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Apparel sales up 12.6% in 3Q23, solid margin expansion and 40% boost in Adjusted EBITDA

Net revenue from apparel was 12.6% higher than in 3Q22 Apparel gross margin was 54.1%, a 2.3 p.p. increase over 3Q22

Operating expenses³

dropped 3 p.p. as a percentage of net revenue vs 3Q22

Adjusted EBITDA post- IFRS16 was R\$ 195.6 million, 40% above 3Q22 Investments of R\$ 46.8 million in 3Q23

Reduction in net debt⁵ of 47.6% compared to 3Q22

Indicators (R\$ million)	3Q23	3Q22	Δ	9M23	9M22	Δ
Total Net Revenue (R\$ Mn)	1,542.7	1,407.5	9.6%	4,426.2	4,234.8	4.5%
Apparel Net Revenue (R\$ Mn)	1,276.9	1,133.9	12.6%	3,594.0	3,373.5	6.5%
Apparel same store sales (SSS) ¹ (%)	12.5%	0.9%	11,6p.p.	5.6%	27.6%	-40.3 p.p.
Same Store Sales (SSS) ¹ (%)	9.1%	0.0%	9.1 p.p.	2.5%	24.5%	-42.3 p.p.
Total Gross Omnichannel Revenue (GMV² 1P+3P)	374.5	264.8	41.4%	1,069.0	773.9	38.1%
Total Gross Margin (%)	51.7%	49.3%	2.4 p.p.	52.0%	49.5%	2.5 p.p.
Apparel Gross Margin (%)	54.1%	51.8%	2.3 p.p.	54.7%	53.2%	1.5 p.p.
Gross Merchandise Margin (%)	50.4%	47.8%	2.6 p.p.	50.3%	48.1%	2.2 p.p.
Operating Expenses ³ (R\$Mn)	(540.8)	(536.3)	0.8%	(1,594.3)	(1,684.5)	-5.4%
Adjusted EBITDA (after-IFRS16)4 (R\$ Mn)	195.6	139.7	40.0%	546.4	385.7	41.7%
Adjusted EBITDA margin (after-IFRS16) (%)	12.7%	9.9%	2.8 p.p.	12.3%	9.1%	3.2 p.p.
Net profit (loss) (R\$ Mn)	(44.2)	(61.4)	-28.0%	(166.3)	(212.0)	-21.6%
Investments (R\$ Mn)	46.8	93.4	-49.9%	152.3	262.6	-42.0%

(1) SSS: Growth in same store sales. This is comprised of sales in stores in activity for more than 13 months compared to thesame period in the previous year. It includes e-commerce and all types of sales and deliveries (100% online, direct sales, ship-from-store, and click-and pick-up). (2) GMV - Gross Merchandise Value: 1P - first-party relationship or direct C&A sales, 3P - third-party relationship or marketplace sales

(3) Excludes depreciation and amortization, including right-of-use (lease) depreciation, DPD and other operating revenue (expenses) to facilitate the analysis.

(4) Adjustments include: (i) other net operating revenue (expenses), (ii) trade financial revenue, and (iii) Recovery of taxcredits. (5) As per the table on page 13





Message from Management

C&A posted another strong performance in the third quarter of 2023, with all key metrics improving despite a slowdown in consumer spending and increased promotions across the industry.

The increase in net revenue, improved gross margins and streamlined expenses led to a 40% boost in Adjusted EBITDA (post-IFRS 16), which reached R\$195.6 million, while our margin increased 2.8 p.p. to 12.7%.

Apparel sales grew 12.6% in the third quarter, reflecting the brand's commercial strategy to supply customers seeking value and versatility. Our gross apparel margin increased by 2.3 percentage points year-on-year.

Our strong financial discipline, supported by an in-depth process to prioritize projects, enabled us to reduce our CAPEX in the quarter by 49.9%.

The solid operating cash generation boosted by measures to optimize working capital allowed us to reduce net debt in 47.6% compared to the third quarter of 2022. We ended the quarter with R\$ 1.1 billion in cash.

In financial services, C&A Pay continued its growth trajectory, now boasting 4.2 million digital cards for exclusive use on our C&A channels, accounting for 22% of sales in the quarter. Our prudent approach to credit allocation has improved the quality of our credit portfolio and debt-delinquency indicators. Our commitment to technology and data utilization remains steadfast as we continue to diaitize our core business processes through our Commercial Intelligence Hub or HIC, addressing the following main fronts: Goods distribution replenishment and management, dynamic pricing management, and integrated demand forecasting and inventory decision models. Through our Hub, we aim to achieve a more balanced approach to sales. margins, and enhancing the turnover, overall customer experience.

Further advances in our ESG pillars, particularly in the Denim category, reflect our commitment to integrating fashion with the circular economy. This quarter, we introduced collections using upcycling techniques, made of pre-used materials.

We would also like to take this opportunity to welcome Maria Carolina Brasil Borghesi who joins us as the Vice-President and Director of People, Culture, and ESG, reinforcing our leadership team. Ms. Borghesi brings extensive experience in Human Resources at leading retailers.

