



**C&A**

**Interim Financial  
Statements 3Q24**

## **Interim Financial Statement**

**C&A Modas S.A.**

September 30, 2024 and 2023  
and the Report of the Independent Auditor

**C&A Modas S.A.**

Interim Financial Statement

September 30, 2024 and 2023

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A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information prepared in Brazilian currency in accordance with NBC TG 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

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## Independent auditor's review report on quarterly information

The Shareholders and Officers

### **C&A Modas S.A.**

Barueri - SP

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of C&A Modas S.A. (the "Company") for the quarter ended September 30, 2024, comprising the statement of financial position as at September 30, 2024 and the related statements of profit or loss and of comprehensive income (loss), for the three and nine-month periods then ended, and the statements of changes in equity and cash flows for the nine-month period then ended including the explanatory notes, including material accounting policies and other instructive information.

### **Responsibilities of management for Interim Accounting Information**

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 Interim Financial Reporting, and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## **Conclusion on the individual and consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

## **Other matters**

### **Statements of value added**

The above-mentioned quarterly information includes the individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 2024, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 Statement of Value Added. Based on our review, we are not aware of any facts that would lead us to believe that these statements of value added have not been prepared, in all material respects, in accordance with the criteria set forth in this Standard and in a manner consistent with the individual and consolidated interim accounting information taken together.

São Paulo, November 06, 2024.

ERNST & YOUNG  
Auditores Independentes S.S. Ltda.  
CRC-2SP034519/O



Flávio Serpejante Peppe  
Partner

## C&A Modas S.A.



### Statements of Financial Position

On September 30, 2024 and December 31, 2023

(in thousand Reals)

	Note	Parent Company		Consolidated	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
Assets					
Current					
Cash and cash equivalents	6	763,291	1,130,245	949,116	1,155,588
Bonds and securities	7	-	-	199,023	191,587
Trade receivables	8	670,871	1,054,599	1,341,294	1,778,421
Inventory	11	1,160,576	875,238	1,160,576	875,155
Taxes recoverable	12	390,180	379,126	393,201	388,451
Derivatives	32.4	571	721	571	721
Related parties	9	461	323	139	92
Other Assets	13	53,176	51,785	53,292	51,827
Total current assets		3,039,126	3,492,037	4,097,212	4,441,842
Non-current assets					
Long-term assets					
Bonds and securities - FIDC	7	835,455	791,352	-	-
Deferred taxes	14	534,139	535,488	525,228	535,959
Related parties	9	-	19	-	19
Taxes recoverable	12	1,163,355	1,197,839	1,163,355	1,197,839
Judicial deposits	25.3	37,868	47,641	37,879	47,668
Other Assets	13	3,628	3,219	3,628	3,219
Total long-term assets		2,574,445	2,575,558	1,730,090	1,784,704
Investments	15	173,469	118,249	-	-
Property and Equipment	16	731,476	763,401	731,476	763,401
Right-of-use assets - leases	19	1,316,670	1,462,945	1,316,670	1,462,945
Intangible assets	17	901,211	964,493	901,412	964,764
Total non-current assets		5,697,271	5,884,646	4,679,648	4,975,814
Total assets		8,736,397	9,376,683	8,776,860	9,417,656

## C&A Modas S.A.



### Statements of Financial Position

On September 30, 2024 and December 31, 2023

(in thousand Reals)

