Earnings Release 2Q20

Earnings Teleconference:

- Portuguese/English
- Date: 20-Aug-2020
- Time:
  - Brasília: 11:00 a.m.
  - New York: 10:00 a.m.
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CEAB
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Barueri, August 19, 2020 – C&A Modas S.A. (B3: CEAB3) a leading fashion retailer in Brazil, hereby discloses its earnings for the second quarter of 2020 (2Q20). Unless otherwise stated, the financial and operating information that follows is presented on a consolidated basis, as per Brazilian Corporate Law. The statements are submitted in Reals, and unless stated otherwise growth rates refer to the same period in 2019.

Highlights

- By focusing on **e-commerce** operations and adding sellers to the **Galeria C&A marketplace**, our **GMV** (Gross Merchandise Value) reached **R$ 189.2 million**, and our **net online revenue** was **R$ 139.6 million, 356% increase** or **4.5 times** the previous year;
- We created a **Digital Acceleration Committee** with external experts to help our Board of Directors fast-track our digital agenda;
- COVID has had a substantial impact on our business, and most **stores remained closed** for the entire second quarter. This resulted in a **77%** drop in SSS (Same Store Sale). The situation improved in recent weeks, and by the end of **July over 85%** of our stores had reopened;
- We implemented measures to adjust our costs and expenses to the new reality, and were able to **reduce our operating expenses** by **26.7%**;
- In 2Q20 we captured **R$ 1.2 billion** in funds from the market, which will allow us to continue to invest in our business during the current crisis and accelerate our investments in digital.

Key Indicators

	2Q20	2Q19	△	2Q20 pro forma*	2Q19 pro forma*	△ pro forma*	6M20	6M19	△	6M20 pro forma*	6M19 pro forma*	△ pro forma
Total Net Revenue (R$MM)	294.5	1,260.3	-76.6%	294.5	1,260.3	-76.6%	1,271.3	2,300.8	-44.7%	1,271.3	2,300.8	-44.7%
Same Store Sales	-77.0%	1.8%	-78.8p.p.	-77.0%	1.8%	-78.8p.p.	-46.8%	2.8%	-49.6p.p.	-46.8%	2.8%	-49.6p.p.
Total Gross Margin	48.6%	49.2%	-0.6p.p.	48.6%	49.2%	-0.6p.p.	48.7%	48.7%	-0.0p.p.	48.7%	48.7%	-0.0p.p.
Operating (income) expenses (R$MM)	(387.7)	(548.0)	-29.2%	(406.4)	(554.2)	-26.7%	(914.0)	(438.6)	108.4%	(951.1)	(1,086.1)	-12.4%
Adjusted EBITDA (R$MM)	(114.0)	214.6	-R$328.6	(201.4)	135.0	-R$336.4	(22.9)	328.4	-R$351.3	(196.6)	171.6	-R$368.2
Adjusted EBITDA margin	-38.7%	17.0%	-55.7p.p.	-68.4%	10.7%	-79.1p.p.	-1.8%	14.3%	-16.1p.p.	-15.5%	7.5%	-22.9p.p.
Net Income (loss) (R$MM)	(192.1)	25.8	-R$217.8	(181.6)	29.1	-R$210.7	(247.4)	777.2	-R$1,024.7	(227.4)	0.2	-R$227.7
Net Margin	-65.2%	2.0%	-67.3p.p.	-61.6%	2.3%	-63.9p.p.	-19.5%	33.8%	-53.2p.p.	-17.9%	0.0%	-17.9p.p.
Investments	45.3	74.4	-39.1%	45.3	74.4	-39.1%	78.8	158.2	-50.2%	78.8	158.2	-50.2%

Pro forma: Adjustments exclude the impact of IFRS16 and the recording of the tax credit gain referring to the exclusion of ICMS in the calculation basis of the PIS / COFINS occurred in 6M19

Message from Management

The second quarter of 2020 was unique due to the measures adopted to control the pandemic, and its impact on society and the world's economy. The impact on retail was substantial and below we discuss how this affected us.

This was a moment of discontinuity for C&A, as well as a window of opportunity during which we drastically accelerated our digital transformation. We focused heavily on delivering our strategy to be a complete platform our customers may use to express themselves through fashion using diverse channels, formats and content.

The outcome of this was an increase our e-commerce sales. Our GMV reached R$ 189.2 million, and our online net revenue increased 356% or 4.5-fold increase compared to the same period last year, reaching R$ 139.6 million or 50% of all merchandise sales. Rapid expansion of our online business was only possible due to successful campaigns to get customers to download and use our app, and our ability to quickly scale up Ship from Store deliveries. This is only the start of our online journey, there remain many fronts for us to explore.

In addition, a number of omnichannel projects and initiatives helped drive this change, specifically:

- Our App, which is at the core of our online interface with customers and the focus of our efforts. Because of this, use of the app has grown exponentially, with a 419% increase in the number of downloads - 5 times the number in 2Q19. Downloads remain consistently above 1.3 million a month during the quarter. The number of monthly active users (MAU), another metric we track, increased 658% compared to 2Q19, and is now close to 3 million users.

- Ship from Store offerings went from 80 stores in 1Q20 to 216 in the second quarter. This rapid growth was enabled by a solution developed by in-house squads and, by April, we were shipping from a number of stores that were still closed. We are also fine tuning our order distribution algorithm to optimize the operation.

- Click & Collect Drive Thru was launched for Mother's Day, enabling Click & Collect during store closures. In this type of sale, customers order online and schedule pick-ups in mall parking lots. Right now, 194 stores have operating drive-thrus.

- <u>Endless Aisles</u> are already offered by all stores that reopened. The Company mobilized itself to provide equipment and train associates in this type of sale. We believe these sales will create value by allowing customers to purchase goods not physically in the store, increasing the assortment available.

- <u>WhatsApp Sales</u> – we ran a pilot for inbound and outbound WhatsApp sales. The inbound format makes C&A available as part of the online customer buying journey. The outbound format allows C&A to reach out to customers selected by the CRM (Customer Relationship Management) team with personalized and customized messages to different segments defined by the analytics team.

- <u>Our Marketplace</u>, known as Galeria C&A was officially launched. The goal of the marketplace is to expand the options customers may use to express themselves through fashion, complementing the customer buying journey with jewelry, toys, games and pets, among other options, as well as in categories we already offer, with an expanded product offering. This quarter we increased the number of sellers on our marketplace to over 20, and it now offers brands such as Vivara, Cia Marítima, Dermage, Grow, Liz and Usaflex. We continue to add partners, new subscribers include Etna, Karsten, Azaleia, Mizuno and Mormaii.

- <u>C&A&VC</u>, our relationship program now has 11 million members, and we have used it for several personalized push notification campaigns, with a high level of conversion.

- <u>In Assortment</u> we continue to focus on our strategy of being a complete platform our customers may use to express themselves through fashion. Our goal is to offer a complete assortment and become increasingly relevant. This quarter we hugely increased the assortment available to our customers interacting with C&A because of our ship-from-store, Galeria C&A and endless aisle initiatives.

