

Institutional Presentation



Part 1: introduction

Part 2: growth plan levers

Part 3: results evolution

Part 1: introduction



Overview of C&A ¹



R\$ 1.6 Bn

Net Revenue in 2Q23



C&A PAY

3.6 million digital cards issued



**+15 THOUSAND in
2023**

Associates



4 Distribution Centers -

SP, SC, and RJ.



**333 Brick & Mortar
Stores**

+ 100% WhatsApp sales



C&A & VC

26.4 million members



R\$ 366.1 Mn

in total Omnichannel Gross Revenue
- GMV² 1P+3P



17.3%

OMNI share of sales

(1) 2Q23 numbers

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

Solid regional knowledge of fashion retail, since 1976 in Brazil

2022 - 2023

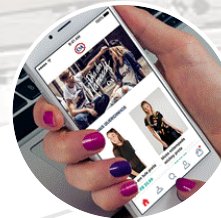
2020 - 2021

2015 – 2019

2000's

1976 – 1990's

C&A



- C&A expanded its network of stores and positioned itself as one of the leading retailers in Brazil
- Focused on growing the brand with dynamic collections and Retail Financial Service

- Invested in bottom-line profitability, customer experience and preparing for a new digital era

Accelerate growth by seeking a new fashiontech performance model

Levers defined for the

Growth Plan: New stores, New formats: ACE by C&A (store in store)

Digital: New channels: sales by WhatsApp, My C&A, Click-and-Collect, Ship-from-Store

Supply Chain: Start of Push Pull operation and Automation of the e-commerce Distribution Center

Credit Offer: Launch of C&A Pay

Profitability and deleverage

Increased gross margin: Impact of push pull and dynamic pricing

Increased productivity: improve sales / sq. meter of store floor space, and continue to grow in digital

Cost and expense efficiency: reorganize structures focusing on the priority projects

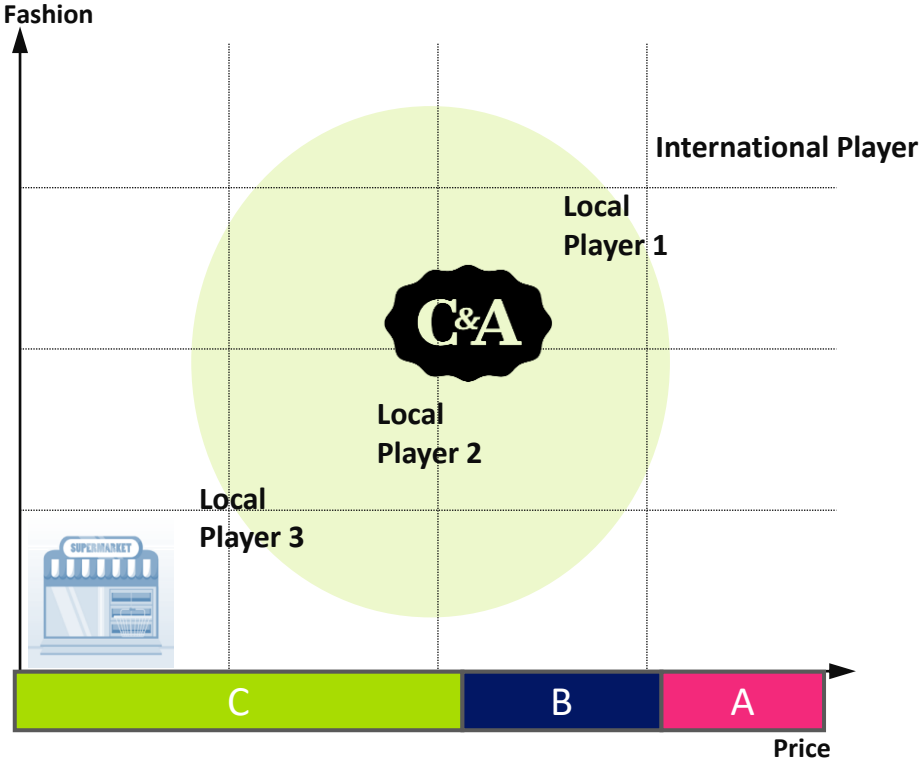
Improved working capital: sustainable initiatives to extend payment terms and reduce the receivables cycles

Capex discipline

- C&A was a pioneer in fast fashion in Brazil

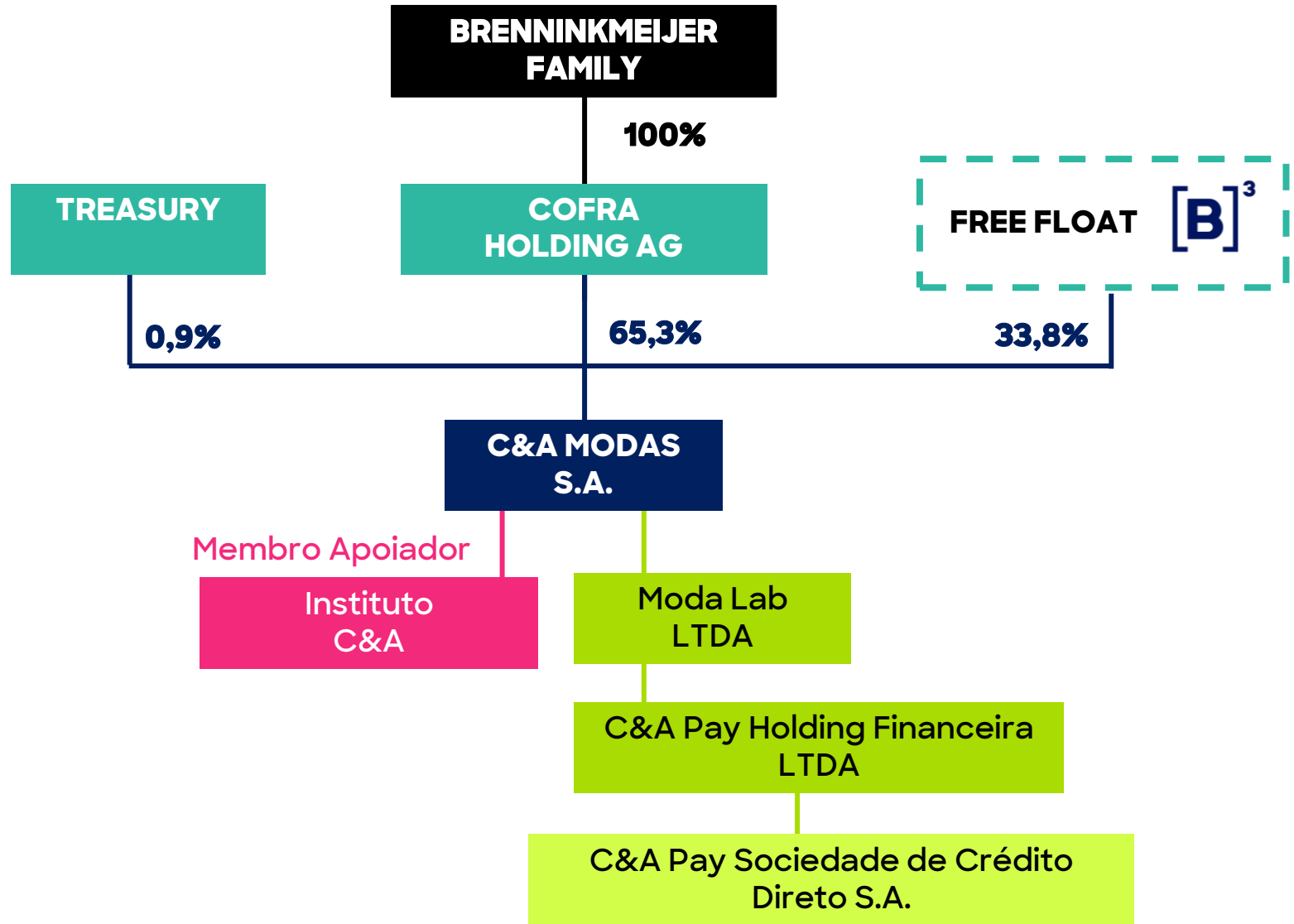
A large market, with an easily recognized brand and engaged customers