	Note	Parent Company		Consolidated	
	Note	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Net liabilities and equity					
Current					
Labor liabilities	23	241,087	230,098	243,493	231,364
Suppliers	20	1,577,156	1,172,988	1,592,643	1,189,225
Obligations - Forfait	21	286,511	364,709	286,511	364,709
Taxes payable	24	85,096	277,772	87,651	287,249
Loans and debentures	22	293,847	511,427	293,847	511,427
Related parties	9	127,087	79,760	120,975	71,661
Derivatives	32.4	5,901	1,392	5,901	1,392
Leases	19	535,754	501,642	535,754	501,642
Other liabilities		24,746	20,571	48,384	41,462
Total current liabilities		3,177,185	3,160,359	3,215,159	3,200,131
Non-current assets					
Labor liabilities	23	21,756	18,740	21,756	18,740
Suppliers	20	524	551,248	524	551,248
Taxes payable	24	15,739	12,410	15,739	12,410
Loans and debentures	22	1,136,816	1,176,427	1,136,816	1,176,427
Leases	19	1,038,825	1,209,781	1,038,825	1,209,781
Provisions for tax, civil, and labor risks	25	114,139	183,791	116,624	184,989
Other liabilities		50,641	51,211	50,641	51,211
Total non-current liabilities		2,378,440	3,203,608	2,380,925	3,204,806
Total liabilities		5,555,625	6,363,967	5,596,084	6,404,937
Shareholder's Equity					
Capital stock	26	1,847,177	1,847,177	1,847,177	1,847,177
Shares in Treasury		(31,301)	(8,498)	(31,301)	(8,498)
Capital reserve		46,736	49,879	46,736	49,879
Profit reserve		1,124,744	1,124,744	1,124,744	1,124,744
Other comprehensive income		(4,115)	(586)	(4,115)	(586)
Accumulated profits		197,531	-	197,531	-
Total controlling shareholders		3,180,772	3,012,716	3,180,772	3,012,716
Total non-controlling shareholders		-	-	4	3
Total shareholder's equity		3,180,772	3,012,716	3,180,776	3,012,719
Total liabilities and shareholder's equity		8,736,397	9,376,683	8,776,860	9,417,656

See accompanying notes.

## C&A Modas S.A.



### Statements of earnings

Quarters and nine-month periods ended September 30, 2024 and 2023

(In thousand Reals - R\$, except earnings per share)

		Parent Company			
		Quarter ended		Ended period	
	Note	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Net Revenue	28	<b>1,713,368</b>	1,482,176	<b>4,824,454</b>	4,256,432
<i>Sales of goods and services</i>		<b>1,686,549</b>	1,462,965	<b>4,737,697</b>	4,179,360
<i>Financial Products and Services</i>		<b>26,819</b>	19,211	<b>86,757</b>	77,072
Cost of goods sold and services rendered	29	<b>(821,214)</b>	(745,270)	<b>(2,309,604)</b>	(2,124,700)
<i>Sales of goods and services</i>		<b>(821,147)</b>	(745,176)	<b>(2,309,389)</b>	(2,124,385)
<i>Financial Products and Services</i>		<b>(67)</b>	(94)	<b>(215)</b>	(315)
Gross profit		<b>892,154</b>	736,906	<b>2,514,850</b>	2,131,732
Operating revenue (expenses):					
Sales	29	<b>(570,013)</b>	(510,617)	<b>(1,656,724)</b>	(1,496,365)
General and administrative	29	<b>(224,046)</b>	(193,418)	<b>(630,639)</b>	(557,646)
Share of profit of subsidiaries	15	<b>7,379</b>	10,761	<b>20,674</b>	(17,762)
Other net operating income (expenses)	29	<b>(5,653)</b>	14,653	<b>98,120</b>	26,170
Profit/(Loss) before financial results		<b>99,821</b>	58,285	<b>346,281</b>	86,129
Gains (losses) from derivatives		<b>(4,004)</b>	-	<b>(4,004)</b>	-
Exchange variation		<b>5,474</b>	(462)	<b>(5,508)</b>	1,137
Finance expenses		<b>(138,844)</b>	(177,738)	<b>(431,333)</b>	(504,290)
Finance income		<b>32,027</b>	40,996	<b>203,021</b>	149,528
FIDC C&A Pay Earnings		<b>37,514</b>	(6,718)	<b>87,602</b>	(13,474)
Finance results	30	<b>(67,833)</b>	(143,922)	<b>(150,222)</b>	(367,099)
Profit/(loss) before income taxes		<b>31,988</b>	(85,637)	<b>196,059</b>	(280,970)
Income taxes	14	<b>10,831</b>	41,403	<b>1,472</b>	114,615
Net income (loss) for the period		<b>42,819</b>	(44,234)	<b>197,531</b>	(166,355)

See accompanying notes.