Our sustained and consistent progress in operating results over the past quarters reinforces our commitment to delivering distinctive value to our customers through collections that align with fashion and style preferences.

The Management of C&A Modas S.A



Financial Performance Net Pevenue

Net revenue in the quarter totaled R\$ 1,542.7 million, 9.6% above 3Q22. Net revenue from merchandise sales was R\$ 1,450.2 million, a 9.1% increase or 94.0% of the total. Revenue from financial products and services increased 17.4% to R\$ 86.2 million.

R\$ million	3Q23	3Q22	Δ	9M23	9M22	Δ
Apparel revenue	1,276.9	1,133.9	12.6%	3,594.0	3,373.5	6.5%
Revenue from Fashiontronics and Beauty	173.3	195.3	-11.3%	562.8	651.3	-13.6%
Revenue from merchandise sales	1,450.2	1,329.2	9.1%	4,156.8	4,024.9	3.3%
Other revenue	6.3	4.9	28.6%	16.1	15.4	4.5%
Revenue from financial services	86.2	73.4	17.4%	253.3	194.5	30.2%
Total Net Revenue	1,542.7	1,407.5	9.6%	4,426.2	4,234.8	4.5%
%	3Q23	3Q22	Δ	9M23	9M22	Δ
Apparel Same Store Sales	12.5%	0.9%	11,6p.p.	5.6%	27.6%	-40.3 p.p.
Fashiontronics and Beauty Same Store Sales	-10.8%	-5.2%	-5.6 p.p.	-13.7%	25.3%	-52,4p.p.
Same Store Sales (SSS) ¹ (%)	9.1%	0.0%	9.1p.p.	2.5%	24.5%	-42.3 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 and deliveries (100% online, direct sales, ship-from-store, and click-and pick-up).

Apparel

In 3Q23, apparel revenue increased 12.6%, and samestore sales (SSS) were up 12.5%.

The Spring/Summer collection was well received, especially shorts, bermuda shorts, denim, and dresses. Contributing to the performance was the ability to test several models and quickly scale up the most well received products within the in-season. The female division performed particularly well.



Sales increased more in stores located in higher-income areas, and the company's strategy is to launch exclusive capsule collections for these locations (High and Concept stores), and expand category assortment, with higher priced items and a better perception of value.





Fashiontronics

This category is primarily comprised of cell phones, smartphones, watches and accessories. Revenue from this category was down 16.5% compared to 3Q22. Demand for cell phones and smartphones remains low in Brazil's weak consumption environment. In this context, the company has focused its attention on the Apparel and Beaty categories

Beauty

Beauty products were introduced in late 2019, and the focus now is to improve their share of the category. Beauty revenue increased 17.4% in 3Q22.

Net revenue from merchandise sales

Net revenue from merchandise sales was 9.1% higher, or R\$ 1,450.2 million, driven by higher apparel sales in the quarter. Same-store sales increased 9.1% in 3Q23.

Other Revenue

Other revenue increased 28.6% in 3Q23, to R\$ 6.3 million, mostly due to an increase in commissions from marketplace partners from to higher sales, and increased sub-leasing revenue.

Net revenue from financial services

Revenue from financial services in the quarter amounted to R\$ 86.2 million, a 17.4% increase, primarily driven by due to the growth of C&A Pay operations.

Omnichannel

R\$ million	3Q23	3Q22	Δ	9M23	9M22	Δ
Total Gross Omnichannel Revenue (GMV ¹ 1P+3P)	374.5	264.8	41.4%	1,069.0	773.9	38.1%
Omnichannel Net Revenue	276.5	198.0	39.6%	784.8	576.4	36.2%
% Omnichannel Net Revenue/Total revenue from merchandise sales	19.1%	14.9%	4.2 p.p.	18.9%	14.3%	4.6 p.p.

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

Our Omnichannel Gross Revenue, or online GMV, which includes sales via our website, app, direct sales (including WhatsApp), and marketplace partner (sellers) sales increased 41.4% in the quarter to R\$ 374.5 million.

Omnichannel net revenue in 3Q23 was R\$ 276.5 million, up 39.6%, accounting for 19.1% of total sales.



Gross Profit and Gross Margin

R\$ million	3Q23	3Q22	Δ	9M23	9M22	Δ
Gross Profit from Apparel	690.8	586.8	17.7%	1,966.1	1,794.5	9.6%
Gross Profit from Fashiontronics and Beauty	39.7	48.3	-17.8%	126.4	142.3	-11.2%
Gross Profit From Merchandise	730.5	635.1	15.0%	2,092.5	1,936.9	8.0%
Other Gross Profit	(19.2)	(14.3)	34.3%	(43.9)	(32.5)	35.1%
Gross Profit from Financial Services	85.9	73.0	17.7%	252.5	193.4	30.6%
Total Gross Profit	797.2	693.9	14.9%	2,301.1	2,097.7	9.7%

%	3Q23	3Q22	Δ	9M23	9M22	Δ
Gross Margin from Apparel	54.1%	51.8%	2.3 p.p.	54.7%	53.2%	1.5 p.p.
Gross Margin from Fashiontronics and Beauty	22.9%	24.7%	-1.8 p.p.	22.5%	21.8%	0.7 p.p.
Gross Merchandise Margin	50.4%	47.8%	2.6 p.p.	50.3%	48.1%	2.2 p.p.
Total Gross Margin	51.7%	49.3%	2.4 p.p.	52.0%	49.5%	2.5 p.p.