In 2Q20 we remained faithful to our strategy and focused on product development, launching several capsule collections with a larger range of sizes and more comfortable garments focusing on comfort, well-being and other concepts. In addition to collections of our proprietary Mindse7 brand, with a weekly schedule of launches, we had a pre-selling one of the collections, which is a novel initiative. Mindse7 offers important lessons on how to rethink the process and shorten cycle times. Our goal in shortening lead times is consistent across teams working with suppliers so, despite our purchases for these collections, inventory growth is well in line with that of 1Q20, despite the pandemic.

B&M stores started to gradually reopen on April 26, however by mid-June stores were again told to shut down, due to worsening Covid-19 numbers. Because of our geographic footprint store reopening was slower for C&A than for other industry players. On average, 23.6% of the stores were open in the quarter. By the end of 2Q20, 71% of our portfolio of B&M stores had reopened, but at reduced hours and, in some cases, only on certain days of the week. By consolidating the performance of our B&M and omnichannel stores we were able to end the quarter selling almost 60% of the total merchandise sold in 2019.

Regarding our growth plans, the pandemic has impacted the short-term goals of the levers we defined. In the **new stores** lever, we will not be able to achieve our original goal of 22 new stores this year, although we did open two new stores in the last week of the quarter. We are currently reviewing our original plans in light of the impact of mall closures, social isolation and opportunities we have identified as a result of the pandemic – the possibility of space for lease in malls we would like to be in, or better store locations in malls where we already have stores.

The **revamping stores to the CVP** (Customer Value Proposition) concept lever is currently being reviewed due to the significant progress we made in e-commerce. We are convinced we must rethink our store concept bearing in mind the increasing relevance of being omnichannel. This quarter we revamped 7 stores to the CVP concept.

The **Supply Chain** lever evolved in several dimensions. Our omnichannel front resulted in quick expansion, of over 50% in area, of the Distribution Center that serves our e-commerce operations, and we tripled the staff. As a result, the distribution center is holding inventory and has become more productive. When it comes to the push-and-pull lever, we completed the purchase of the second sorter, but schedule delays mean it may not be operational before year end. Advances in implementing RFID (Radio-Frequency Identification) allowed us to run a first in-store pilot this quarter.

Digital transformation is certainly the lever that showed the most progress in 2Q20. In addition to developments in our e-Commerce, which have already been described, like the pilot to WhatsApp sales and the increased use of our relationship program - C&A &VC, we also reinforced our customer service team to adjust it to the new level of demand. Another initiative that is currently being piloted at one store is our self-checkout solution. This will offer a seamless customer journey when it comes to payment. Finally, as an ever more digital Company, we are becoming data-driven and using artificial intelligence in a wide range of areas, such as distributing goods to stores, segmenting customers in our CRM tool and creating collections, becoming a reference in launching new trends such as tie-dyes and muscle-Ts.

Our excitement with the progress of our digital initiatives led us to create a specific forum to debate such issues - the Digital Acceleration Committee to support our Board of Directors, with independent members who are experts in this area.

Finally, in the **credit availability** lever, we focused on making it easier for customers to pay their bills during store closures, and made progress in a number of digital initiatives such as including card data on the C&A app. Our initial focus was to allow customers to check their statements and copy bar-codes for payment. Other functionalities will be added in time.

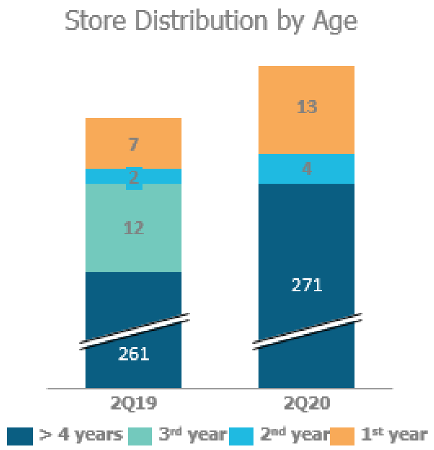
The results for the quarter are the outcome of the harsh reality we are living, with unprecedented impact on revenue due to store closures, despite our best efforts to cut expenses to minimize losses. We continued to negotiate with suppliers during the quarter, especially suppliers related to store operations, attempting to postpone and reduce payments. We also adopted the initiatives enabled by Provisional Measures 927 and 936 to reduce our personnel expenses.

Finally, despite the hurdles we continue to advance in our digital transformation. Our growth, especially in omnichannel initiatives, has been substantial and we are certain that C&A is increasingly prepared to return to its position as a protagonist in Brazilian fashion, offering its customers a way to express themselves.

The Management of C&A Modas S.A.

Operating Indicators

	2Q20	2Q19	△	6M20	6M19	△
Stores	**288**	**282**	**6**	**288**	**282**	**6**
New	**2**	**4**	**-2**	**3**	**4**	**-1**
Closed	**0**	**0**	**0**	**2**	**1**	**1**
Remodeled	**7**	**18**	**-11**	**12**	**38**	**-26**
Sales area (thousand m²)	**547**	**533**	**15**	**547**	**533**	**15**



In 2Q20 we opened two new stores in São Paulo state (Carapicuíba and São Bernardo do Campo) and revamped 7 stores to adapt them to the CVP (Customer Value Proposition) concept.

This brought our total to 288 across Brazil, 271 of which have been in operation for more than 4 years.

Comments on the Company's Financial Performance

Comments

To better reflect the nature of our business and its economic reality, some of the numbers in this report are presented as pro-forma figures, with adjustments that exclude 1) the impact of IFRS16 and 2) entering fiscal credit gains due to the exclusion of ICMS in the basis for calculating PIS/COFINS in 2019. The table below shows the different lines and amounts that are adjusted to submit these results as pro-forma results in this document.

R$ million	2Q20	2Q19	6M20	6M19
Balance Sheet				
Right-of-use – leases (Assets)	1,573.2	1,640.1	1,573.2	1,640.1
Lease (Liabilities)	1,705.3	1,662.6	1,705.3	1,662.6
Results				
Occupancy (Operational Expenses)	(87.4)	(79.6)	(173.7)	(156.9)
Depreciation - Right-of-use (Operational Expenses)	68.7	73.2	136.5	147.0
Gains from interest and monetary correction of tax credits (Financial Results)	0.0	(8.0)	0.0	(567.0)
Lease interest expenses (Financial Result)	34.6	18.7	67.5	37.3
Tax credit recovery (Other net operating income (expenses))	0.0	0.1	0.0	(637.5)
Net Income	(10.5)	3.4	(20.0)	(777.0)

Net Revenue

R$ million	2Q20	2Q19	△	6M20	6M19	△
Total Net Revenue	**294.5**	**1,260.3**	**-76.6%**	**1,271.3**	**2,300.8**	**-44.7%**
Apparel	194.3	957.7	-79.7%	908.0	1,724.8	-47.4%
Fashiontronics	80.8	235.7	-65.7%	272.6	449.4	-39.3%
Financial Services - Bradescard Partnership	**15.9**	**61.0**	**-74.0%**	**84.1**	**116.3**	**-27.7%**
Other Revenues	**3.5**	**5.9**	**-40.9%**	**6.7**	**10.4**	**-35.8%**
Same Store Sales	**-77.0%**	**1.8%**	**-78.8p.p.**	**-46.8%**	**2.8%**	**-49.6p.p.**
Apparel	-79.7%	1.0%	-80.7p.p.	-48.4%	1.5%	-49.9p.p.
Fashiontronics	-66.0%	5.4%	-71.4p.p.	-40.5%	7.9%	-48.4p.p.