## C&A Modas S.A.



### Statements of earnings

Quarters and nine-month periods ended September 30, 2024 and 2023

(In thousand Reals - R\$, except earnings per share)

		Consolidated			
		Quarter ended		Ended period	
Note		07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Net Revenue	28	<b>1,799,811</b>	1,542,676	<b>5,084,428</b>	4,426,214
<i>Sales of goods and services</i>		<b>1,687,166</b>	1,456,493	<b>4,740,348</b>	4,172,888
<i>Financial Products and Services</i>		<b>112,645</b>	86,183	<b>344,080</b>	253,326
Cost of goods sold and services rendered	29	<b>(821,302)</b>	(745,433)	<b>(2,309,753)</b>	(2,125,110)
<i>Sales of goods and services</i>		<b>(821,148)</b>	(745,177)	<b>(2,309,306)</b>	(2,124,278)
<i>Financial Products and Services</i>		<b>(154)</b>	(256)	<b>(447)</b>	(832)
Gross profit		<b>978,509</b>	797,243	<b>2,774,675</b>	2,301,104
Operating revenue (expenses):					
Sales	29	<b>(578,020)</b>	(525,951)	<b>(1,684,225)</b>	(1,562,977)
General and administrative	29	<b>(223,986)</b>	(193,567)	<b>(631,279)</b>	(559,840)
Net credit losses	8.5	<b>(42,891)</b>	(64,192)	<b>(152,947)</b>	(167,278)
Other net operating income (expenses)	29	<b>(5,656)</b>	14,653	<b>98,123</b>	25,913
Profit/(Loss) before financial results		<b>127,956</b>	28,186	<b>404,347</b>	36,922
Gains (losses) from derivatives		<b>(4,004)</b>	-	<b>(4,004)</b>	-
Exchange variation		<b>5,474</b>	(462)	<b>(5,508)</b>	1,137
Finance expenses		<b>(129,044)</b>	(161,097)	<b>(401,927)</b>	(481,710)
Finance income		<b>33,154</b>	48,693	<b>208,707</b>	160,971
Earnings from Bonds and Securities		<b>2,293</b>	1,941	<b>5,196</b>	3,098
Finance results	30	<b>(92,127)</b>	(110,925)	<b>(197,536)</b>	(316,504)
Profit/(loss) before income taxes		<b>35,829</b>	(82,739)	<b>206,811</b>	(279,582)
Income taxes	14	<b>6,990</b>	38,517	<b>(9,279)</b>	113,237
Net income (loss) for the period		<b>42,819</b>	(44,222)	<b>197,532</b>	(166,345)
Attributable to the shareholders:					
Non-controlling		-	12	1	10
Controlling		<b>42,819</b>	(44,234)	197,531	(166,355)
Basic Profit/(Loss) per share – in R\$	35	<b>0.1404</b>	(0.1441)	<b>0.6478</b>	(0.5443)
Diluted Profit/(Loss) per share – in R\$	35	<b>0.1366</b>	(0.1441)	<b>0.6390</b>	(0.5443)

See accompanying notes.



## Statement of comprehensive income (loss)

Quarters and nine-month periods ended September 30, 2024 and 2023

(in thousand Reals - R\$)

	Parent Company			
	Quarter ended		Ended period	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Net income (loss) for the period	42,819	(44,234)	197,531	(166,355)
Other comprehensive results:				
Gains (losses) from derivatives	(12,381)	6,821	(4,659)	2,920
Other comprehensive results (*)	(109)	-	(454)	-
Tax effects	4,209	(2,319)	1,584	(993)
Total comprehensive results to be reclassified to results for the period in subsequent periods, net of taxes	(8,281)	4,502	(3,529)	1,927
Total comprehensive results	34,538	(39,732)	194,002	(164,428)

(\*) this is driven by the mark-to-market adjustment of C&amp;A Pay SCD LFTs (Financial Treasury Bills).

	Consolidated			
	Quarter ended		Ended period	
	07/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Net income (loss) for the period	42,819	(44,222)	197,532	(166,345)
Other comprehensive results:				
Gains (losses) from derivatives	(12,381)	6,821	(4,659)	2,920
Other comprehensive results (*)	(109)	-	(454)	-
Tax effects	4,209	(2,319)	1,584	(993)
Total comprehensive results to be reclassified to results for the period in subsequent periods, net of taxes	(8,281)	4,502	(3,529)	1,927
Total comprehensive results	34,538	(39,720)	194,003	(164,418)
Attributable to the shareholders:				
Non-controlling	-	12	1	10
Controlling	34,538	(39,732)	194,002	(164,428)
	34,538	(39,720)	194,003	(164,418)

(\*) this is driven by the mark-to-market adjustment of C&amp;A Pay SCD LFTs (Financial Treasury Bills).