Gross profit in 3Q23 amounted to R\$ 797.2 million, +14.9% over 3Q22. Total gross margin in the quarter was 51.7%, 2.4 p.p. higher, primarily driven by better margins in apparel.

<u>Gross margin from apparel</u> was 54.1%, a 2.3 p.p. increase, thanks to the continued use of dynamic pricing and the benefits of push-pull distribution for our higher turnover goods.

Margin from <u>Fashiontronics and Beauty</u> this quarter dropped 1.8 p.p. to 22,9% due to lower margins in beauty goods, offset by the recognition of tax credits in 3Q22.

<u>Gross margin from merchandise</u> was 50.4%, a 2.6 p.p. increase over 3Q22. This is primarily the result of improved apparel margins, and the declining share of Fashiontronics and Beauty.







Operating Expenses

R\$ million	3Q23	3Q22	Δ	9M23	9M22	Δ
Sales Expenses	(411.4)	(427.1)	-3.7%	(1,218.5)	(1,338.6)	-9.0%
General and administrative expenses	(129.4)	(109.1)	18.6%	(375.7)	(345.9)	8.6%
Total Selling and G&A Expenses ¹	(540.8)	(536.3)	0.8%	(1,594.3)	(1,684.5)	-5.4%
Other operating income (expenses)	14.7	37.5	-60.8%	25.9	49.8	-48.0%
Operating Expenses ¹	(526.2)	(498.8)	5.5%	(1,568.4)	(1,634.7)	-4.1%

(1) Expenses comply with accounting standard IFRS16 and exclude depreciation and amortization, including right-of-use depreciation (leases) and net credit provisions to facilitate the analysis. This information excluding IFRS16 is available in the fundamentals spreadsheet on C&A's IR site - https://ri.cea.com.br.

%	3Q23	3Q22	Δ	9M23	9M22	Δ
Selling Expenses / Total Net Revenue	26.7%	30.3%	-3.6 p.p.	27.5%	31.6%	-4.1 p.p.
G&A Expenses/Total Net Revenue	8.4%	7.8%	0.6 p.p.	8.5%	8.2%	0.3 p.p.
Selling Expenses and G&A/Total Net Revenue	35.1%	38.1%	-3.0 p.p.	36.0%	39.8%	-3.8 p.p.

In the third quarter our operating expenses excluding depreciation and net credit losses amounted to R\$ 526.2 million, 5.5% more than in 3Q22, primarily due to a reduction in other operating revenue (expenses). We continue to control our expenses. As a result, SG&A line creased 0.8% compared to 3Q22, 3 p.p. down from the same period last year, with improved operating leverage

Sales expenses were down 3.7% compared to 3Q22, to R\$ 411.4 million. This drop is the result of increased efficiency, especially in marketing.



General and administrative expenses increased 18.6%, to R\$ 129.4 million due to higher personnel costs and higher expenses with third party labor from more SKUs handled at our distribution centers. Our expenses with technology and digitization also increased.

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

Other Operating (Expenses) and Revenue was a revenue of R\$ 14.7 million, a 60.8% drop due to the 3Q22 higher basis of comparison.





Financial Services

R\$ million	3Q23	3Q22	Δ	9M23	9M22	Δ
Bradescard Partnership	4.9	29.8	-83.6%	31.0	112.6	-72.5%
C&A Pay (Private Label)	81.3	43.6	86.5%	222.3	81.9	171.4%
Revenues, net of cost of funding and taxes	86.2	73.4	17.4%	253.3	194.5	30.2%
Gross profit	86.2	73.0	18.1%	252.8	193.3	30.8%
(-) Losses Net of Recoveries (C&A Pay)	(64.2)	(20.8)	208.7%	(167.3)	(34.2)	389.2%
(-) Total Expenses ¹	(54.4)	(61.2)	-11.1%	(167.3)	(161.1)	3.8%
(=) Financial Services Results	(32.4)	(9.0)	260.0%	(81.8)	(2.0)	3990.0%

(1) Includes depreciation

Net revenue from financial services was R\$ 86.2 million this quarter, 17.4% above 3Q22 driven by to the good performance of C&A Pay, which offset the significant drop in revenue from the Bradescard Partnership. The drop in contribution from this partnership is related to higher provisions for losses due to Bradescard policy.

Provisions for losses from the C&A Pay operation in the month were R\$ 64.2 million, linked to a portfolio that is still maturing. Total expenses amounted to R\$ 54.4 million, 11.1% lower than 3Q22. Our financial services operating expenses are available in the fundamentals spreadsheet on the company's IR site – https://ri.cea.com.br.

