△
Financial Services Net Revenues - Bradescard Partnership	15.9	61.0	-74.0%	84.1	116.3	-27.7%
Financial Services Gross Profit	**15.6**	**60.7**	**-74.2%**	**83.5**	**115.7**	**-27.8%**
(-) Financial Services Expenses - Selling	(33.4)	(51.1)	-34.7%	(84.4)	(100.8)	-16.3%
(=) Financial Services Result	**(17.8)**	**9.6**	**-R$27.4**	**(0.8)**	**14.8**	**-R$15.6**
	2Q20	**2Q19**	**△**	**6M20**	**6M19**	**△**
Average Trade Receivables (R$ bilions)	2.7	2.8	-3.6%	3.0	2.9	3.4%
% of sales	19.9%	22.0%	-2.1p.p.	20.6%	21.5%	-0.9p.p.
Number of new cards (thousand)	18.5	167.4	-88.9%	198.0	310.6	-36.3%
Number of active cards (million)	3.4	5.4	-37.0%	4.0	5.5	-27.3%
Delinquency Rate* (%)	21.7%	8.3%	13.4p.p.	13.7%	8.0%	5.7p.p.

(*) Annualized losses net of recoveries/portfolio

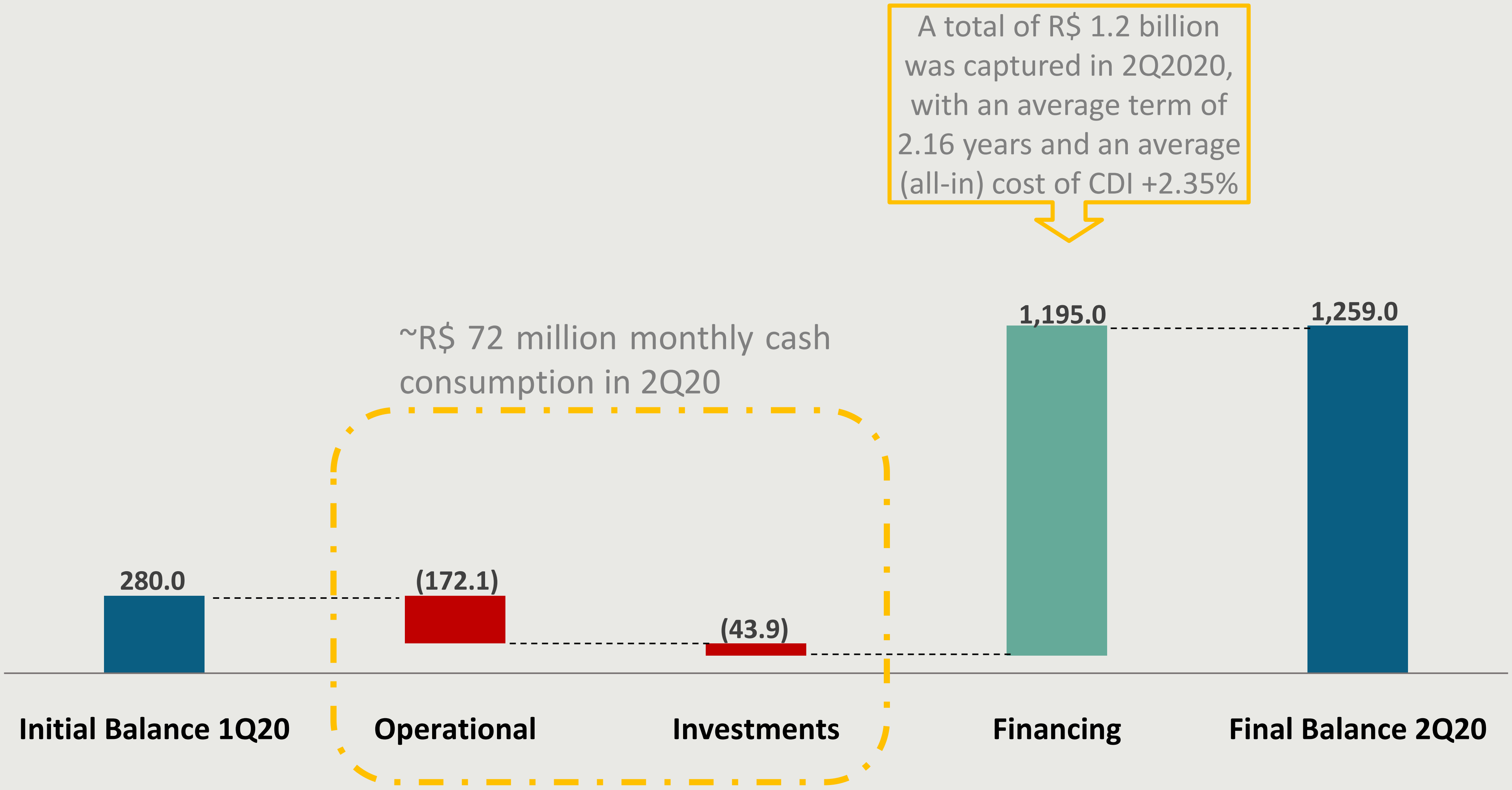
Investments

(R$ million)



Change in Cash Position 2Q20

(R$ million)



Net cash position at end 2Q20: R$ 53.8 million

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