See accompanying notes.

## C&A Modas S.A.

Statements of changes in equity  
Nine-month periods ended September 30, 2024 and 2023  
(in thousand Reals - R\$)



	Note	Capital stock	Shares in Treasury	Capital reserve		Profit reserve				Other comprehensive income	Accumulated (Profit)/Loss	Total controlling interests	Non-controlling interests	Total shareholder's equity
				Capital reserve	Other capital reserves	Legal reserve	Reserves for unrealized gains	Reserve for tax incentives	Reserve for investments	Equity valuation adjustments				
Balance on December 31, 2022		1,847,177	(6,778)	10,516	27,125	65,092	75,720	12,341	969,256	(254)	-	3,000,195	1	3,000,196
Equity instruments granted - share-based compensation	10	-	-	-	8,645	-	-	-	-	-	-	8,645	-	8,645
Share buy-back		-	(1,720)	-	-	-	-	-	-	-	-	(1,720)	-	(1,720)
Destination of earnings:														
Net income (loss) for the period		-	-	-	-	-	-	-	-	-	(166,355)	(166,355)	10	(166,345)
Other comprehensive income		-	-	-	-	-	-	-	-	1,927	-	1,927	-	1,927
Balance on September 30, 2023		1,847,177	(8,498)	10,516	35,770	65,092	75,720	12,341	969,256	1,673	(166,355)	2,842,692	11	2,842,703
Balance on December 31, 2023		1,847,177	(8,498)	10,516	39,363	65,208	75,720	14,560	969,256	(586)	-	3,012,716	3	3,012,719
Equity instruments granted - share-based compensation	10	-	-	-	10,807	-	-	-	-	-	-	10,807	-	10,807
Share buy-back		-	(29,300)	-	-	-	-	-	-	-	-	(29,300)	-	(29,300)
Exercised stock options (i)		-	6,497	-	(13,950)	-	-	-	-	-	-	(7,453)	-	(7,453)
Destination of earnings:		-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the period		-	-	-	-	-	-	-	-	-	197,531	197,531	1	197,532
Other comprehensive income		-	-	-	-	-	-	-	-	(3,529)	-	(3,529)	-	(3,529)
Balance on September 30, 2024		1,847,177	(31,301)	10,516	36,220	65,208	75,720	14,560	969,256	(4,115)	197,531	3,180,772	4	3,180,776

(i) In March 2024, stock options in the PSU 2021 compensation plan were exercised (see changes in note 10)

See accompanying notes.

## C&A Modas S.A.

### Statements of cash flow

Nine-month periods ended September 30, 2024 and 2023

(in thousand Reals - R\$)