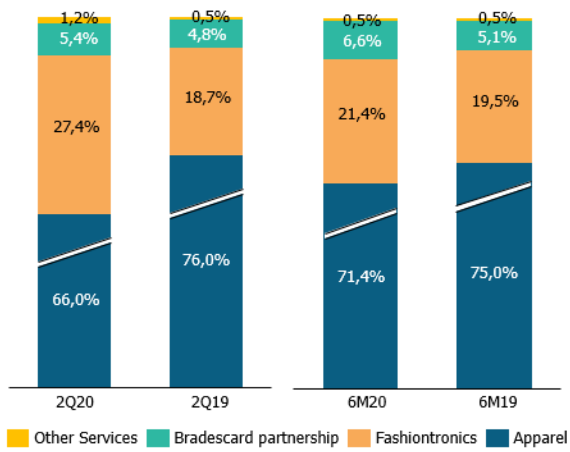
In the second quarter, net revenue was R$294.5 million, 76.6% less than in 2Q19.

Revenue from apparel dropped 79.7%, and from Fashiontronics dropped 65.7%. Same-store sales dropped 77.0% compared to 2Q19 - 79.7% in apparel and 66.0% in Fashiontronics.

Net revenue from Financial Services, our partnership with Bradescard, amounted to R$15.9 million, a 74.0% drop due to measures implemented to mitigate the impact of the pandemic, social isolation, and retail store closures in general. In addition, provisions for expected credit losses increased.

Other revenue, which includes commissions from telephony operators when cell-phone plans sold by C&A are activated, cell-phone top-offs and services, among others, dropped 40.9% in 2Q20 to R$ 3.5 million.

Net Revenue by Business



In the breakdown of net revenue in 2Q20, the share of Fashiontronics increased significantly, from 19% to 27%. The share of financial and other service revenue also increased slightly. Revenue from apparel dropped 10 percentage points.

Gross Profit and Margin

R$ million except margin	2Q20	2Q19	△	6M20	6M19	△
Total Gross Profit	**143.3**	**620.1**	**-76.9%**	**619.6**	**1,121.6**	**-44.8%**
Apparel	106.8	506.3	-78.9%	479.8	901.1	-46.8%
Fashiontronics	19.5	57.4	-66.1%	60.3	110.3	-45.3%
Gross Profit of Goods	**126.3**	**563.7**	**-77.6%**	**540.2**	**1,011.5**	**-46.6%**
Financial Services Gross Profit - Bradescard Partnership	15.6	60.7	-74.2%	83.6	115.7	-27.7%
Other Gross Losses	1.4	(4.3)	R$5.6	(4.2)	(5.6)	-25.1%
Total Gross Margin	**48.6%**	**49.2%**	**-0.6p.p.**	**48.7%**	**48.7%**	**-0.0p.p.**
Apparel Gross Margin	55.0%	52.9%	2.1p.p.	52.8%	52.2%	0.6p.p.
Fashiontronics Gross Margin	24.1%	24.4%	-0.3p.p.	22.1%	24.6%	-2.4p.p.
Gross Margin of Goods	**45.9%**	**47.2%**	**-1.3p.p.**	**45.8%**	**46.5%**	**-0.8p.p.**

In 2Q20, gross profit totaled R$143.3 million, 76.9% below 2Q19. Total gross margin was 48.6%, 0.6 pp lower, primarily as Fashiontronics was a larger share of total sales. Gross margin in 2Q20 was positively impacted by the contracted exchange rate. If we exclude the effect of hedge accounting, total margin would have dropped 2.0 pp this quarter.

The 55.0% gross margin in apparel was 2.1 pp higher than in 2Q19, with improvements across almost all categories. It is worth remembering that the contracted exchange rate only impacts apparel. The outcome was positive considering a more promotional environment faced as of mid-June.

The 24.1% Fashiontronics margin was 0.3 pp below 2Q19. This market has been quite competitive since mid-2019 with the end of the “Lei do Bem" and the entrance of new competitors.

Gross profit from financial services dropped 74.2%, in line with the drop in revenue.

Gross profits in others was R$ 1.4 million due to a reduction in physical inventory loses this quarter.

Pro-Forma Operating Revenue and Expenses

R$ million	2Q20	2Q19	△	2Q20 pro forma	2Q19 pro forma	△ pro forma	6M20	6M19	△	6M20 pro forma	6M19 pro forma	△ pro forma
Operating (Expenses) Income	**(387.7)**	**(548.0)**	**-29.2%**	**(406.4)**	**(554.2)**	**-26.7%**	**(914.0)**	**(438.6)**	**108.4%**	**(951.1)**	**(1,086.1)**	**-12.4%**
Selling Expenses	(277.0)	(439.2)	-36.9%	(294.2)	(444.8)	-33.9%	(690.2)	(843.6)	-18.2%	(724.0)	(851.9)	-15.0%
General and Administrative Expenses	(110.7)	(112.7)	-1.8%	(112.2)	(113.5)	-1.1%	(219.5)	(238.8)	-8.1%	(222.7)	(240.3)	-7.3%
Total Selling and G&A Expenses	**(387.7)**	**(551.9)**	**-29.8%**	**(406.4)**	**(558.3)**	**-27.2%**	**(909.6)**	**(1,082.4)**	**-16.0%**	**(946.8)**	**(1,092.3)**	**-13.3%**
Total Selling and G&A Expenses/Total Net Revenue	**131.7%**	**43.8%**	**87.9p.p.**	**138.0%**	**44.3%**	**93.7p.p.**	**71.5%**	**47.0%**	**24.5p.p.**	**74.5%**	**47.5%**	**27.0p.p.**
Other net operating income (expenses)	**(0.01)**	**3.9**	**-R$3.9**	**(0.01)**	**4.1**	**-R$4.1**	**(4.4)**	**643.8**	**-R$648.2**	**(4.4)**	**6.2**	**-R$10.6**
Operating (Expenses) Income/ Total Net Revenue	**131.7%**	**43.5%**	**88.2p.p.**	**138.0%**	**44.0%**	**94.0p.p.**	**71.9%**	**19.1%**	**52.8p.p.**	**74.8%**	**47.2%**	**27.6p.p.**

In the second quarter, pro-forma sales, general and administrative expenses were R$ 406.4 million, 26.7% below what they were in 2Q19.