Well positioned price/fashion ratio
Major brand awareness
Online engagement

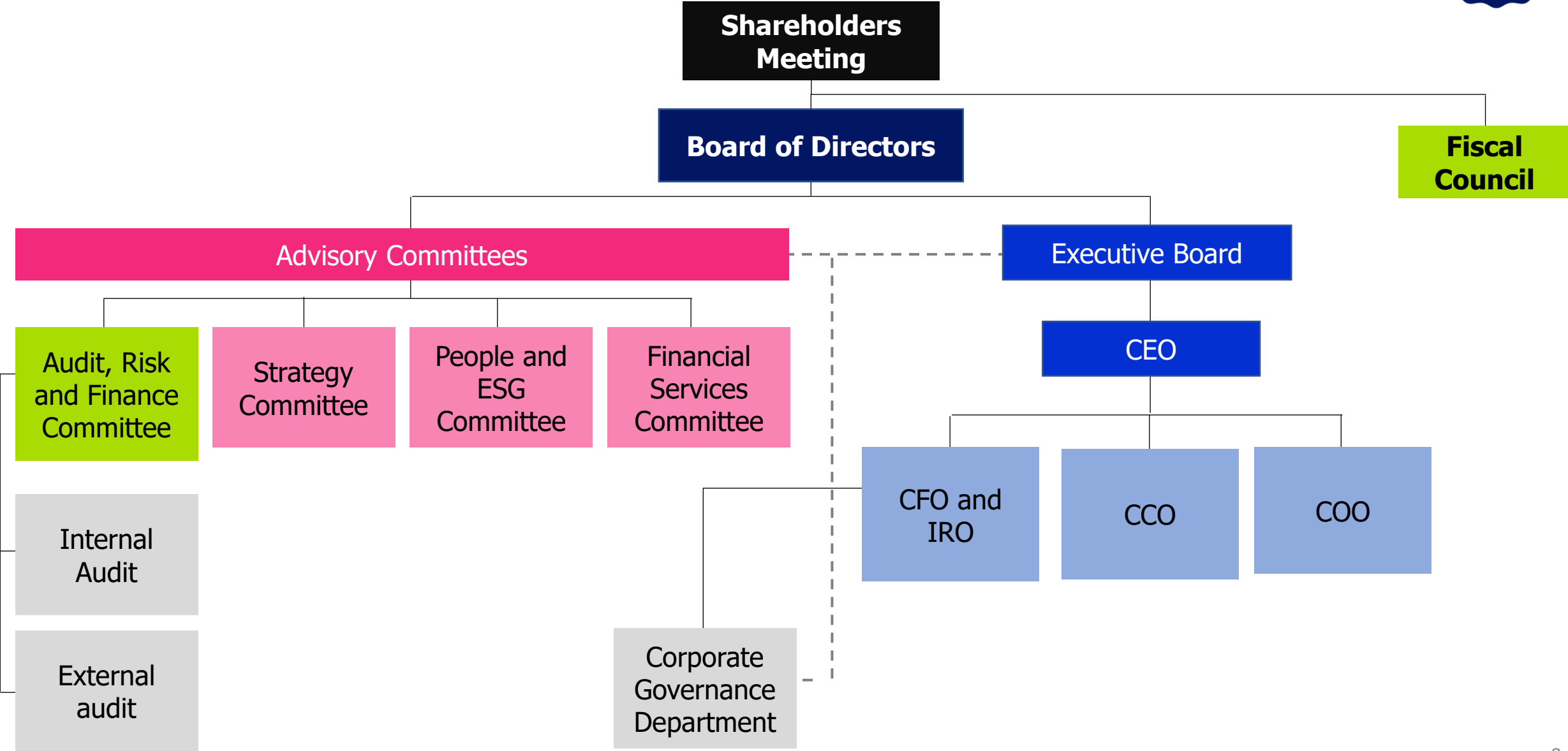


Corporate Structure with defined control group

Corporate Structure



Governance Structure



Diverse board of directors with 80% independent members



Marcos Grasso

Chair of the Board of Directors

- Degree in Business Administration from EAESP/FGV;
- Board member since 2023, and currently the Board Chair;
- Over 25 years of executive experience in consumer goods companies;
- Member of the Strategy and ESG Committees.



Cristina Palmaka

Independent BoD Member

- Degree in Business Administration from FGV, and in Accounting from FAAP
- BoD member since 2023;
- Over 20 years of professional experience in IT;
- Member of the ESG Committee



Isabella Wanderley

Independent BoD Member

- Degree in economics from PUC-RJ;
- BoD member since 2023;
- Over 20 years of experience in marketing and sales in consumer goods and retail companies;
- Member of the Strategy Committee



Jamil Marques

Independent BoD Member

- Degree in Production Engineering from the University São Paulo School of engineering (Politécnica).
- BoD member since 2023;
- Over 15 ears experience in the financial area, or more than 10 years holding leadership positions in the finance or executive area;
- Member of the Audit, Risk and Finance Committee, and of the Financial Services Committee.





















Peter Furukawa

Independent BoD Member

- Degree in Computer Science
- BoD member since 2023;
- Over 15 years of experience as a CEO and a successful career in retail financial services;
- Member and coordinator of the Financial Services Committee.

Experienced Leadership Team



Paulo Correa Junior			
	CEO since 2015 	+15 years at C&A in different leadership roles	Previous experience <div>   </div> <div> PMO Director Senior Consultant </div>
Laurence Beltrão Gomes			
	CFO and IRO since 2023 	+20 Years in senior finance roles	Previous experience <div>      </div>
Donatti			
	Commercial Vice President since 2015 	+25 years at C&A in different leadership roles	Previous experience <div>  </div> <p>Started his career at C&A as a trainee. He became the Company's head of Commercial in 2006 and Commercial VP in 2015</p>
Fernando Brossi			
	Operations and Fin. Services Vice President since 2018 	+12 years at C&A in different leadership roles	Previous experience <div>   </div> <div> Credit risk Coordinator Superintendent </div>

Part 2: Growth Plan Levers



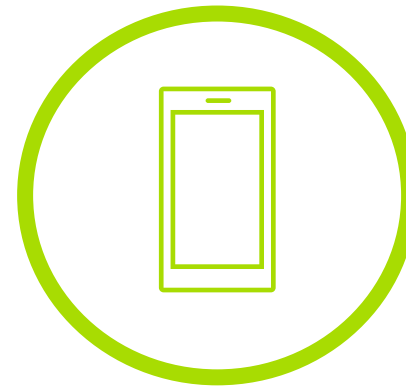
Growth Plan Levers



New Stores



Supply chain



Digital



Credit Offering

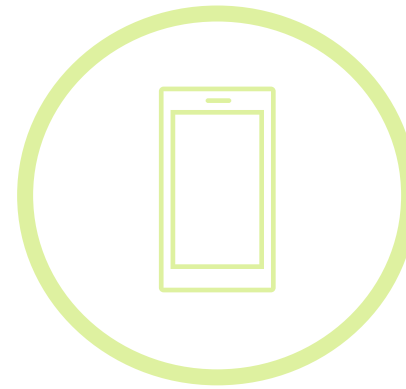
Growth Plan Levers - Expansion



New Stores



Supply chain



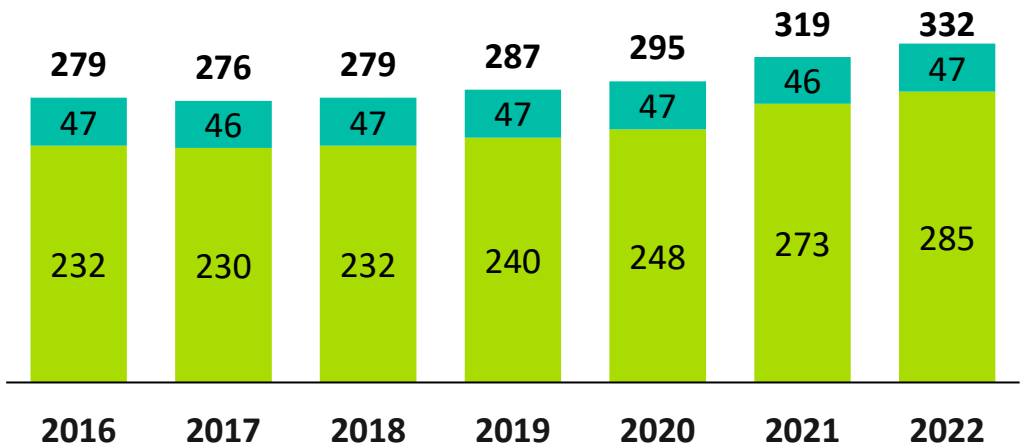
Digital



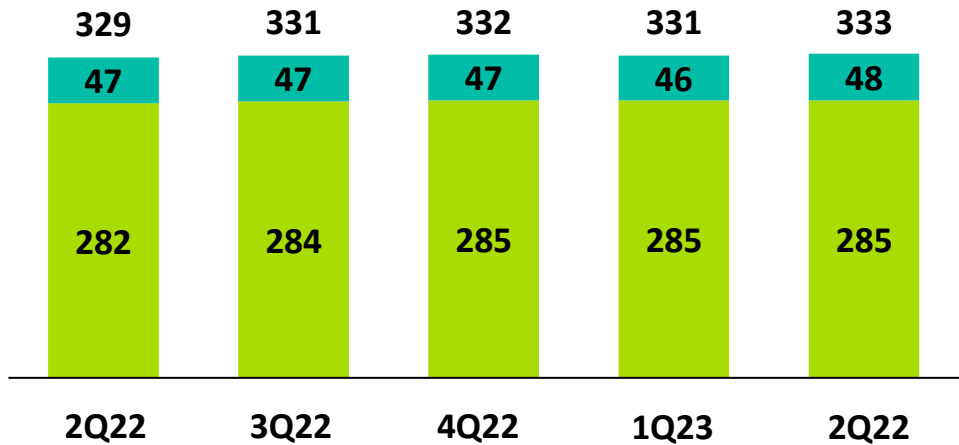
Credit Offering

Increase in physical presence with new stores throughout Brazil

Number of Stores (annual)



Number of stores (quarterly)



Shopping Mall Street



Search for new store format more connected to customer needs



*Stores where **Online and Offline merge**, so the various journeys are easy, intuitive and fluid, enhancing the **customer's experience** with the brand and fashion*

