## $\mathrm{C}^{\mathrm{Z}} \mathrm{A}$



## Earnings Release



## Results Videoconference:

Portuguese/English Date: 11/10/2023

Brasília: 13:00 h
New York: 11:00 h
London: 16:00h
webcast: ri.cea.com.br

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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

Investments of $\mathrm{R} \$ 46.8$ million in 3Q23

Operating expenses ${ }^{3}$ dropped 3 p.p. as a percentage of net revenue vs 3Q22

Adjusted EBITDA post- IFRS16 was R\$ 195.6 million, 40\% above 3Q22

Reduction in net debt ${ }^{5}$ of 47.6\% compared to 3Q22

| Indicators (R\$ million) | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\Delta$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\Delta$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| 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) ${ }^{1}$ (\%) | $12.5 \%$ | $0.9 \%$ | $11,6 p . p$. | $5.6 \%$ | $27.6 \%$ | -40.3 p.p. |
| Same Store Sales (SSS) (\%) | $9.1 \%$ | $0.0 \%$ | 9.1 p.p. | $2.5 \%$ | $24.5 \%$ | -42.3 p.p. |
| Total Gross Omnichannel Revenue (GMV² <br> 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 | $-42.0 \%$ |

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# Message from <br> Menagement 

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 $\mathrm{R} \$ 1.1$ 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 digitize our core business processes through our Commercial Intelligence Hub or HIC; addressing the following main fronts: Goods distribution and replenishment 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 turnover, enhancing the 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 VicePresident 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 <br> Net 

## revenue

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 | $\triangle$ | 9M23 | 9M22 | $\triangle$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 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 | $\triangle$ | 9M23 | 9 M 22 | $\triangle$ |
| 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\% | 9.1 p.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 $3 Q 23$, 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

| $\mathbf{R} \$$ million | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\boldsymbol{\Delta}$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\boldsymbol{\Delta}$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| Total Gross Omnichannel Revenue (GMV <br> 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 <br> 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 $\mathrm{R} \$ 276.5$ million, up $39.6 \%$, accounting for $19.1 \%$ of total sales.

## Gross Profit and Gross Margin

| $\mathbf{R} \$$ million | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\boldsymbol{\Delta}$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\boldsymbol{\Delta}$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| 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 | $14.9 \%$ | $\mathbf{2 , 3 0 1 . 1}$ | $\mathbf{2 , 0 9 7 . 7}$ | $\mathbf{9 . 7 \%}$ |


| $\mathbf{\%}$ | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\boldsymbol{\Delta}$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\boldsymbol{\Delta}$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| 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. | $52.0 \%$ | $\mathbf{4 9 . 5 \%}$ | 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.

Gross margin from apparel 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 Fashiontronics and Beauty 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.

Gross margin from merchandise 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 | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\boldsymbol{\Delta}$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\Delta$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| 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

| $\mathbf{\%}$ | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\boldsymbol{\Delta}$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\boldsymbol{\Delta}$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| 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 <br> Revenue | $\mathbf{3 5 . 1 \%}$ | $\mathbf{3 8 . 1 \%}$ | $\mathbf{- 3 . 0}$ p.p. | $36.0 \%$ | $\mathbf{3 9 . 8 \%}$ | $\mathbf{- 3 . 8}$ 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 $3 Q 22$, 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 - https://ri.cea.com.br.

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 | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\boldsymbol{\Delta}$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\boldsymbol{\Delta}$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| 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 | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\mathbf{\Delta}$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\boldsymbol{\Delta}$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| 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 <br> period (\%) | $9.0 \%$ | $5.9 \%$ | 3.1 p.p. | $26.0 \%$ | $14.2 \%$ | 11.8 p.p. |

In the quarter, C\&A Pay 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 Bradescard partnership, 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) | $\mathbf{9 6 . 0 \%}$ |  |  |

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

| 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 losses ${ }^{1}$ (off balance) | 466,291 | 92 | 0.02\% |
| Total | 1,191,056 | 159,610 |  |
| Coverage index (IFRS 9): <br> (1) Includes limits granted but not used |  |  | 22.0\% |

## Payment methods

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


## Adjusted <br> 

(post-IFRS 16)

| R\$ million, except margins | 3Q23 | 3Q22 | $\Delta$ | 9 M 23 | 9M22 | $\Delta$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 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 3 Q23 was R\$ 195.6 million, a $40.0 \%$ increase compared to 3Q22, with an adjusted EBITDA margin after IFRS 16 of $12.7 \%$.