Pro-forma sales expenses were R$ 294.2 million, a 33.9% or R$150.6 million drop. This reduction is the result of our efforts to minimize the impact of the isolation imposed by the pandemic, in particular a R$ 59.0 million drop in occupancy costs by negotiating leases with store lessors, and R$ 56.4 million savings in personnel costs by suspending labor agreements and reducing hours, measures made possible by Provisional Measures 927 and 936.

Pro-forma general and administrative costs were 1.1% lower, or R$ 122.2 million, primarily due to a R$ 8.5 million drop in G&A personnel expenses, also enabled by MP 936.

Other Operating Revenue and Expenses were R$ 0.01 million due to the recovery of social security credits. A significant amount of this was taken up by non-recurring expenses in the quarter.

Financial Services - Bradescard partnership

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

*Net Losses /Portfolio

C&A has partnered with Bradesco to offer a number of financial products and services, such as C&A card issuing and administration, personal loans and insurance.

In the second quarter of the year, revenue from this partnership totaled R$15.9 million, a 74.0% decrease. This performance was the result of increased provisions for expected credit losses and a reduction in revenue due to less credit granted. The increase in provisions for expected credit losses is the result of an increase in late payments. We have made provisions for almost 100% of the amount more than 90 days past due.

In spite of our efforts to make it easier for customers to pay their bills, also because stores were closed, such as self-service totems outside our stores, reducing the interest rate charged on installment payments, lower minimum payments, and longer payment terms, among other measures, default rates increased in the quarter.

Default is calculated as annualized losses net of recoveries divided by the net average of accounts receivable in the quarter. Default in 2Q20 reached 21.7%, peaking in May, and the indicator for the first half of the year is 13.7%, a 5.7 pp increase compared to 6M19.

New cards issued also suffered significantly with store closures. Only 18.5 thousand new cards were issued, an 88.9% drop.

Pro-forma Adjusted EBITDA

R$ million except margin	2Q20	2Q19	△	2Q20 pro forma	2Q19 pro forma	△ pro forma	6M20	6M19	△	6M20 pro forma	6M19 pro forma	△ pro forma
Profit (Losses)	**(192.1)**	**25.8**	**-R$217.8**	**(181.6)**	**29.1**	**-R$210.7**	**(247.4)**	**777.2**	**-R$1,024.7**	**(227.4)**	**0.2**	**(227.7)**
(+) Income Tax	(93.6)	13.8	-R$107.3	(88.1)	15.0	-R$103.1	(127.1)	401.4	-R$528.5	(116.8)	1.1	-R$117.9
(+/-) Net Financial Result	41.2	32.6	26.3%	6.5	21.8	-70.1%	80.1	(495.6)	R$575.8	12.7	34.1	-62.8%
(+) Depreciation and Amortization	129.6	131.0	-1.1%	60.8	57.8	5.3%	257.7	260.6	-1.1%	121.1	113.6	6.6%
(=) EBITDA	**(114.9)**	**203.1**	**-R$318.0**	**(202.3)**	**123.7**	**-R$326.0**	**(36.7)**	**943.6**	**-R$980.3**	**(210.5)**	**149.1**	**-R$359.6**
(+/-) Other net operating income (expenses)	11.2	(4.1)	R$15.2	11.2	(4.1)	R$15.2	16.1	(6.2)	R$22.2	16.1	(6.2)	R$22.2
(+) Expenses with Controlling Shareholder	0.0	1.2	-R$1.2	0.0	1.2	-R$1.2	0.0	2.6	-R$2.6	0.0	2.6	-R$2.6
(+) Royalties Expenses	0.0	7.4	-R$7.4	0.0	7.4	-R$7.4	0.0	13.0	-R$13.0	0.0	13.0	-R$13.0
(+) Financial Income of supplier	0.9	6.7	-87.0%	0.9	6.7	-87.0%	9.5	13.0	-27.3%	9.5	13.0	-27.3%
(-) Tax Credit Recovery	(11.2)	0.1	-R$11.3	(11.2)	0.0	-R$11.2	(11.7)	(637.6)	R$625.9	(11.7)	0.0	-R$11.7
(=) Adjusted EBITDA	**(114.0)**	**214.6**	**-R$328.6**	**(201.4)**	**135.0**	**-R$336.4**	**(22.9)**	**328.4**	**-R$351.3**	**(196.6)**	**171.6**	**-R$368.2**
Adjusted EBITDA Margin	**-38.7%**	**17.0%**	**-55.7p.p.**	**-68.4%**	**10.7%**	**-79.1p.p.**	**-1.8%**	**14.3%**	**-16.1p.p.**	**-15.5%**	**7.5%**	**-22.9p.p.**

*Pursuant to Article 4, CVM Instruction 527, the Company has chosen to show Adjusted EBITDA as in the above table in order to provide information which best reflects the gross operational cash generation from its activities.

Pro-forma adjusted EBITDA in the quarter was negative R$ 201.4 million, a change of negative 68.4% or a 79.1 pp drop.

Adjusted EBITDA for 6M20 was negative R$196.6 million and adjusted EBITDA margin of -15,5%.

Pro-forma Financial Results

R$ milhões	2Q20	2Q19	△	2Q20 pro forma	2Q19 pro forma	△ pro forma	6M20	6M19	△	6M20 pro forma	6M20 pro forma	△ pro forma
Gain (loss) from derivatives	**0.0**	**0.0**	**R$0.0**	**0.0**	**0.0**	**R$0.0**	**0.0**	**(26.1)**	**R$26.1**	**0.0**	**(26.1)**	**R$26.1**
Foreign exchange variation	**(0.3)**	**0.1**	**-R$0.3**	**(0.3)**	**0.1**	**-R$0.3**	**(12.7)**	**30.9**	**-R$43.6**	**(12.7)**	**30.9**	**-R$43.6**
Total Financial Expenses	**(55.7)**	**(51.9)**	**-R$3.8**	**(21.1)**	**(33.2)**	**R$12.1**	**(100.7)**	**(95.5)**	**-R$5.2**	**(33.3)**	**(58.2)**	**R$25.0**
Interest on related party loans	0.0	(19.6)	R$19.6	0.0	(19.6)	R$19.6	0.0	(30.7)	R$30.7	0.0	(30.7)	R$30.7
Interest on loans	(9.7)	0.0	-R$9.7	(9.7)	0.0	-R$9.7	(9.7)	0.0	-R$9.7	(9.7)	0.0	-R$9.7
Interests on Leases	(34.6)	(18.7)	-R$15.9	0.0	0.0	R$0.0	(67.5)	(37.3)	-R$30.2	0.0	0.0	R$0.0
Bank expenses and IOF	(0.4)	(0.9)	R$0.5	(0.4)	(0.9)	R$0.5	(0.9)	(2.8)	R$1.9	(0.9)	(2.8)	R$1.9
Interest on taxes and contingencies	(6.6)	(7.3)	R$0.7	(6.6)	(7.3)	R$0.7	(12.4)	(14.9)	R$2.4	(12.4)	(14.9)	R$2.4
Financial expenses of Suppliers – APV	(3.9)	(5.4)	R$1.5	(3.9)	(5.4)	R$1.5	(9.7)	(9.7)	R$0.0	(9.7)	(9.7)	R$0.0
Other	(0.4)	(0.03)	-R$0.4	(0.4)	(0.03)	-R$0.4	(0.4)	(0.07)	-R$0.4	(0.4)	(0.07)	-R$0.4
Total Financial Revenue	**14.9**	**19.3**	**-R$4.4**	**14.9**	**11.3**	**R$3.6**	**33.3**	**586.3**	**-R$553.0**	**33.3**	**19.3**	**R$14.0**
Interests	13.5	12.1	R$1.4	13.5	4.2	R$9.4	23.0	573.5	-R$550.6	23.0	6.6	R$16.4
Financial income of supplier	0.9	6.7	-R$5.9	0.9	6.7	-R$5.9	9.5	13.0	-R$3.6	9.5	13.0	-R$3.6
Other	0.4	0.4	R$0.1	0.4	0.4	R$0.1	0.9	(0.3)	R$1.2	0.9	(0.3)	R$1.2
Net Financial Result	**(41.2)**	**(32.6)**	**-R$8.6**	**(6.5)**	**(21.8)**	**R$15.3**	**(80.1)**	**495.6**	**-R$575.8**	**(12.7)**	**(34.1)**	**R$21.4**