GOALS



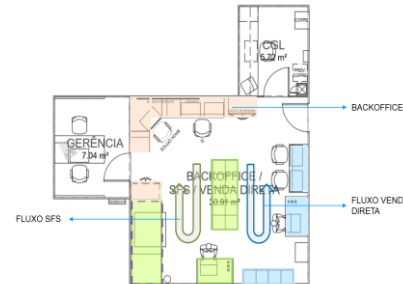
Speed & Connectivity

Technology solutions to facilitate the purchasing process



Clear communication

Clear communication that is aligned with the strategy



Standardization & Organization

Clear and Easy Buying Proposition



Fashion & Curatorship

High perception of fashion at every visit



Services & Experience

Services and Experiences that add value to the customer buying journey

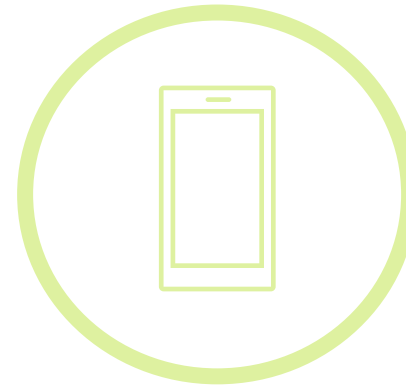
Growth Plan Levers - Supply Chain



New Stores



Supply chain



Digital



Credit Offering

Modernization of the Supply Chain operating model



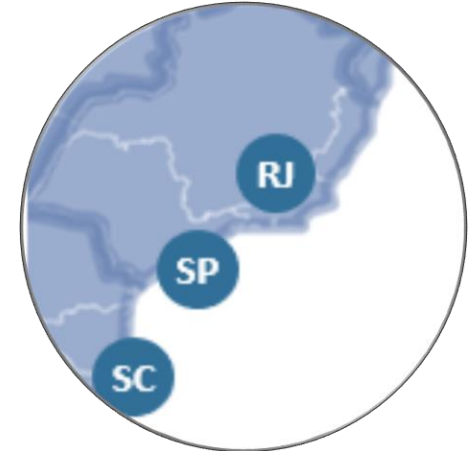
We are in a process of intense transformation of our Supply Chain, which was strongly accelerated following the IPO → roadmap, robust teams and partners, agile methodology and immediate capture of advantages/benefits



**Distribution
Network**



**Omnichannel
Operations**



**Transportation
Matrix**

Agile Implementation

Modernization of the Supply Chain operating model



Distribution Network

- **Push-Pull: 35% apparel sales** in the distribution model
- **Management of the purchase and supply** of our main products supported by technology and **AI-based algorithms**
- **RFID: 100%** of apparel using RFID in **+270 stores**
- **3 sorters** in operation – distribution by SKU;
- implementation of the **WMS (Warehouse Management System)** – E-commerce Distribution Center

Omnichannel Operations

- **Automation** (OSR Shuttle – from supplier KNAPP) integrated with new WMS in the **E-commerce Distribution Center**



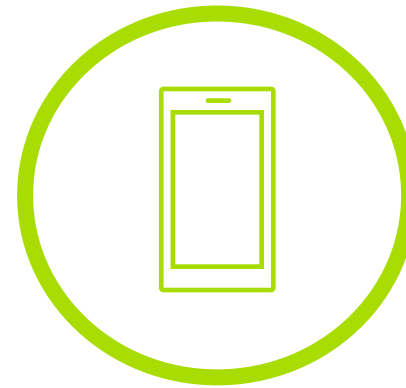
Growth Plan Levers



New Stores



Supply chain



Digital



Credit Offering

We are in the process of **digitizing business processes**: Integrated projects ensuring acceleration of omnichannel sales and a better buying experience, both online and offline



Direct sales via Whats App

Present in all stores
With inbound (site/app)
and outbound (C&A&VC)
service



Click-and-Collect

Present in all
stores
Withdrawal within
2 hours



My C&A

+30 thousand
registered
consultants



Ship From Store

+60 HUB stores
Active in the
country.
High processing
capacity.



Galeria C&A

Marketplace da
C&A
With ~250 sellers

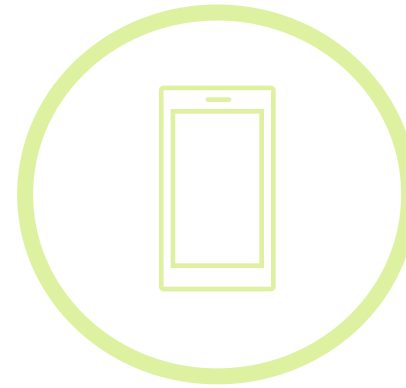
Growth Plan Levers - Credit Offering



New Stores



Supply chain



Digital



Credit Offering

We resumed credit offering with a focus on loyalty and recurrence



C&A Pay launched in 2021

WHAT IS C&A PAY?



C&A Pay - Lightweight structure and established governance

Creation of Risk and Credit Committees coordinated by a member of the board of directors and composed of experienced professionals

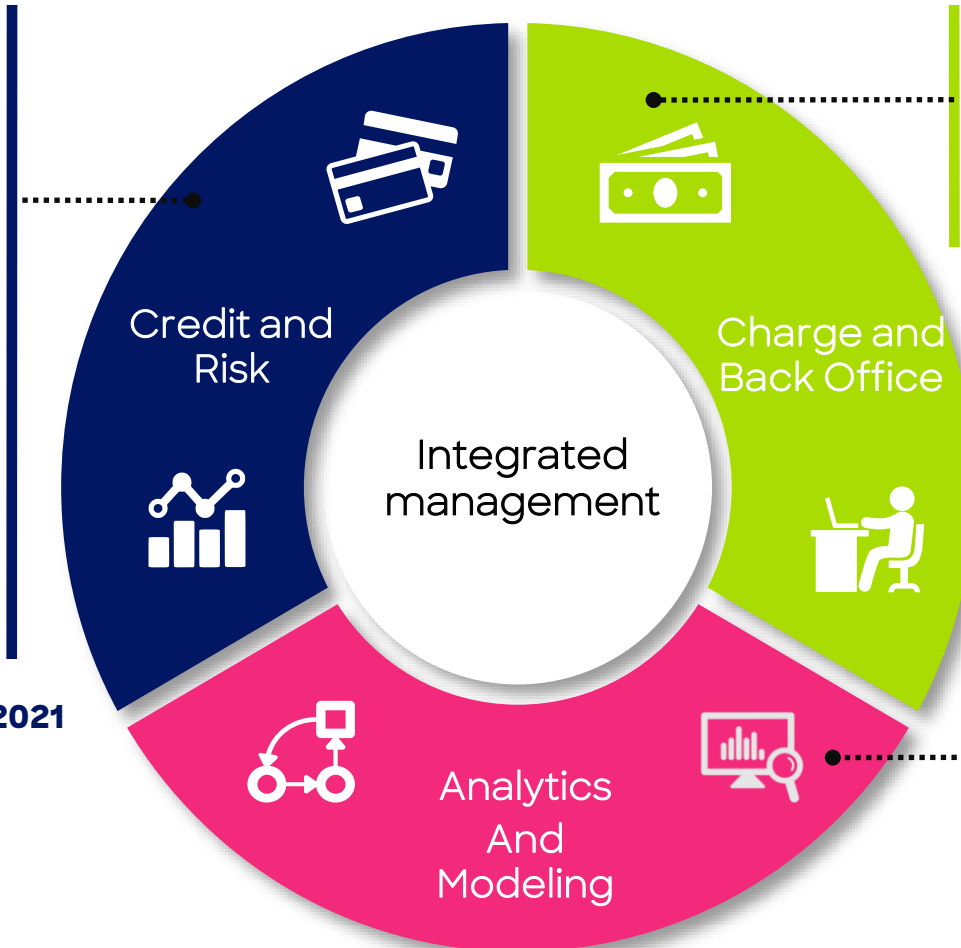
- Management of policy of credit granting and limits clustered
- Use of **lifetime value** to determine **optimal point** to risk and cash flow
- Use of **multiple bureaus** to validate information and improve models
- Adoption of **secure authentication methods** for transaction: transactional password

Financial Services Committee created in 2021

Advisory committee with board of directors

Members:

Peter Furukawa
Jamil Marques
Ralf Mordhorst



- Management of call center and billing offices
- Massive use of the **virtual agentes** and **digital channels** to increase and reduce costs

- Database criation **unifying** card and relationship information
- Development of credit behaviour and product propensity models
- Creating Score models using **machine learning**

Financial Services – C&A pay

Focus on the continued growth of C&A Pay as a dedicated lever to boost retail sales