## 4:0\%

adjusted EBITDA (postIFRS16) over 3Q22

| $\mathbf{R \$}$ million, except margins | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\boldsymbol{\Delta}$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\boldsymbol{\Delta}$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| (-) Financial Services Results | 32.4 | 9.0 | $260.0 \%$ | 81.8 | 2.0 | $3990 \%$ |
| Adjusted EBITDA (Post-IFRS 16) <br> for the Retail Operation | 228.0 | 148.7 | $53.3 \%$ | 628.2 | 387.7 | $62.0 \%$ |
| Adjusted EBITDA Margin (Post-IFRS 16) <br> 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



| R\$ million, except margins | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\Delta$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\Delta$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| 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.


## Profit

| R\$ million, except margins | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\Delta$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\Delta$ |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| 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 ©@sh flow

## Adjusted Free Cash Flow

| R\$ million | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\Delta$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\Delta$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| Pre IFRS16 income (losses) before Income <br> 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 2 H 22 .

## Cash position variation in $\mathbf{3 Q 2 3}$

The 3Q23 final cash balance increased R\$ 158.8 million in relation to June 2023. Operating activities generated $\mathrm{R} \$ 263.0$ 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.


## Investments

| R\$ million | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\boldsymbol{\Delta}$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\boldsymbol{\Delta}$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| 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 | $\mathbf{- 4 9 . 9 \%}$ | 152.3 | $\mathbf{2 6 2 . 6}$ | $\mathbf{- 4 2 . 0 \%}$ |

(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.


| R\$ million | 9M23 | 9M22 | $\Delta$ |
| :---: | :---: | :---: | :---: |
| 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 | 1.0x | $3.2 x$ | n/a |
| Total Net Debt²/ EBITDA Adjusted for covenants ${ }^{1}$ (last 12 months) pre-IFRS16 | $2.2 x$ | $4.5 x$ | n/a |
| (1) As per the attachment on page 16 <br> (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 $1.0 \times$ net debt/12-m EBITDA pre-IFRS16 adjusted for covenants.

In the debt amortization 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 the Statement of Financial Position under suppliers.

## Debt Amortization Schedule ( $\mathrm{R} \$$ million)



## Capital Marlket

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

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

CEAB3 x Ibovespa (Oct/2019 - Current)


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 | $308,245,068$ | $100.0 \%$ |

# Appendiz 

Total Adjusted EBITDA (pre - IFRS 16)

| R\$ million | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\boldsymbol{\Delta}$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\Delta$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| 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) 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 | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ |
| :--- | :---: | :---: |
| Adjusted EBITDA post- IFRS16 (last 12 months) | $1,046.7$ | $\mathbf{7 9 1 . 8}$ |
| 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 EBITDA2 (last 12 months) pre IFRS16. | 601.5 | 357.7 |
| Net Debt/covenant-adjusted EBITDA (12 months) | $1.0 \times$ | $3.2 \times$ |

(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 | $\mathbf{3 Q 2 3}$ | $\mathbf{3 Q 2 2}$ | $\boldsymbol{\Delta}$ | $\mathbf{9 M 2 3}$ | $\mathbf{9 M 2 2}$ | $\boldsymbol{\Delta}$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 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 <br> 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 | $\Delta$ | 9M23 | 9M22 | $\triangle$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 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

| 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) |


| R\$ million | 9 M 23 | 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-ofuse 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 | (6.9) | (8.7) |
| Yield from investments in bonds and securities | (0.3) | (0.7) |
| Variations in assets and liabilities: |  |  |
| 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 |  |  |
| 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) | (94.4) |
| 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 <br> one of our B\&M stores. |
| Fashiontronics | Electronics and other related goods such as smartphones, tablets, <br>  <br> watches and accessories. This includes earphones/pods and chargers. <br>  <br> 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. |  |
| This is the time it takes for raw materials or goods to be delivered to C\&A |  |
| Lrom the supplier once they are ordered. |  |

## 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 youthful, 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.

## $\mathrm{C}^{\mathrm{A}} \mathrm{A}$



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## Farnings Release




[^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