In the second quarter we had pro-forma financial expenses amounting to R$6.5 million, an improvement of R$15.3 million compared to 2Q19.

Financial revenue was impacted by a R$9.4 million change due an increase in the interest paid on financial investments totaling R$ 6.3 million and to interest on tax credits resulting from the exclusion of ICMS from the basis of calculation of PIS/COFINS, which will be recurring, in the amount of R$ 4.8 million.

Financial expenses benefited from lower interest of loans in the amount of R$ 9.8 million as a result of the settlement of related party loans in 2019.

Pro-forma Net Profit

R$ million except margin	2Q20	2Q19	△	2Q20 pro forma	2Q19 pro forma	△ pro forma	6M20	6M19	△	6M20 pro forma	6M19 pro forma	△ pro forma
Net Profit (Losses)	**(192.1)**	**25.8**	**-R$217.8**	**(181.6)**	**29.1**	**-R$210.7**	**(247.4)**	**777.2**	**-R$1,024.7**	**(227.4)**	**0.2**	**-R$227.7**
Net Margin	**-65.2%**	**2.0%**	**-67.3p.p.**	**-61.6%**	**2.3%**	**-63.9p.p.**	**-19.5%**	**33.8%**	**-53.2p.p.**	**-17.9%**	**0.0%**	**-17.9p.p.**

Pro-forma net losses in 2Q20 was R$181.6 million, a R$ 210.7 million variation compared to 2Q19. Pro-forma net margin was -61.6%, a 63.9 pp drop.

In 6M20 pro-forma net losses were R$227.4 million, with a pro-forma margin of negative 17.9%.

Adjusted Free Cash Flow

R$ million	6M20	6M19	△
Pro forma (Loss) Income before Taxes	**(344.2)**	**1.5**	**-R$345.7**
Depreciation and Amortization	121.1	113.6	6.6%
(+/-) Others	20.3	62.6	-R$42.3
Non-cash Adjustment	**141.4**	**176.2**	**-19.7%**
Income tax and social contribution paid	**(21.4)**	**(13.3)**	**-R$8.1**
Working Capital	**(100.1)**	**(181.9)**	**R$81.8**
Trade Receivables	785.4	208.6	276.5%
Inventories	(276.9)	(134.8)	105.4%
Trade Payables	(392.7)	(46.5)	743.6%
Others	(216.0)	(209.2)	3.2%
Cash originated from operational activities	**(324.3)**	**(17.5)**	**-R$306.8**
(-) CAPEX	**(76.5)**	**(163.3)**	**-53.1%**
(=) Adjusted Free Cash Flow	**(400.8)**	**(180.8)**	**-R$220.0**

C&A consumed R$400.8 million in cash in 6M20, a R$220.0 million increase compared to 6M19. Store closures had major impact on two items: a reduction in trade receivables and trade payables. Trade receivables were not as significantly impacted because of the type of payment means, although the decrease was still significant due to store closures.

Payment method	2Q20	2Q19	△	6M20	6M19	△
Cash payment	**35%**	**33%**	**2p.p.**	**35%**	**34%**	**1p.p.**
Bradescard partnership Cards	**20%**	**22%**	**-2p.p.**	**20%**	**21%**	**-1p.p.**
Up to 5 installments	10%	13%	-3p.p.	10%	13%	-3p.p.
More than 5 installments	6%	3%	3p.p.	5%	3%	2p.p.
Other	4%	6%	-2p.p.	5%	6%	-1p.p.
Third party Cards	**45%**	**45%**	**0p.p.**	**45%**	**45%**	**0p.p.**
Up to 3 installments	17%	31%	-14p.p.	22%	29%	-7p.p.
More than 3 installments	20%	8%	12p.p.	16%	9%	7p.p.
Other	7%	6%	1p.p.	7%	7%	0p.p.

Inventories consumed more cash, however this is not only due to the impact of Covid-19, but also new assortment management. The inventory line in our statement of financial position for 2Q20 increased 34% y-o-y, similar when compared to the same variation for the first quarter.

Investments

R$ million	2Q20	2Q19	△	6M20	6M19	△
Total Investments	**45.3**	**74.4**	**-39.1%**	**78.8**	**158.2**	**-50.2%**
New Stores	7.1	14.1	-49.6%	14.6	25.6	-43.0%
Remodelling	14.4	33.7	-57.3%	28.8	73.3	-60.7%
Distribution Center	2.1	8.4	-75.0%	4.2	9.1	-53.8%
IT and Others	21.7	18.2	19.2%	31.2	50.2	-37.8%

R$45.3 million were invested in 2Q20, a 39.1% reduction compared to 2Q19. Investments in new stores, revamps and distribution centers dropped compared to 2Q19, despite our growth plans. The main reasons are store closures due to anti-Covid-19 measures and our focus on protecting our cash position in a time of major uncertainty. Digital transformation was the only initiative we prioritized and accelerated, such as focusing on increasing sales and staying close to our customer. For this reason, investment in IT projects, most of them related to our digital transformation, increased 19.2% to R$21.7 million.

Indebtedness

R$ million	06/30/2020	06/30/2019	△
Gross Debt	**1,205.2**	**786.9**	**53.2%**
Short-term debt	375.9	4.5	R$371.4
Long-term debt	829.3	782.5	R$46.8
(-) Cash and cash equivalents	**1,259.0**	**95.3**	**R$1,163.7**
(=) Net Cash (Debt)	**53.8**	**(691.6)**	**R$745.4**

C&A ended 1H2020 with a total gross debt of R$1.2 billion and a solid net cash position of R$53.8 million. The Company's debt has an average maturity of 2.16 years, and an average all-in cost of CDI + 2.35%.