C&A Pay
correspond to a
20% by sales

**135% increase in C&A
Pay revenue¹, to** for
R\$ 71 million

~3.6 Mn cards
issued by late
2Q23

R\$ 702 million
portfolio by the
end of 2Q23

>90 past due accounts
stand at 21.4%, with
74.1% coverage

Average limit
of **R\$773**



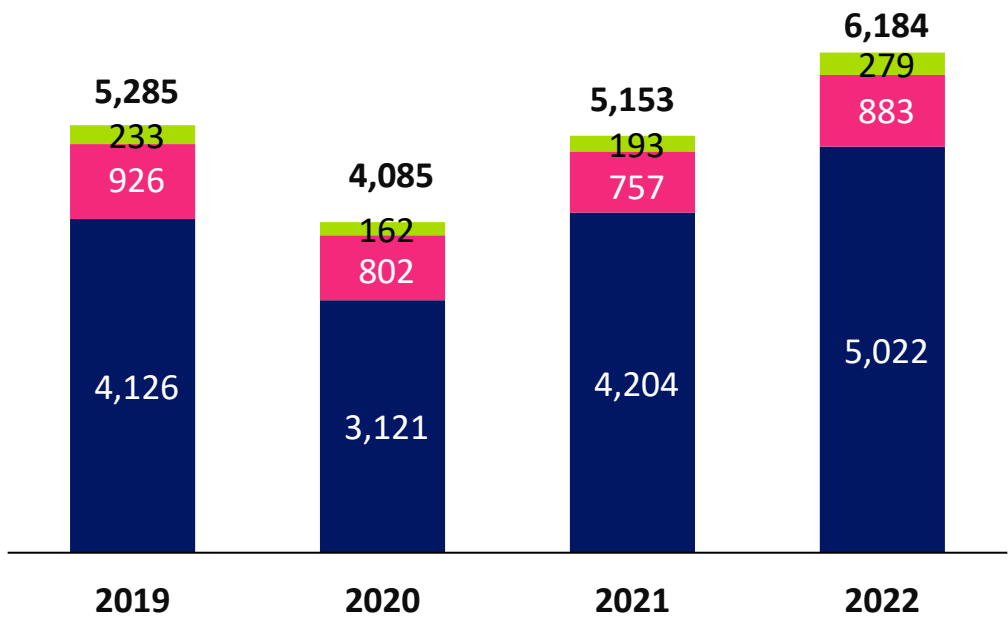
Part 3: results evolution



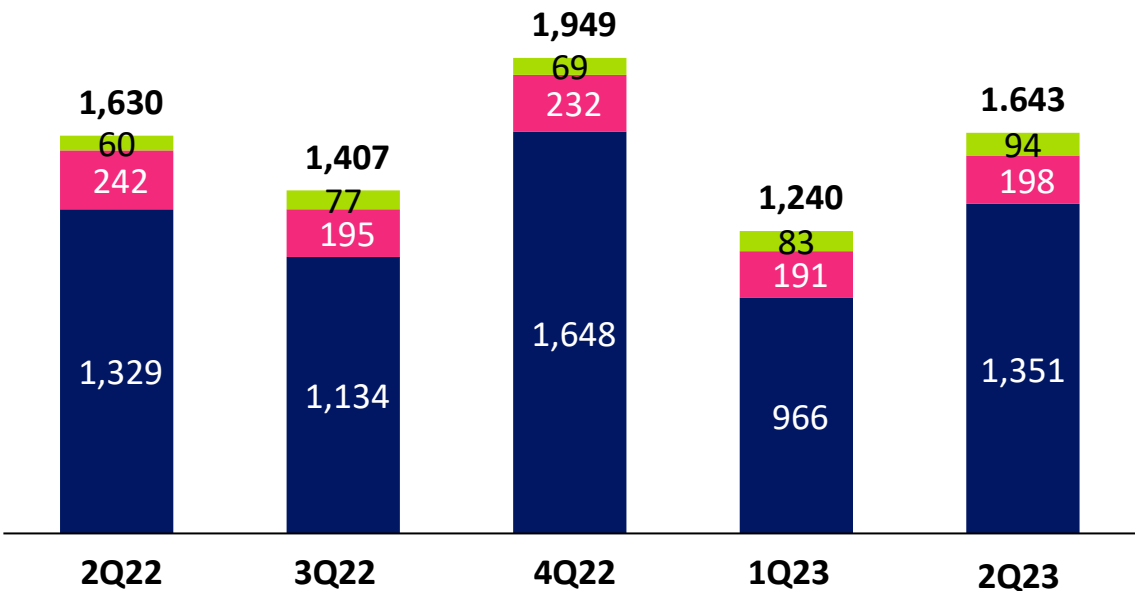
Continued apparel revenue growth



Net Revenue (annual)
(R\$ million)



Net Revenue (quarterly)
(R\$ million)

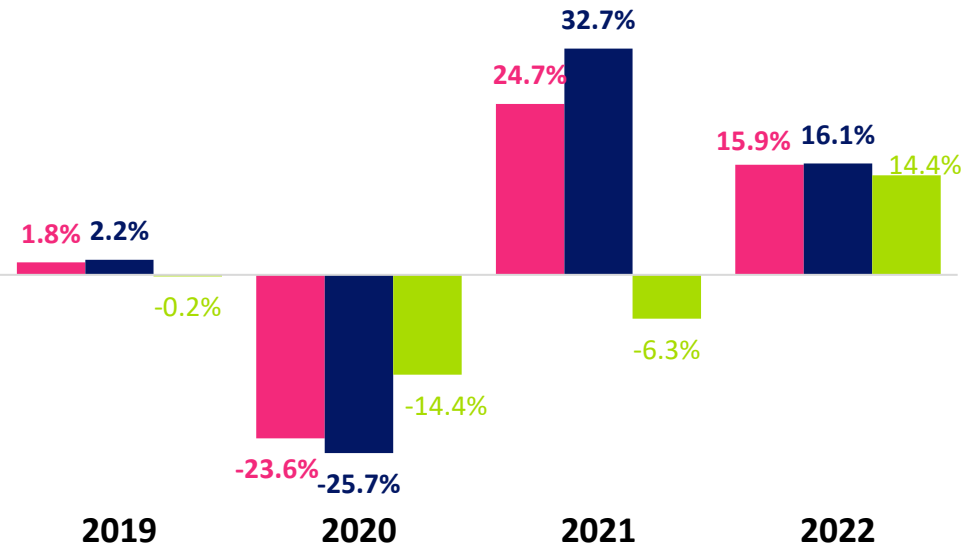


■ Apparel ■ Fashiontronics and Beauty ■ Financial Services (incl. others)

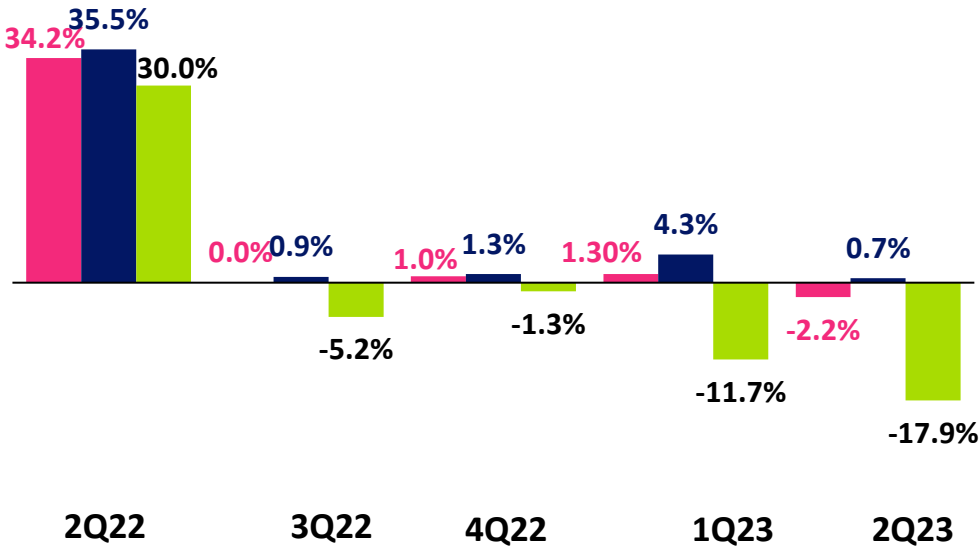
Same Store Sales growth evolution



Same Store Sales (annual)
(%)



Same Store Sales (quarterly)
(%)