26% of 3Q23 sales were based on credit, either via our Bradescard partnership or C&A Pay.

C&A Pay (Private Label) Indicators	3Q23	3Q22	Δ	9M23	9M22	Δ
Trade receivables (million)	724.8	384.8	88.4%	724.8	384.8	88.4%
% of Sales	22%	14%	8 p.p.	20%	13%	7 p.p.
Number of new cards (thousand)	585	478	22.4%	1,617	1,557	3.9%
Number of cards issued (thousand)	4,183	1,959	113.5%	4,183	1,959	113.5%
Losses net of recoveries over portfolio for the period (%)	9.0%	5.9%	3.1 p.p.	26.0%	14.2%	11.8 p.p.

In the quarter, <u>C&A Pay</u> issued over 585 thousand new digital cards, for a total of 4.2 million cards issued. The card now accounts for 22% of sales, an 8 p.p. increase. Losses net of recovery over the average portfolio in the quarter amounted to 9.0%.

In the <u>Bradescard partnership</u>, 65 thousand new cards were issued, and Bradescard credit as a percent sales was 4%, down 4 p.p. Indicators for the Bradescard Partnership are submitted as an attachment to this document.



Portfolio Maturity

The 90 days or more past due portfolio accounted for 22.9% of the total portfolio. C&A Pay completed its first full year of operations in December 2022 and is still in the process of creating baskets.

C&A Pay (R\$ thousand)	Coming due	Past due	Balance			
Up to 30 days	173,668	23,310	196,978			
31 - 60 days	108,322	20,872	129,194			
61 – 90 days	74,835	21,729	96,564			
91 - 180 days	105,165	60,370	165,535			
180 - 360 days	29,672	105,893	135,565			
Longer than 361 days	930	-	930			
Total	492,591	232,174	724,765			
Coverage Ratio (overdue for more than 90 days) 96.0						

By the end of the quarter C&A Pay had sufficient provisions to cover 96.0% of the >90 dpd credits.

Coverage over credit portfolio

Coverage over credit portfolio ended the quarter at 22.0%. In stage 3, the 90 days or more past due portfolio amounted to 79.7%.

C&A Pay (R\$ thousand)	Portfolio	DPD	% Coverage
Balance of active portfolio (on balance)	724,765	159,518	22.0%
Stage 1	493,750	13,797	2.8%
Stage 2	56,491	6,681	11.8%
Stage 3	174,524	139,040	79.7%
Off balance higher provisions for losses¹(off balance)	466,291	92	0.02%
Total	1,191,056	159,610	
Coverage index (IFRS 9):			22.0%

(1) Includes limits granted but not used

Payment methods

In payment methods, we highlight the increase share of C&A Pay, reflecting an accurate offer and correct execution.









EBITDA

(post-IFRS 16)

R\$ million, except margins	3Q23	3Q22	Δ	9M23	9M22	Δ
Net income (loss) for the period	(44.2)	(61.4)	-28.0%	(166.3)	(212.0)	-21.6%
(+) Income taxes	(38.5)	(42.5)	-9.4%	(113.2)	(137.8)	-17.9%
(+/-) Net financial results	110.9	101.5	9.3%	316.5	265.7	19.1%
(+) Depreciation and amortization	178.7	176.6	1.2%	528.5	512.9	3.0%
(=) EBITDA (post-IFRS 16)	206.9	174.2	18.8%	565.5	428.8	31.9%
(+/-) Other net operating income (expenses),	2.2	10.2	-78.4%	4.3	17.7	-75.7%
(+) Financial income from suppliers	3.3	2.0	65.0%	6.8	6.7	1.5%
(-) Tax credit recovery	(16.9)	(46.7)	-63.8%	(30.2)	(67.5)	-55.3%
(=) Adjusted EBITDA (post- IFRS 16) ¹	195.6	139.7	40.0%	546.4	385.7	41.7%
Adjusted EBITDA Margin (post-IFRS 16) ¹ over Net Revenue	12.7%	9.9%	2.8 p.p.	12.3%	9.1%	3.2 p.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 in 3Q23 was R\$ 195.6 million, a 40.0% increase compared to 3Q22, with an adjusted EBITDA margin after IFRS 16 of 12.7%.

adjusted EBITDA (post-IFRS16) over 3Q22

R\$ million, except margins	3Q23	3Q22	Δ	9M23	9M22	Δ
(-) Financial Services Results	32.4	9.0	260.0%	81.8	2.0	3990%
Adjusted EBITDA (Post-IFRS 16) ¹ for the Retail Operation	228.0	148.7	53.3%	628.2	387.7	62.0%
Adjusted EBITDA Margin (Post-IFRS 16) ¹ for the Retail Operation	14.8%	10.6%	4.2 p.p.	14.2%	9.2%	5.0 p.p.

(1) EBITDA adjusted for (i) other net operating revenue (expenses); (ii) trade financial revenue; (iii) recovery of tax credits.