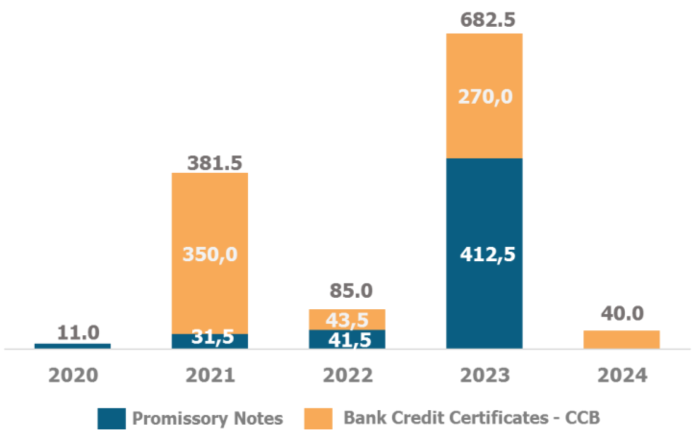
The following transactions were completed in 2Q20:

- R$500 million in Promissory Notes were issued on April 3, 2020, maturing in 3 years with an average all-in yield of CDI + 1.09%.

- R$350 million in two CCBs (Bank Credit Certificates) were issued on April 9, maturing in 12 months with an average all-in yield of CDI + 3.45%.

- R$350 million in two CCBs (Bank Credit Certificates) were issued on June 30, maturing in 2.9 years on average, with an average all-in yield of CDI + 3.06%.

Debt Amortization Schedule (R$ million)



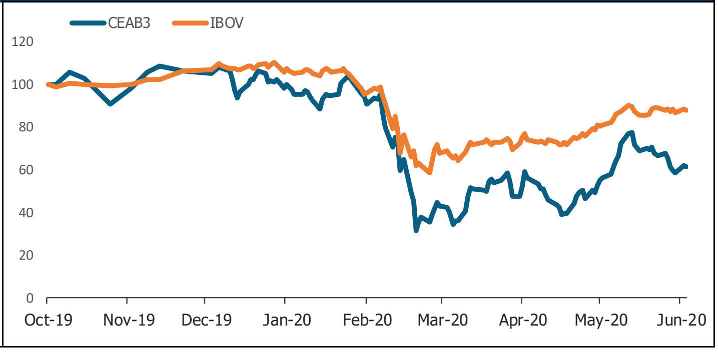
Capital Market

C&A joined the B3 "Novo Mercado" on 28 October 2019, at a starting share price of R$ 16,50.

The average daily volume traded in 2Q20 was R$30.8 million, with a 53.9% increase in the value of the shares. On June 30, 2020, the Company's market cap was R$3.2 billion.

CEAB3*	
Closing Price (06/30/2020)	R$10.31
Higher price in 2Q20	R$13.02
Lower price in 2Q20	R$5.75
Appreciation/Depreciation in 2Q20	53.9%
Number of shares	R$308,245,068.00
Market Cap. (06/30/2020)	R$3,178,006,651.08
Average daily liquidity in 2Q20	R$30.8 million

CEAB3 x Ibovespa (Oct/2019 - Actual)



*Source: Infomoney, 06/30/2020

The Company's share capital is 308,245,068 common shares, with 34.5% free-float. The Company's free-float and its main shareholders on June 30, 2020 are described below:

Stockholding structure	Number of Shares (ON)	% of total
Controlling shareholder	201,895,453	65.5%
Itaú Unibanco S.A.	15,766,280	5.1%
XP Gestão de Recursos Ltda	15,601,000	5.1%
Management	29,836	0.01%
Others	74,952,499	24.3%
Total	308,245,068	100.0%

Attachments

Consolidated Statement of Financial Position

R$ million	2020-06-30	2019-12-31
Total Assets	**6,498.5**	**6,037.1**
Current Assets	**2,823.2**	**2,999.6**
Cash and cash equivalents	1,259.0	447.1
Trade receivables	374.5	1,151.5
Derivatives	7.3	0.6
Related Parties	0.04	0.4
Inventories	810.3	544.7
Taxes to recoverable	323.4	795.6
Income tax recoverable	14.6	38.0
Other assets	34.1	21.7
Noncurrent Assets	**3,675.3**	**3,037.5**
Long term Assets	**1,244.3**	**624.9**
Taxes recoverable	1,029.7	521.1
Deferred taxes	108.1	0.0
Judicial deposits	102.7	101.8
Other assets	3.8	2.0
Property and equipament	640.6	717.5
Right-of-use assets	1,573.2	1,507.8
Intangible asset	217.2	187.3

R$ million	2020-06-30	2019-12-31
Total liabilities and shareholder's equity	**6,498.5**	**6,037.1**
Current Liabilities	**1,488.6**	**1,751.1**
Lease liabilities	392.6	357.9
Loans	375.9	0.0
Trade payables	415.9	804.0
Derivatives	0.0	3.9
Labor Liabilities	137.8	128.5
Related Parties	37.2	69.5
Interest on shareholders' equity and dividends payable	68.8	144.8
Taxes Payable	17.5	183.6
Income Tax payable	0.6	35.8
Other liabilities	42.2	23.1
Noncurrent liabilities	**2,431.9**	**1,546.5**
Lease liabilities	1,312.6	1,229.8
Loans	829.3	-
Labor Liabilities	2.8	3.6
Labor, Civil, Security and Tax Provisions	230.6	233.8
Taxes payable	23.2	1.1
Deferred taxes	0.0	45.6
Other liabilities	33.4	32.6
Equity	**2,578.0**	**2,739.6**
Capital stock	1,847.2	1,847.2
Capital reserves	14.5	11.7
Retained earnings (loss)	(247.4)	-
Profit Reserve	958.9	882.9
Other comprehensive income (loss)	4.9	(2.2)