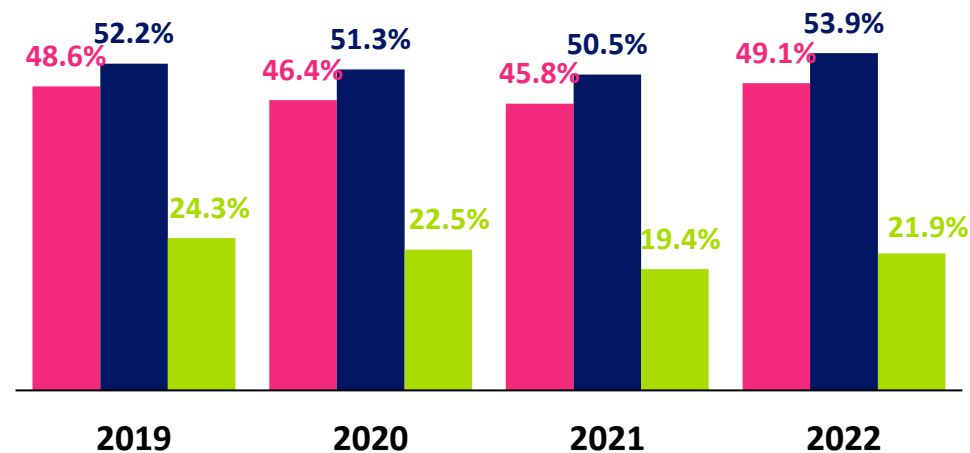


Consolidated Apparel Fashiontronics and Beauty

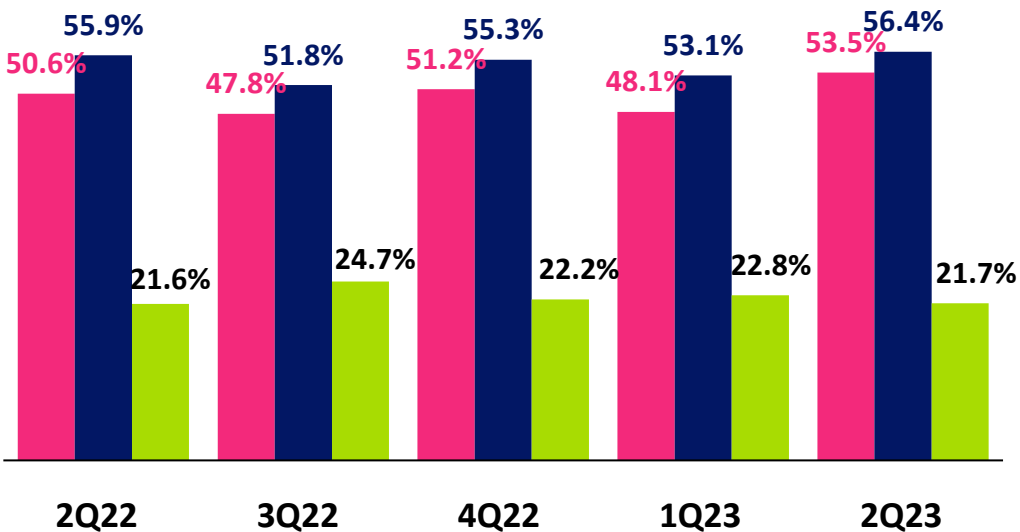
Continuous expansion of apparel gross margin with inventories at adequate levels



Gross Merchandise Margin (annual)
(%)



Gross Merchandise Margin (quarterly)
(%)



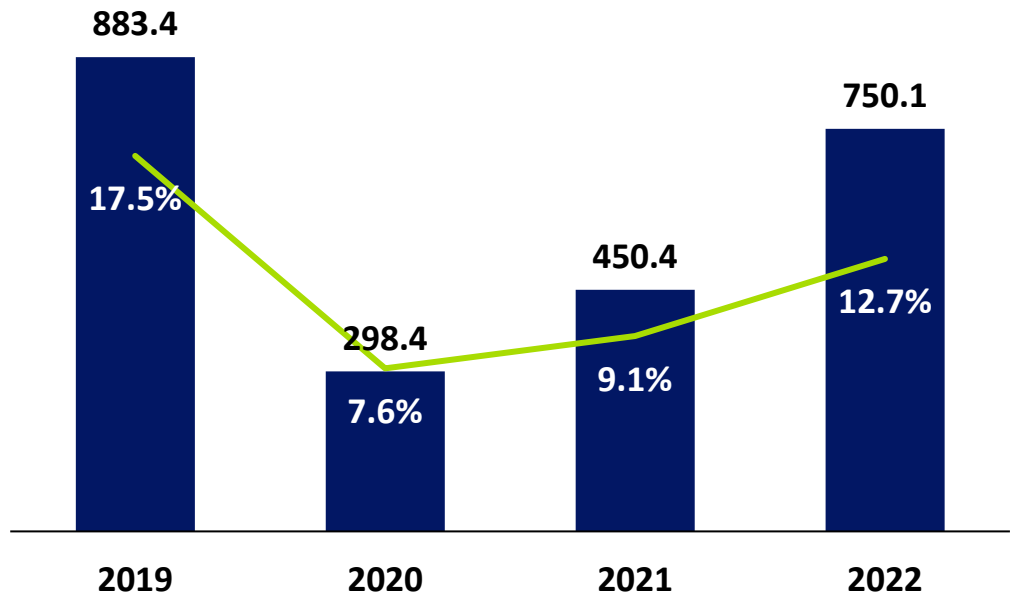
Consolidated Apparel Fashiontronics and Beauty

Focus on EBITDA and margin EBITDA recovery



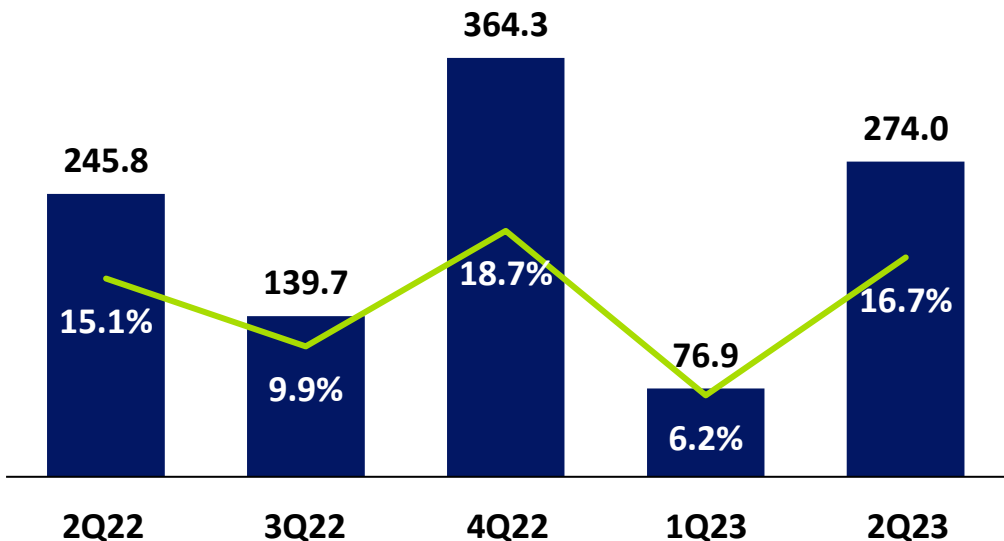
Annual Evolution Adjusted EBTIDA *(post IRFS16) and Margin

(R\$ million, %)



Business Seasonality – quarterly Adjusted EBTIDA *(post IRFS16) and Margin

(R\$ million, %)



■ Adjusted EBITDA (post IFRS16) — Adjusted EBITDA (post IFRS16) Margin

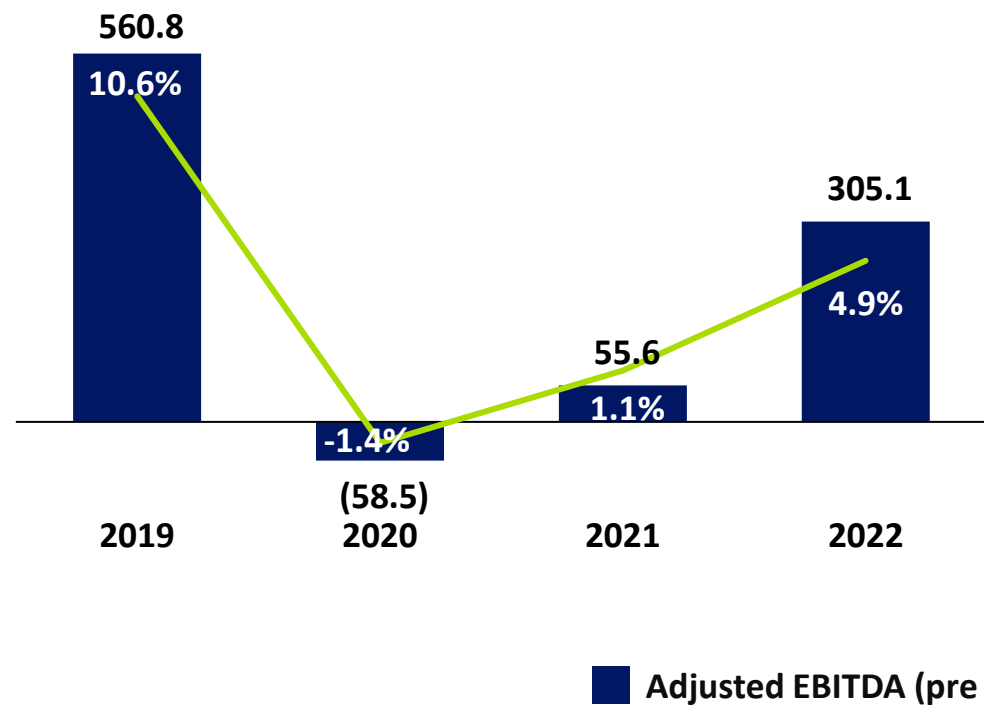
* Adjusted EBITDA (post IFRS16) excludes fixed rental expense, in accordance with accounting standard IFRS16 and is adjusted by: (i) Other net operating income (expenses); (ii) Financial Income of Supplier; (iii) Tax Credit Recovery