Adjusted EBITDA from Retail Operations was R\$ 228.0 million in 3Q23, with an 14.8% margin.



Financial Results

R\$ million, except margins	3Q23	3Q22	Δ	9M23	9M22	Δ
Exchange variation	(0.5)	(1.2)	-58.3%	1.1	0.1	1000.0%
Total Finance Expenses	(161.1)	(174.3)	-7.6%	(481.7)	(429.5)	12.2%
Interest on loans	(64.9)	(85.6)	-24.2%	(197.9)	(191.0)	3.6%
Interest on leases	(40.5)	(40.4)	0.2%	(118.2)	(116.3)	1.6%
Trade receivable finance expenses - AVP	(29.5)	(24.1)	22.4%	(84.8)	(62.8)	35.0%
Interest from trade receivables - Bradescard	(18.4)	(16.3)	12.9%	(53.6)	(38.0)	41.1%
Interest on taxes and contingencies	(5.0)	(7.0)	-28.6%	(16.6)	(15.7)	5.7%
Early receivables charges	(1.0)	0.0	-	(4.1)	0.0	-
Other finance expenses	(1.7)	(1.0)	70.0%	(6.6)	(5.7)	15.8%
Total finance income	48.7	74.0	-34.2%	161.0	163.7	-1.6%
Revenue from interest	22.4	34.4	-34.9%	71.5	84.4	-15.3%
Interest on short-term investments	22.9	37.5	-38.9%	82.6	72.5	13.9%
Supplier Financial Revenue	3.3	2.0	65.0%	6.8	6.7	1.5%
Other Finance Income	0.0	0.0	_	0.0	0.0	-
Earnings from Bonds and Securities	1.9	0.0	-	3.1	0.0	-
Finance results	(110.9)	(101.5)	9.3%	(316.5)	(265.7)	19.1%

In 3Q23, financial results were an expense of R\$ 110.9 million, 9.3% above the same period last year, mostly due to the increase in the Selic rate, which led to lower yields on short-term investments and lower monetary correction of tax credits.



R\$ million, except margins	3Q23	3Q22	Δ	9M23	9M22	Δ
Net profit (loss)	(44.2)	(61.4)	-28.0%	(166.3)	(212.0)	-21.6%
Net Margin	-2.9%	-4.4%	1.5 p.p.	-3.8%	-5.0%	1.2 p.p.

In 3Q23 C&A's losses dropped 28.0% compared to 3Q22 resulting in a 1.5 p.p. increase in net margin.





Free cash flow

Adjusted Free Cash Flow

R\$ million	3Q23	3Q22	Δ	9M23	9M22	Δ
Pre IFRS16 income (losses) before Income Tax and Social Contribution	(75.4)	(85.3)	-11.6%	(261.1)	(299.1)	-12.7%
Depreciation and amortization	93.6	84.1	11.3%	271.8	247.7	9.7%
(+/-) Other	131.0	106.7	22.8%	386.1	243.1	58.8%
Adjustments with no impact on cash	224.6	190.8	17.7%	657.9	490.8	34.0%
Income Tax and Social Contribution paid	(3.8)	0.0	-	(25.0)	(5.2)	380.8%
Working Capital	117.6	150.1	-21.7%	(114.9)	(419.3)	-72.6%
Trade receivables	20.7	132.6	-84.4%	111.0	0.4	27650%
Inventory	(55.6)	(27.6)	101.4%	(201.8)	(166.0)	21.6%
Suppliers	28.3	(27.1)	-204.4%	(76.9)	(269.8)	-71.5%
Other	124.2	72.2	72.0%	52.7	16.2	225.3%
Cash from operating activities	263.0	255.6	2.9%	256.9	(232.8)	-210.4%
(-) CAPEX (Investments)	(50.4)	(97.0)	-48.0%	(180.0)	(388.6)	-53.7%
(=) Adjusted Free Cash Flow	212.6	158.6	34.0%	76.9	(621.3)	-112.4%

Free cash flow in 3Q23 was R\$ 212.6 million due to improvements in the cash conversion cycle, which in turn were the result of measures to reduce the need for working capital in place since 2H22.

Cash position variation in 3Q23

The 3Q23 final cash balance increased R\$ 158.8 million in relation to June 2023. Operating activities generated R\$ 263.0 million in cash. Excluding the effects of prepayment of receivables, operating cash generation would have been R\$ 313.0 million. We also offset previously unused tax credits in the amount of R\$ 82.0 million. Investments used R\$ 50.4 million and financing activities another R\$ 53.9 million.



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Investments

R\$ million	3Q23	3Q22	Δ	9M23	9M22	Δ
New Stores	2.6	24.2	-89.3%	26.7	92.4	-71.1%
Revamps and Refurbishings	7.0	8.7	-19.5%	16.7	22.7	-26.4%
Supply Chain	10.5	11.4	-7.9%	15.6	26.2	-40.5%
Digital and Technology	26.7	49.1	-45.6%	93.3	121.3	-23.1%
Total Investments	46.8	93.4	-49.9%	152.3	262.6	-42.0%

(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\$ 46.8 million. Of this, Digital and Technology accounted for R\$ 26.7 million. Optimizing the amount invested is the result of continuous financial discipline and focus on cash preservation.