Consolidated Statement of Earnings - Quarterly

R$ million	2Q20	2Q19	△	2Q20 pro forma	2Q19 pro forma	△ pro forma
Net Operational Revenue	**294.5**	**1,260.3**	**-76.6%**	**294.5**	**1,260.3**	**-76.6%**
Apparel	194.3	957.7	-79.7%	194.3	957.7	-79.7%
Fashiontronics	80.8	235.7	-65.7%	80.8	235.7	-65.7%
Financial Services - Bradescard Partnership	**15.9**	**61.0**	**-74.0%**	**15.9**	**61.0**	**-74.0%**
Other Commissions Revenue	**3.5**	**5.9**	**-40.9%**	**3.5**	**5.9**	**-40.9%**
Cost of sales and services rendered	**(151.2)**	**(640.2)**	**-76.4%**	**(151.2)**	**(640.2)**	**-76.4%**
Gross Profit	**143.3**	**620.1**	**-76.9%**	**143.3**	**620.1**	**-76.9%**
Apparel	106.8	506.3	-78.9%	106.8	506.3	-78.9%
Fashiontronics	19.5	57.4	-66.1%	19.5	57.4	-66.1%
Gross Profit of Goods	126.3	563.7	-77.6%	126.3	563.7	-77.6%
Financial Products - Bradescard Partnership	15.6	60.7	-74.2%	15.6	60.7	-74.2%
Other Commissions Gross Profit	1.4	(4.3)	R$5.6	1.4	(4.3)	R$5.6
Operating (expenses) income	**(387.7)**	**(548.0)**	**-29.2%**	**(406.4)**	**(554.2)**	**-26.7%**
General and Administrative expenses	(110.7)	(112.7)	-1.8%	(112.2)	(113.5)	-1.1%
Selling expenses	(277.0)	(439.2)	-36.9%	(294.2)	(444.8)	-33.9%
Other net operating income (expenses)	(0.01)	3.9	-R$3.9	(0.01)	4.1	-R$4.1
Operating profit	**(244.5)**	**72.1**	**-R$316.6**	**(263.2)**	**65.9**	**-R$329.1**
Net Finance Results	**(41.2)**	**(32.6)**	**-R$8.6**	**(6.5)**	**(21.8)**	**R$15.3**
Gain (loss) from derivative	**0.0**	**0.0**	**R$0.0**	**0.0**	**0.0**	**R$0.0**
Foreign exchange variation	**(0.3)**	**0.1**	**-R$0.3**	**(0.3)**	**0.1**	**-R$0.3**
Total Finance Expenses	**(55.7)**	**(51.9)**	**-R$3.8**	**(21.1)**	**(33.2)**	**R$12.1**
Interest on related party loans	0.0	(19.6)	R$19.6	0.0	(19.6)	R$19.6
Interest on loans	(9.7)	0.0	-R$9.7	(9.7)	0.0	R$0.0
Interests on Leases	(34.6)	(18.7)	-R$15.9	0.0	0.0	R$0.0
Bank expenses and IOF	(0.4)	(0.9)	R$0.5	(0.4)	(0.9)	R$0.5
Interest on taxes and contingencies	(6.6)	(7.3)	R$0.7	(6.6)	(7.3)	R$0.7
Financial expenses of Suppliers – PVA	(3.9)	(5.4)	R$1.5	(3.9)	(5.4)	R$1.5
Other	(0.4)	(0.03)	-R$0.4	(0.4)	(0.03)	-R$0.4
Total Financial Revenue	**14.9**	**19.3**	**-R$4.4**	**14.9**	**11.3**	**R$3.6**
Interests	13.5	12.1	R$1.4	13.5	4.2	R$9.4
Financial income of supplier	0.9	6.7	-R$5.9	0.9	6.7	-R$5.9
Other	0.4	0.4	R$0.1	0.4	0.4	R$0.1
Income before taxes	**(285.6)**	**39.5**	**-R$325.2**	**(269.7)**	**44.1**	**-R$313.8**
Income taxes	93.6	(13.8)	R$107.3	88.1	(15.0)	R$103.1
Net Income (loss) for the period	**(192.1)**	**25.8**	**-R$217.8**	**(181.6)**	**29.1**	**-R$210.7**
(+) Income Tax	(93.6)	13.8	-R$107.3	(88.1)	15.0	-R$103.1
(+/-) Net Financial Result	41.2	32.6	26.3%	6.5	21.8	-70.1%
(+) Depreciation and Amortization	129.6	131.0	-1.1%	60.8	57.8	5.3%
(=) EBITDA	**(114.9)**	**203.1**	**-R$318.0**	**(202.3)**	**123.7**	**-R$326.0**
(+/-) Other net operating income (expenses)	11.2	(4.1)	R$15.2	11.2	(4.1)	R$15.2
(+) Expenses with Controlling Shareholder	0.0	1.2	-R$1.2	0.0	1.2	-R$1.2
(+) Royalties Expenses	0.0	7.4	-R$7.4	0.0	7.4	-R$7.4
(+) Financial Income of supplier	0.9	6.7	-87.0%	0.9	6.7	-87.0%
(-) Tax Credit Recovery	(11.2)	0.1	-R$11.3	(11.2)	0.0	-R$11.2
(=) Adjusted EBITDA	**(114.0)**	**214.6**	**-R$328.6**	**(201.4)**	**135.0**	**-R$336.4**