Focus on EBITDA and margin EBITDA recovery



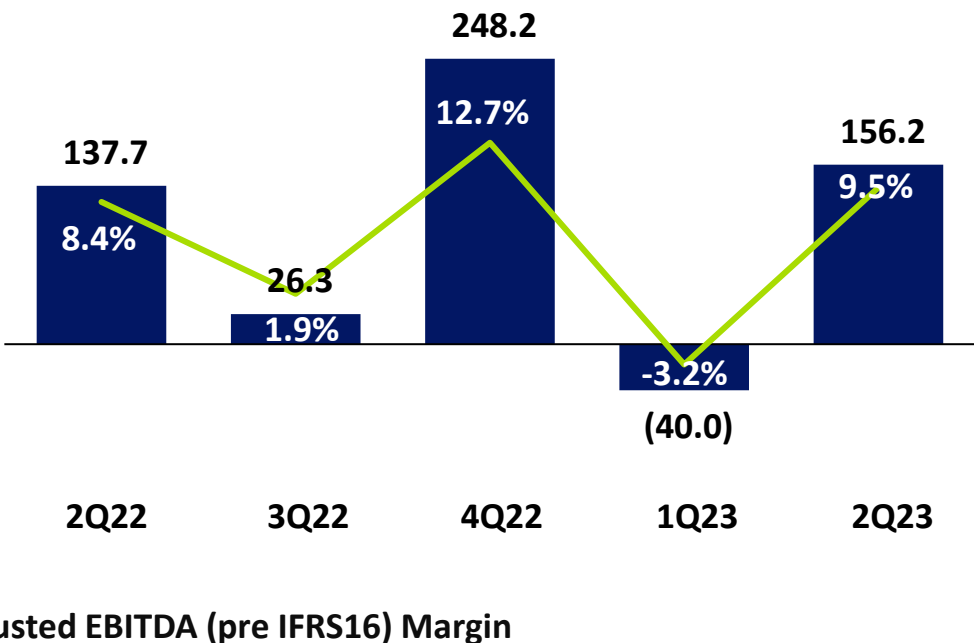
Annual Evolution Adjusted EBTIDA *(pre IRFS16) and Margin

(R\$ million, %)



Business Seasonality – quarterly Adjusted EBTIDA *(pre IRFS16) and Margin

(R\$ million, %)



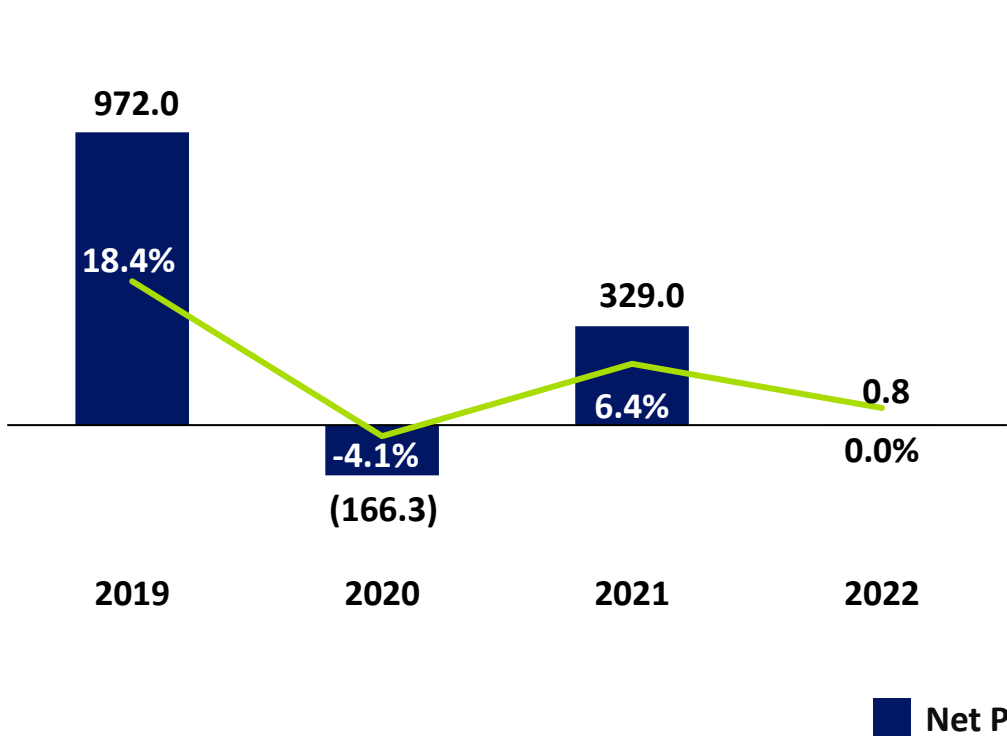
* Adjusted EBITDA (pre IFRS16) considers fixed rent expense as sales expenses, and it is adjusted by: (i) Other net operating income (expenses); (ii) Financial Income of Supplier; (iii) Tax Credit Recovery

Net profit and margin evolution



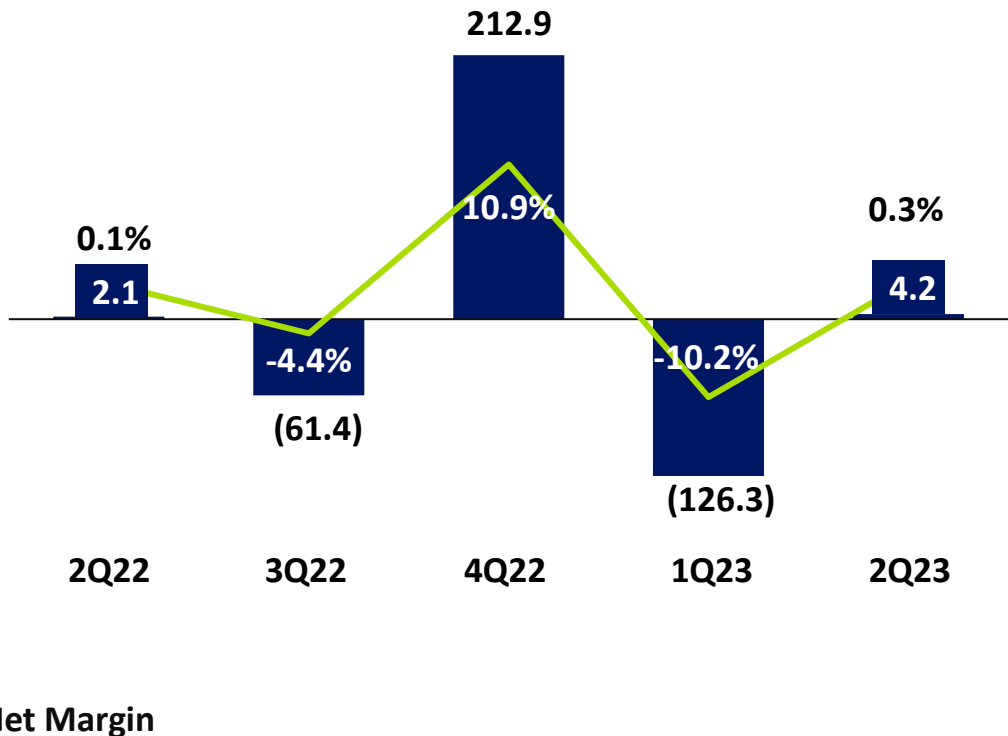
Annual Evolution Net Profit and Margin

(R\$ million, %)



Business Seasonality – quarterly Net Profit and Margin

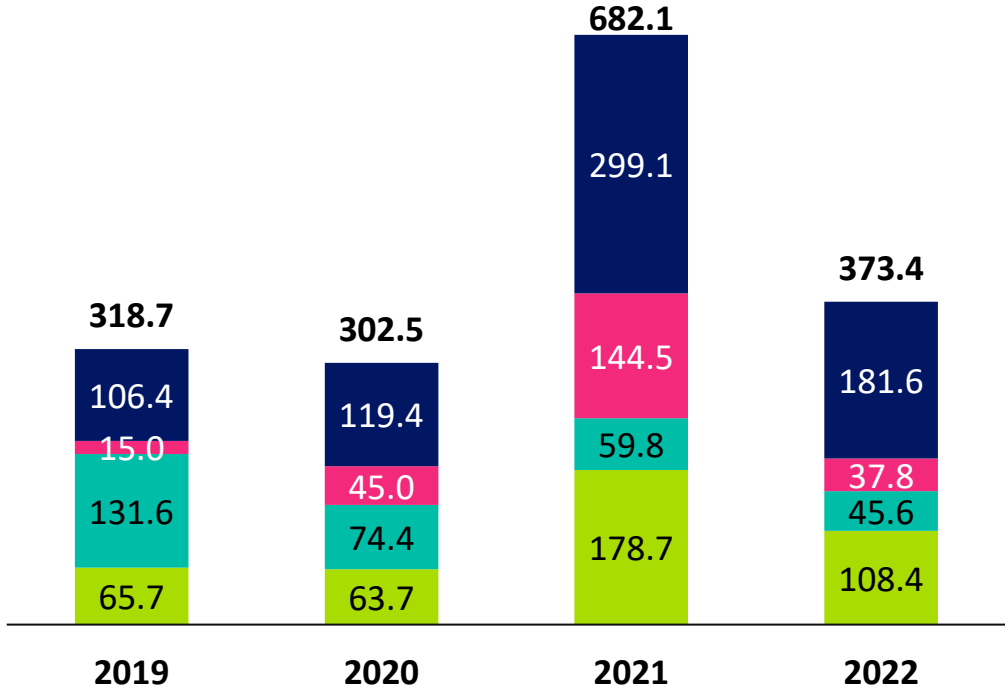
(R\$ million,%)