Indebtedness

R\$ million	9M23	9M22	Δ
Gross Debt	1,720.6	2,382.7	-27.8%
Short-Term Debt	505.1	978.4	-48.4%
Long-Term Debt	1,215.5	1,404.4	-13.5%
(-) Cash and Cash Equivalents and Short-Term Investments	1,119.6	1,236.7	-9.5%
Cash ou (Net Debt)	(601.0)	(1,146.0)	-47.6%
Covenant-Adjusted EBITDA ¹ (last 12 months) pre- IFRS16	601.5	357.7	68.2%
Net Debt/Covenant-Adjusted EBITDA ¹ (last 12 months) pre-IFRS16	1.0×	3.2x	n/a
Total Net Debt ² / EBITDA Adjusted for covenants ¹ (last 12 months) pre-IFRS16	2.2x	4.5x	n/a

(1) As per the attachment on page 16

(2) Includes commitment with Bradescard and excludes prepayment of receivables

At the end of the third quarter our net debt was R\$ 601.0 million. The average term of our total debt was 3.6 years. Leverage, calculated using the debt covenants was 1.0x net debt/12-m EBITDA pre-IFRS16 adjusted for covenants.

the debt amortization In schedule, there will be no principal payouts in 2023. In addition to the amounts in this schedule, in 2025 we will pay out R\$ 415 million of the Bradescard debt incurred when C&A bought back the right to offer credit products and financial services from Bradescard, recorded in Statement of Financial the Position under suppliers.

Debt Amortization Schedule (R\$ million)



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C&A joined the B3 "Novo Mercado" on 28 October 2019, at a starting share price of R\$ 16,50. Average daily trading in 3Q23 was R\$ 24 million, and the share price increased 1.3%. On September 30, 2023, the company's market cap was R\$ 1.7 billion.

CEAB31	
Final Price (09/30/2023)	R\$ 5,50
Highest price in 3Q23	R\$ 6,70
Lowest price in 3Q23	R\$ 4,89
Valuation/Devaluation in 3Q23	1.3%
Total number of shares	308,245,068
Market Cap (09/30/2023)	R\$ 1.7 billion
Average daily liquidity in 3Q23	R\$ 24 million

(1) Source: Enfoque, base date 09/30/2023



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 based on September 30, 2023 are described below:

Shareholding	# Of common shares (ON)	% of total
Controlling shareholder	201,319,336	65.3%
Officers	899,686	0.3%
Treasury	2,650,500	0.9%
Other	103,375,546	33.5%
Total	308,245,068	100.0%



Appendix

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Total Adjusted EBITDA (pre - IFRS 16)

R\$ million	3Q23	3Q22	Δ	9M23	9M22	Δ
Net Profit (Losses) for the Period	(44.2)	(61.4)	-28.0%	(166.3)	(212.0)	-21.6%
(+) Income taxes	(38.5)	(42.5)	-9.4%	(113.2)	(137.8)	-17.9%
(+/-) Net financial results	110.9	101.5	9.3%	316.5	265.7	19.1%
(+) Depreciation and amortization	178.7	176.6	1.2%	528.5	512.9	3.0%
(=) EBITDA (post-IFRS 16)	206.9	174.2	18.8%	565.5	428.8	31.9%
(+/-) Other operating and net income (expenses)	2.2	10.2	-78.4%	4.3	17.7	-75.7%
(+) Financial income from suppliers	3.3	2.0	65.0%	6.8	6.7	1.5%
(-) Tax credit recovery	(16.9)	(46.7)	-63.8%	(30.2)	(67.5)	-55.3%
(=) Adjusted EBITDA ¹ (post- IFRS 16)	195.6	139.7	40.0%	546.4	385.7	41.7%
(-) Lease liabilities	(118.3)	(113.4)	4.3%	(352.9)	(328.8)	7.3%
(=) Adjusted EBITDA ¹ (pre- IFRS16)	77.3	26.3	193.4%	193.5	56.9	240.0%
EBITDA Margin (pre IFRS 16)1	5.0%	1.9%	3.1 p.p.	4.4%	1.3%	3.1 p.p.

(1) EBITDA adjusted for (i) other net operating revenue (expenses); (ii) trade financial revenue; (iii) recovery of tax credits. Adjusted EBITDA (pre-IFRS16) excludes the effects of accounting standard IFRS16.

Covenant-adjusted EBITDA (last 12 months)

R\$ million	3Q23	3Q22
Adjusted EBITDA post- IFRS16 (last 12 months)	1,046.7	791.8
Adjusted Lease liabilities (last 12 months)	(473.6)	(434.4)
(=) EBITDA pre IFRS16 (last 12 meses)	573.1	357.4
(+/-Gains (losses) from the sale of assets, excluding IFRS16	6.9	6.2
(=) Impairment	(0.2)	(12.2)
(+) Financial income from suppliers	8.1	11.1
(-) Restructuring/Consulting Expenses	(0.4)	8.3
(+/-) Provisions (Reversals) for Contingencies	14.0	(13.0)
(=) Covenant-Adjusted EBITDA ² (last 12 months) pre IFRS16.	601.5	357.7
Net Debt/covenant-adjusted EBITDA (12 months)	1.0×	3.2×

(2) 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.