Consolidated Statement of Earnings - Half-Yearly

R$ million	6M20	6M19	△	6M20 pro forma	6M19 pro forma	△ pro forma
Net Operational Revenue	**1,271.3**	**2,300.8**	**-44.7%**	**1,271.3**	**2,300.8**	**-44.7%**
Apparel	908.0	1,724.8	-47.4%	908.0	1,724.8	-47.4%
Fashiontronics	272.6	449.4	-39.3%	272.6	449.4	-39.3%
Financial Services - Bradescard Partnership	**84.1**	**116.3**	**-27.7%**	**84.1**	**116.3**	**-27.7%**
Other Commissions Revenue	**6.7**	**10.4**	**-35.8%**	**6.7**	**10.4**	**-35.8%**
Cost of sales and services rendered	**(651.8)**	**(1,179.3)**	**-44.7%**	**(651.8)**	**(1,179.3)**	**-44.7%**
Gross Profit	**619.6**	**1,121.6**	**-44.8%**	**619.6**	**1,121.6**	**-44.8%**
Apparel	479.8	901.1	-46.8%	479.8	901.1	-46.8%
Fashiontronics	60.3	110.3	-45.3%	60.3	110.3	-45.3%
Gross Profit of Goods	540.2	1,011.5	-46.6%	540.2	1,011.5	-46.6%
Financial Products - Bradescard Partnership	83.6	115.7	-27.7%	83.6	115.7	-27.7%
Other Commissions Gross Profit	(4.2)	(5.6)	-25.1%	(4.2)	(5.6)	-25.1%
Operating (expenses) income	**(914.0)**	**(438.6)**	**R$1.1**	**(951.1)**	**(1,086.1)**	**-12.4%**
General and Administrative expenses	(219.5)	(238.8)	-8.1%	(222.7)	(240.3)	-7.3%
Selling expenses	(690.2)	(843.6)	-18.2%	(724.0)	(851.9)	-15.0%
Other net operating income (expenses)	(4.4)	643.8	-R$648.2	(4.4)	6.2	(10.6)
Operating profit	**(294.4)**	**683.0**	**-R$977.4**	**(331.6)**	**35.5**	**-R$367.0**
Net Finance Results	**(80.1)**	**495.6**	**-R$575.8**	**(12.7)**	**(34.1)**	**R$21.4**
Gain (loss) from derivative	**0.0**	**(26.1)**	**R$26.1**	**0.0**	**(26.1)**	**R$26.1**
Foreign exchange variation	**(12.7)**	**30.9**	**-R$43.6**	**(12.7)**	**30.9**	**-R$43.6**
Total Finance Expenses	**(100.7)**	**(95.5)**	**-R$5.2**	**(33.3)**	**(58.2)**	**R$25.0**
Interest on related party loans	0.0	(30.7)	R$30.7	0.0	(30.7)	R$30.7
Interest on loans	(9.7)	0.0	-R$9.7			
Interests on Leases	(67.5)	(37.3)	-R$30.2	0.0	0.0	R$0.0
Bank expenses and IOF	(0.9)	(2.8)	R$1.9	(0.9)	(2.8)	R$1.9
Interest on taxes and contingencies	(12.4)	(14.9)	R$2.4	(12.4)	(14.9)	R$2.4
Financial expenses of Suppliers – PVA	(9.7)	(9.7)	R$0.0	(9.7)	(9.7)	R$0.0
Other	(0.4)	(0.07)	-R$0.4	(0.4)	(0.07)	-R$0.4
Total Financial Revenue	**33.3**	**586.3**	**-R$553.0**	**33.3**	**19.3**	**R$14.0**
Interests	23.0	573.5	-R$550.6	23.0	6.6	R$16.4
Financial income of supplier	9.5	13.0	-R$3.6	9.5	13.0	-R$3.6
Other	0.9	(0.3)	R$1.2	0.9	(0.3)	R$1.2
Income before taxes	**(374.6)**	**1,178.6**	**-R$1,553.1**	**(344.2)**	**1.4**	**-R$345.6**
Income taxes	127.1	(401.4)	R$528.5	116.8	(1.1)	R$117.9
Net Income (loss) for the period	**(247.4)**	**777.2**	**-R$1,024.7**	**(227.4)**	**0.2**	**-R$227.7**
(+) Income Tax	(127.1)	401.4	-R$528.5	(116.8)	1.1	-R$117.9
(+/-) Net Financial Result	80.1	(495.6)	R$575.8	12.7	34.1	-62.8%
(+) Depreciation and Amortization	257.7	260.6	-1.1%	121.1	113.6	6.6%
(=) EBITDA	**(36.7)**	**943.6**	**-R$980.3**	**(210.5)**	**149.1**	**-R$359.6**
(+/-) Other net operating income (expenses)	16.1	(6.2)	R$22.2	16.1	(6.2)	R$22.2
(+) Expenses with Controlling Shareholder	0.0	2.6	-R$2.6	0.0	2.6	-R$2.6
(+) Royalties Expenses	0.0	13.0	-R$13.0	0.0	13.0	-R$13.0
(+) Financial Income of supplier	9.5	13.0	-27.3%	9.5	13.0	-27.3%
(-) Tax Credit Recovery	(11.7)	(637.6)	R$625.9	(11.7)	0.0	-R$11.7
(=) Adjusted EBITDA	**(22.9)**	**328.4**	**-R$351.3**	**(196.6)**	**171.6**	**-R$368.2**

Consolidated Cash Flow

R$ million	6M20	6M19
Operating Activities		
Income (loss) before income tax	**(374.6)**	**1,178.6**
(+)Adjustments to reconcile income taxes to net cash flow:	**362.5**	**(892.9)**
Depreciation and amortization	121.1	113.6
Depreciation of right of use asset	150.3	147.0
Losses on sale or disposal of property and equipment and intangible assets	4.5	13.9
Impairment on property and equipment and intangibles and right of use	3.9	(15.4)
Provisions for expected credit losses	(2.1)	(1.6)
Adjustment to present value of trade receivables and suppliers	(3.2)	0.0
Expenses with stock-based compensation	2.9	0.0
Provisions (reversals) for tax, civil and labor risks	5.2	7.8
Judicial deposits	(0.9)	(1.5)
Provisions for inventory losses	11.3	19.7
Interest on leases	70.8	37.3
Interest on related parties loans	0.0	30.7
Interest on loans	9.7	0.0
Amortization transaction costs of loans	0.4	0.0
Foreign exchange differences on related party loans	0.0	(32.4)
Derivatives	0.0	41.3
Gains on lawsuits - previously unused PIS/COFINS credits	(11.5)	(1,253.3)
(+)Working capital adjustments	**(121.5)**	**(146.3)**
Trade receivable	785.4	208.6
Related parties	(32.0)	(10.9)
Inventories	(276.9)	(134.8)
Taxes recoverable	(1.4)	9.6
Other assets	(14.3)	(12.5)
Judicial deposits	(0.4)	(4.4)
Trade Payables	(392.7)	(46.5)
Labor liabilities	8.5	(16.6)
Other liabilites	19.7	(13.6)
Provisions for tax, civil and labor proceedings	(8.1)	(2.4)
Taxes payable	(187.9)	(109.5)
Income tax paid	(21.4)	(13.3)
(=)Net cash flows from operating activities	**(133.6)**	**139.3**
(+)Investment Activities	**(76.6)**	**(163.3)**
Purchase of property and equipment	(76.6)	(163.3)
Purchase of intangible assets	0.00	0.00
Receivables from the sale of property and equipment	0.09	0.00
Cash flow used in investment activities		
(+)Financing Activities	**1,022.0**	**(326.7)**
Proceeds from new loans	1,200.0	508.0
Repayments of loans	0.0	(590.6)
Loan transaction costs	(5.0)	0.0
Interest paid on loans	0.0	(36.3)
Settlements of derivaties	0.0	7.6
Repayments and interest paid on leases	(173.0)	(156.9)
Interest on shareholder's equity paid	0.0	(58.6)
Net cash flows obtained from (used in) financing activities	**1,022.0**	**(326.7)**
(=)Increase (Decrease) in cash and cash equivalents	**811.9**	**(350.7)**
Cash and cash equivalents at the beginning of the period	**447.1**	**446.0**
Cash and cash equivalents at the end of the period	**1,259.0**	**95.3**

About C&A

C&A was established in 1841 by Dutch brothers Clemns and August, whose initials gave rise to the name and brand. C&A was a pioneer in ready-for-use fashion and is now one of the leading retail chains in the world. C&A is present in 21 countries in Europe, Latin America and Asia, with 1,800 stores. The C&A brand has been present in Brazil since 1976 and was a precursor of the Fast-Fashion concept. C&A markets apparel of good cost-benefit, including clothing, accessories, footwear, swimwear, beauty items and perfumes for men, women, and children. It has a number of B&M stores and an online e-commerce platform. It also offers electronic items such as smartphones, Kindles, tablets, watches and accessories such as earphones and chargers. Combined these are known as Fashiontronics. C&A's target audience is primarily made up of young women aged 18 to 35 in search of an elegant, fashionable style. Because it has been in Brazil for over 40 years, C&A has a network of B&M stores in 26 states and the Federal District. On June 2020 there were 288 C&A stores in operation, with a total sales area of approximately 547 thousand sq. meters.

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