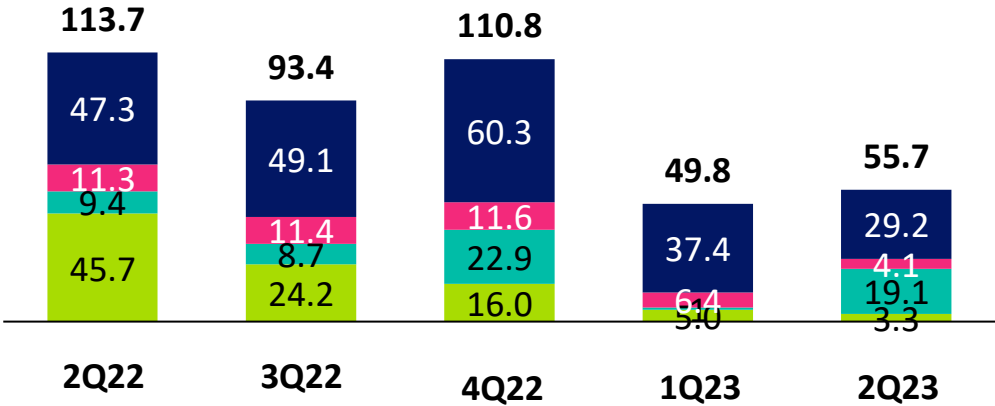
Relevant investments in digital and technology



CAPEX (annual)
(R\$ million)



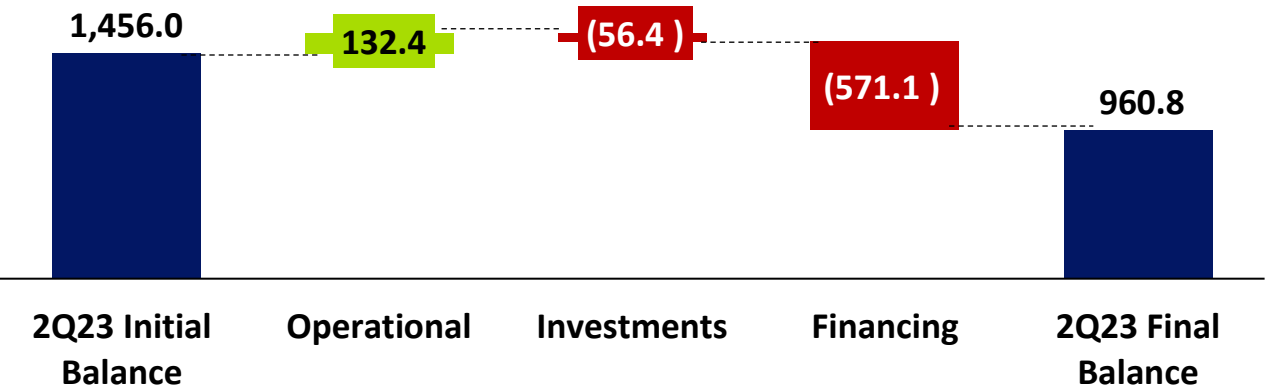
CAPEX (quarterly)
(R\$ million)



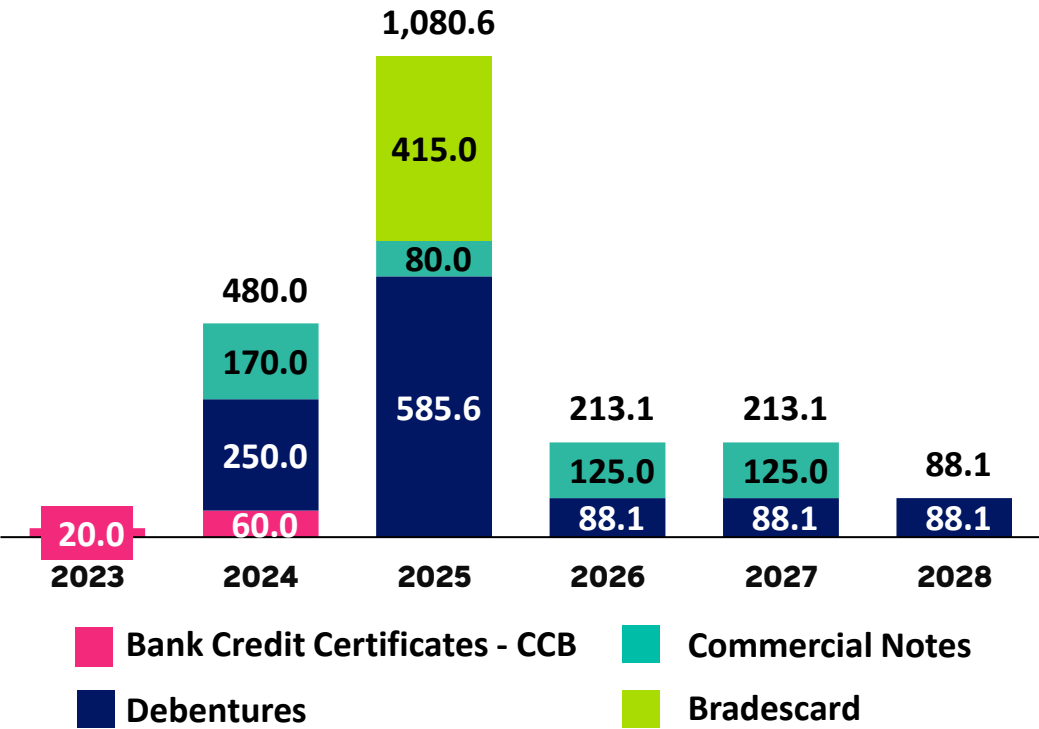
Indebtedness (R\$ million)

R\$ million	6M23
Gross Debt	1,715
Suppliers - Repurchase of credit rights (Bradescard)	(505)
Cash and Investments	965
Net Debt	(1.255)
Adjusted EBITDA (covenants) ¹	589
Leverage (net debt/EBITDA ¹)	2.1x

Changes in Cash Position, 2Q23 (R\$ million)



Debt Amortization Schedule (R\$ million)



(1) Debt-covenant adjusted EBITDA excludes the effects of CPC 06 (R2) and International Financial Reporting Standard IFRS-16 before: (i) Income tax and social contribution on net income, (ii) PP&E depreciation (excluding tie-up), (iii) amortization expenses, (iv) financial results (except for revenue from supplier pre-payments, to be considered part of EBITDA), (v) equity, (vi) minority shareholders, and (vii) Non-Operating results. For this report "Non Operating Income" includes: (i) asset sales, (ii) contingency provisions, reversals, (iii) impairment, (iv) occasional restructuring expenses.

ESG





Strategy

ESG C&A

#wearthechange

join& inspire

Join forces with customers, associates, the supply chain, and communities to deliver authentic and lasting change.

renew& restore

Do good for the present and the future.

innovate& lead

Accelerate innovation in circularity and sustainable business models

ESG Targets - 2030 Commitments



#wearthechange

Lead the industry in the use of sustainable raw materials

80%

of the main raw materials must be sustainably sourced (cotton, viscose, polyester).



Promote circularity

50%

of the products must include the principles of circularity in the design, manufacture, or after-use phases.



Reduce pollution due to single-use plastics

50%

of single-use plastic to be replaced with more sustainable alternatives.



Promote equity and diversity in leadership

60%

Women in leadership positions

30%

Blacks and indigenous peoples in leadership positions



Help transition to a low-carbon economy

30%

Reduce absolute scope 1, 2, and 3 CO₂ emissions

Target aligned with the 2°C target scenario



ESG awards in 2022

MIT Innovative Workplaces Award

Recognized as one of the 20 most innovative companies in Brazil, having received the MIT Technology Review Brazil Innovative Workplaces awarded, the only fashion retailer on the list



Zero Discharge of Hazardous Chemicals

Recognized as one of the five brands achieving the highest Brand to Zero performance, committing to sustainable chemical management and embracing sustainability across all corporate cultures.



Fashion Reslution Brazil Fashion Transparency Index (ITMB)

The highest Fashion Transparency Score in Brazil for the fifth consecutive year Scored 73% among the brands assessed, 3 p.p. higher than in 2021. We have held this position from the start of the assessment.