Bradescard Partnership Indicators

R\$ million	3Q23	3Q22	Δ	9M23	9M22	Δ
Bradescard Partnership (old model)						
Trade receivables (million)	2.4	2.70	-11.1%	2.5	2.80	-10.7%
% Sales	3%	8%	-4 p.p.	5%	9%	-4 p.p.
Number of new cards (thousand)	-	59	-100.0%	98.7	272	-63.7%
Number of active cards (thousand)	1.7	2.2	-22.7%	1.9	2.4	-20.8%
Losses net of recoveries over average portfolio - period %	4.2%	3.2%	1.0 p.p.	13.2%	7.7%	5.5 p.p.
Bradescard Partnership (new model)						
% of Sales	1%	-	-	-	-	-
Number of new cards (thousand)	65.0	-	-	123.7	-	-



Consolidated Statement of Income 3Q23 and 9M23

R\$ million	3Q23	3Q22	Δ	9M23	9M22	Δ
Net Operating Revenue	1,542.7	1,407.5	9.6%	4,426.2	4,234.8	4.5%
Apparel Revenue	1,276.9	1,133.9	12.6%	3,594.0	3,373.5	6.5%
Revenue from Fashiontronics and Beauty	173.3	195.3	-11.3%	562.8	651.3	-13.6%
Net revenue from goods	1,450.2	1,329.2	9.1%	4,156.8	4,024.9	3.3%
Other revenue	6.3	4.9	28.6%	16.1	15.4	4.5%
Financial Services	86.2	73.4	17.4%	253.3	194.5	30.2%
Cost of goods/services	(745.4)	(713.7)	4.4%	(2,125.1)	(2,137.1)	-0.6%
Gross Profit	797.2	693.9	14.9%	2,301.1	2,097.7	9.7%
Gross Profit from Apparel	690.8	586.8	17.7%	1,966.1	1,794.5	9.6%
Gross Profit from Fashiontronics and Beauty	39.7	48.3	-17.8%	126.4	142.3	-11.2%
Gross Profit From Merchandise	730.5	635.1	15.0%	2,092.5	1,936.9	8.0%
Other Gross Profit	(19.2)	(14.3)	34.3%	(43.9)	(32.5)	35.1%
Gross Profit from Financial Services	85.9	73.0	17.7%	252.5	193.4	30.6%
Operating (Expenses) and Revenue	(769.1)	(696.2)	10.5%	(2,264.2)	(2,181.8)	3.8%
General and administrative	(129.4)	(109.1)	18.6%	(375.7)	(345.9)	8.6%
Sales	(411.4)	(427.1)	-3.7%	(1,218.5)	(1,338.6)	-9.0%
Depreciation and amortization	(178.7)	(176.6)	1.2%	(528.5)	(512.9)	3.0%
Other net operating income (expenses)	14.7	37.5	-60.8%	25.9	49.8	-48.0%
Net credit losses	(64.2)	(20.8)	208.7%	(167.3)	(34.2)	389.2%
Profit before Financial Revenue and Expenses	28.2	(2.4)	-1275.0%	36.9	(84.0)	-143.9%
Finance Results	(110.9)	(101.5)	9.3%	(316.5)	(265.7)	19.1%
Exchange variation	(0.5)	(1.2)	-58.3%	1.1	0.1	1000.0%
Total Finance Expenses	(161.1)	(174.3)	-7.6%	(481.7)	(429.5)	12.2%
Total finance income	48.7	74.0	-34.2%	161.0	163.7	-1.6%
Earnings from Bonds and Securities	1.9	0.0	-	3.1	0.0	-
Profit before taxes	(82.7)	(103.9)	-20.4%	(279.6)	(349.8)	-20.1%
Income taxes	38.5	42.5	-9.4%	113.2	137.8	-17.9%
Net Profit (Losses) for the Period	(44.2)	(61.4)	-28.0%	(166.3)	(212.0)	-21.6%