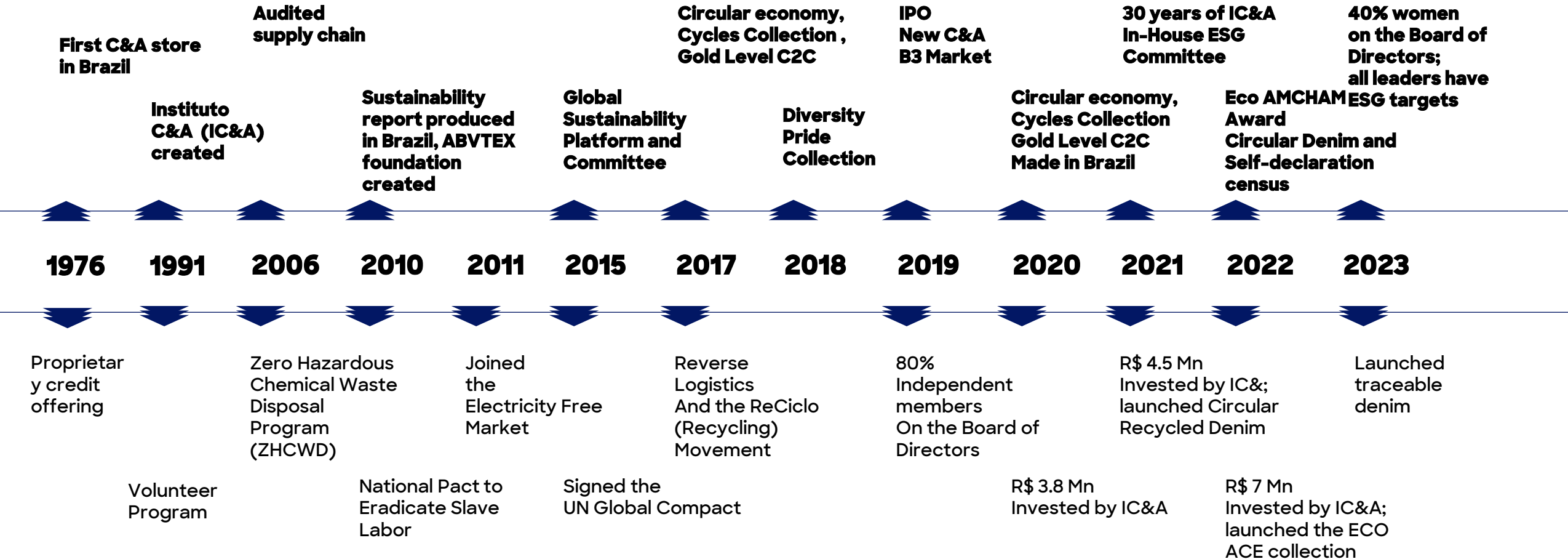


39th 2022 AMCHAM Brazil Eco Award

Winner with the Circular Denim project, with goods made from items collected in the ReCiclo (Recycle) movement and manufacturing leftovers (C&A and Cotton Move).



ESG at C&A: a long history of commitment



Appendix



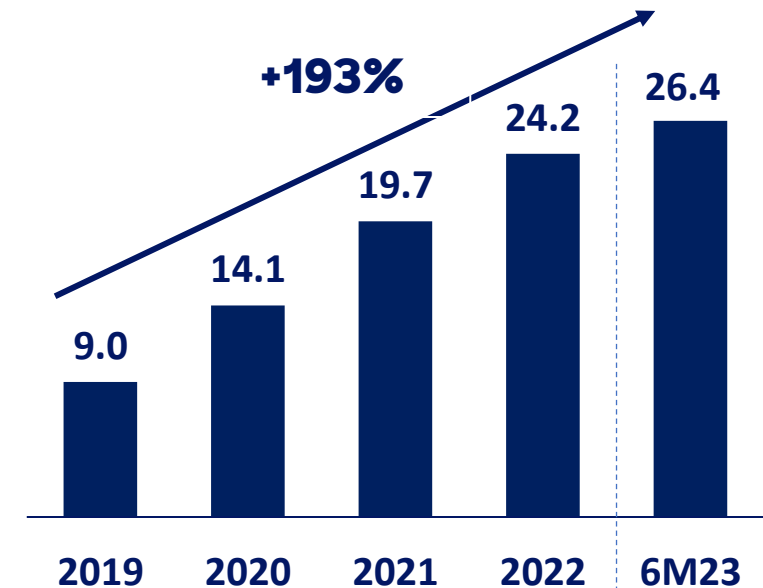
Relationship program anchoring several initiatives



The first relationship program with a fashion retailer - Created in 2018 to increase customer engagement with C&A and maximize spending frequency



Growth in the number of C&A&VC customers (million)

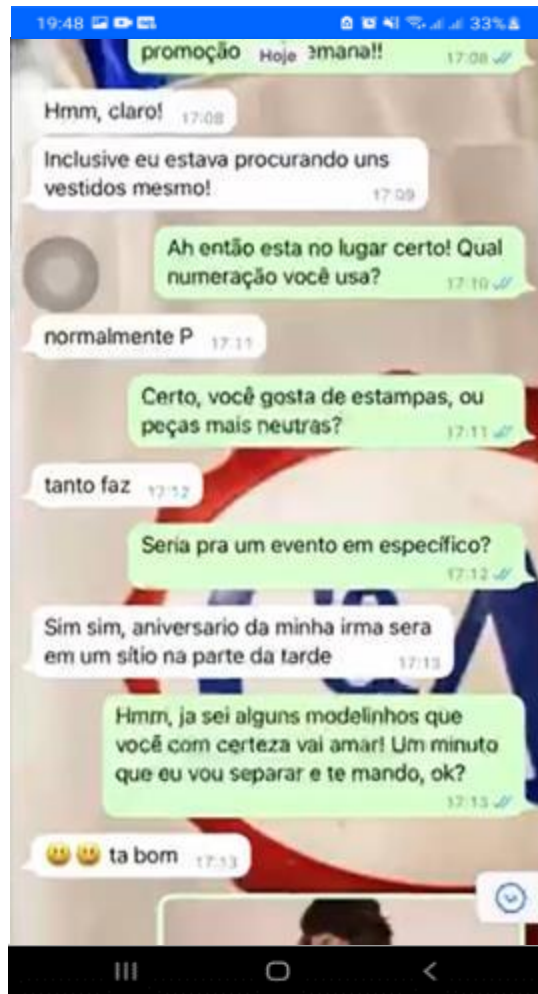
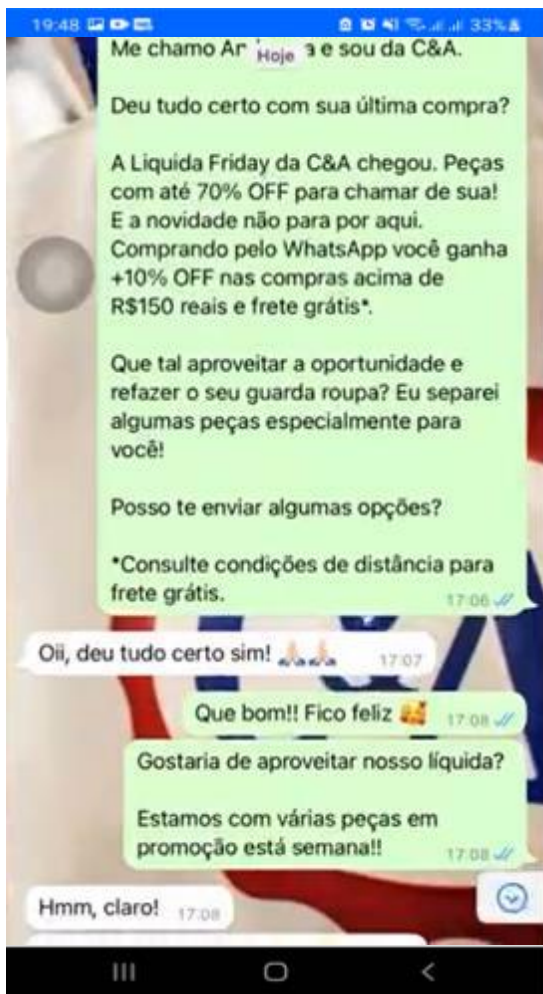


+26 MM members of our relationship program

WhastApp Sales



compre por
Whatsapp



Minha C&A



Lojinha da Lu Salles

Uma seleção com o melhor dos meus looks, um mix de tendências e peças atemporais, para você ter um armário otimizado, cheio de estilo e por um preço acessível!



Vestido Curto Evasê de Algodão Estampado Floral Manga Bufante Mindset Preto

R\$ 214,99



Vestido Feminino Mindset Curto Estampado Animal Print Zebra Manga Bufante Branco

R\$ 99,99



Blusão de Moletom Felpado com Botões e Bordado Decote V Branco

R\$ 71,99



Blusa Cropped Estampada Poá Gola Boneca com Sabado Manga Bufante Mindset Preto

R\$ 89,99



121 curtidas
kamisvogel ~ meu rolê favorito, turistar na minha própria cidade como se fosse a primeira vez. 🌈❤️
#MeuLookCeA
Mindset

alinekupty
Mooça



alinekupty 5h

Código de consultora
ALINEKUPTY

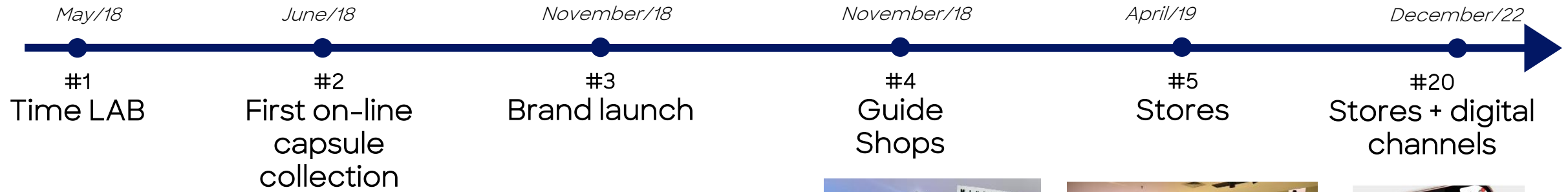
acabou de chegar nesse verde lindo!

[CEA.COM.BR](https://cea.com.br)

Enviar mensagem



M I N D S E 7 C&A



Institutional Presentation



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