Consolidated Statement of Financial Position

R\$ million	09/30/2023	12/31/2022
Total Assets	8,752.5	9,629.6
Current Assets	4,186.0	4,753.2
Cash and cash equivalents	1,119.6	1,674.1
Bonds and securities	0.0	8.7
Trade receivables	1,009.4	1,278.2
Derivatives	2.6	1.4
Related parties	0.1	0.1
Inventory	998.0	852.0
Taxes recoverable	992.6	899.4
Other Assets	63.6	39.3
Non-Current Assets	4,566.5	4,876.4
Taxes recoverable	683.9	937.4
Deferred taxes	538.2	423.0
Judicial deposits	58.5	61.3
Related parties	0.0	0.1
Property and Equipment	786.2	865.5
Right-of-use assets - leases	1,522.2	1,565.4
Intangible assets	977.3	1,021.1
Total Liabilities and Shareholder's Equity	8,752.5	9,629.6
Current Liabilities	2,628.4	3,679.7
Lease liabilities	490.8	513.2
Suppliers	936.2	1,864.7
Direct and Indirect Suppliers	936.2	1,009.1
Suppliers re buying back the right to offer credit (Bradescard)	0.0	469.3
Drawee risk transactions	302.2	386.3
Loans	507.7	746.0
Derivatives	0.1	1.8
Labor liabilities	201.2	198.7
Related parties	76.9	43.6
Taxes payable	56.9	248.0
Other liabilities	56.5	63.7
Non-Current Liabilities	3,281.3	2,949.7
Lease liabilities	1,273.5	1,276.0
Suppliers	534.2	12.6
Direct and Indirect Suppliers	11.3	12.6
Suppliers Buying back the right to offer credit (Bradescard)	522.9	0.0
Loans	1,215.5	1,404.8
Labor liabilities	12.0	7.4
Provisions for tax, civil, and labor risks	183.1	182.8
Taxes payable	10.1	15.9
Other liabilities	53.0	50.2
Shareholder's Equity	2,842.7	3,000.2
Share capital	1,847.2	1,847.2
Shares in Treasury	(8.5)	(6.8)
Capital reserve	46.3	37.6
Accumulated profit (losses)	(166.4)	0.0
Profit reserve	1,122.4	1,122.4
Other comprehensive income	1.7	(0.3)



Consolidated Cash Flow

R\$ million	9M23	9M22
Operating activities		
Income (loss) before income tax	(279.6)	(349.8)
Adjustments to reconcile income before income taxes to net cash flows:	. ,	· · · ·
Allowance (reversal) for expected credit losses	171.1	38.2
Adjustment to present value of accounts receivables and suppliers	(12.9)	(1.2)
Expenses with stock-based compensation	8.6	7.0
Provisions for inventory losses	55.8	40.3
Gains/Recognition of tax claims, including monetary correction	(55.7)	(62.8)
Depreciation and amortization	271.8	247.7
Impairment (Reversal) of provisions for property and equipment, intangibles, and right-of- use assets	(2.2)	(8.2)
Losses from the sale or disposal of property and equipment and intangible assets	5.5	6.1
Right-of-use amortization	281.9	291.1
Lease liabilities	(2.6)	0.0
Interest on leases	127.7	122.8
Interest on loans	197.9	202.0
Amortization of the transaction costs on loans	4.1	2.0
Provisions (reversal) for tax, civil and labor risks	21.3	28.7
Update of judicial deposits		
Yield from investments in bonds and securities	(6.9)	(8.7)
	(0.3)	(0.7)
Variations in assets and liabilities:	440.0	0.4
Trade receivables	112.0	0.4
Related parties	33.4	7.1
Inventory	(201.8)	(166.0)
Taxes recoverable	216.0	136.7
Other credits	(22.0)	(18.9)
Redemption of investments in bonds and securities	9.1	0.0
Judicial deposits	4.8	0.6
Suppliers	7.2	(144.2)
Drawee risk transactions	(84.1)	(125.6)
Labor liabilities	7.1	(12.8)
Other liabilities	(4.6)	24.7
Provisions for tax, civil and labor risks	(16.1)	(10.7)
Taxes payable	(174.8)	(110.1)
Income Tax and Social Contribution paid	(25.0)	(5.2)
Cash flow originating (invested in) operating activities	646.5	130.5
Investment activities		
Purchase of property and equipment	(58.8)	(160.7)
Purchase of intangible assets	(122.7)	(228.3)
Receivables from the sale of property and equipment	0.6	0.4
Cash flow used in investment activities	(181.0)	(388.6)
Financing activities	(10.10)	(000.0)
New loans and debentures issued	381.4	1,103.7
Loan/debenture transaction costs	(5.0)	(6.0)
Repayment of loans (principal)	(745.4)	(200.0)
Interest paid on loans	(260.6)	(200.0)
Repayments and interest paid on leases	(388.6)	(363.2)
Share buy-back		
	(1.7)	(3.9)
Net cash flows originating from (used by) financing activities	(1,020.0)	436.1
Net increase (decrease) in cash and cash equivalents	(554.5)	178.0
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	1,119.6	1,228.2



Glossary of terms

expression	meaning
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	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 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:	RFID (Radio-Frequency Identification): enables identifying and locating each SKU in both stores and Distribution Centers.
	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	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, an inventory management tool



About C&A

C&A is a fashion company focused on suggesting experiences that go beyond apparel. 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 at 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.

C&A's purpose is to impact people so they can be what they want to be through fashion.

On September 30, 2023, there were 334 stores in operation, with a total sales area of around 616 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 vouthful, innovative, diverse and inclusive fashion for women, men and children. It also offers a line of Fashiontronics along with the recently added beauty products. In December 2021 we launched C&A PAY, a direct credit offer for our customers.





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Earnings Release