	Note	Parent Company		Consolidated	
		09/30/2024	09/30/2023	09/30/2024	09/30/2023
<b>Operating activities</b>					
Income (loss) before income tax		196,059	(280,970)	206,811	(279,582)
<b>Adjustments to reconcile income before income taxes to net cash flows:</b>					
Allowances for expected credit losses	8.5	262	2,009	152,051	171,096
Adjustment to present value of accounts receivables and suppliers		459	(12,941)	459	(12,941)
Expenses with stock-based compensation	10	10,807	8,645	10,807	8,645
Provisions for inventory losses	11.3	61,731	55,828	61,731	55,828
Gains/Recognition of tax claims	12.2.1.4	(195,191)	(55,723)	(195,191)	(55,723)
Share of profit of subsidiaries	15.2	(20,674)	17,762	-	-
Depreciation and amortization	16.3 and 17.3	261,560	271,712	261,630	271,782
Impairment (Reversal) of provisions for property and equipment, intangibles, and right-of-use assets	18.2	15,549	(2,227)	15,549	(2,227)
Losses from the sale or disposal of property and equipment and intangible assets		566	5,460	566	5,460
Right-of-use amortization	19.4	270,553	281,915	270,553	281,915
Lease liabilities	19.4	(4,447)	(2,581)	(4,447)	(2,581)
Interest on leases	19.4	120,221	127,740	120,221	127,740
Interest on loans	22.4	142,741	197,864	142,741	197,864
Interest on trade receivables		50,378	53,595	50,378	53,595
Foreign exchange differences on loans		(3,630)	-	(3,630)	-
Derivative operations		4,004	-	4,004	-
Amortization of the transaction costs on loans	22.4	5,965	3,270	5,965	4,069
Provisions (reversal) for tax, civil, and labor risks		(39,410)	20,436	(35,981)	21,259
Update of judicial deposits		4,126	(6,879)	4,126	(6,879)
Yield from investments in bonds and securities		-	(322)	(11,196)	(322)
<b>Variations in assets and liabilities:</b>					
Trade receivables		389,658	625,546	291,268	112,037
Related parties		47,662	42,772	49,286	33,352
Inventory		(347,939)	(216,253)	(348,022)	(216,361)
Taxes recoverable		218,621	233,739	224,925	230,536
Other credits		(1,800)	(21,997)	(1,874)	(21,987)
Bonds and securities		(44,103)	(773,469)	3,760	9,057
Judicial deposits		1,835	4,810	1,851	4,778
Suppliers		(202,736)	(47,777)	(203,486)	(46,388)
Obligations - Forfait		(78,198)	(84,062)	(78,198)	(84,062)
Labor liabilities		7,766	5,614	8,906	7,076
Other liabilities		(27)	(3,473)	2,719	(4,623)
Provisions for tax, civil and labor risks		(26,430)	(16,112)	(28,572)	(16,112)
Taxes payable		(119,863)	(174,756)	(127,862)	(174,812)
Income Tax and Social Contribution paid		(66,295)	(23,675)	(66,586)	(25,018)
<b>Net cash flow from operating activities</b>		<b>659,780</b>	<b>235,500</b>	<b>785,262</b>	<b>646,471</b>
<b>Investment activities</b>					
Purchase of property and equipment		(72,969)	(58,842)	(72,969)	(58,842)
Purchase of intangible assets		(99,103)	(122,697)	(99,103)	(122,697)
Subsidiary capital increases		(35,000)	(75,282)	-	-
Receivables from the sale of property and equipment		74	552	74	552
<b>Cash flow used in investment activities</b>		<b>(206,998)</b>	<b>(256,269)</b>	<b>(171,998)</b>	<b>(180,987)</b>
<b>Financing activities</b>					
New loans and debentures issued		659,147	250,000	659,147	381,372
Loan/debenture transaction costs		(1,980)	(4,159)	(1,980)	(4,959)
Repayment of loan principals		(915,824)	(452,500)	(915,824)	(745,429)
Interest paid on loans		(147,614)	(258,717)	(147,614)	(260,616)
Payment of the principal and interest on leases		(384,165)	(388,616)	(384,165)	(388,616)
Share buy-back		(29,300)	(1,720)	(29,300)	(1,720)
<b>Cash flow from financing activities</b>		<b>(819,736)</b>	<b>(855,712)</b>	<b>(819,736)</b>	<b>(1,019,968)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(366,954)</b>	<b>(876,481)</b>	<b>(206,472)</b>	<b>(554,484)</b>
Cash and cash equivalents at the start of the period		1,130,245	1,627,977	1,155,588	1,674,091
Cash and cash equivalents at the end of the period		763,291	751,496	949,116	1,119,607

See accompanying notes.



Statements of value added  
Nine-month periods ended September 30, 2024 and 2023  
(in thousand Reals - R\$)

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
<b>Revenue</b>				
Sales of goods and services	6,380,286	5,573,401	6,644,093	5,753,558
Other operating revenue	93,286	25,210	93,290	19,407
Provision/reversal for expected credit losses	236	1,315	(152,711)	(165,963)
	<b>6,473,808</b>	<b>5,599,926</b>	<b>6,584,672</b>	<b>5,607,002</b>
<b>Inputs acquired from third parties</b>				
Cost of goods and services sold	(2,233,462)	(2,080,939)	(2,233,379)	(2,080,831)
Materials, energy, third party services, and others	(734,310)	(634,457)	(752,134)	(680,045)
Impairment of assets	(80,713)	(45,870)	(80,713)	(45,870)
	<b>(3,048,485)</b>	<b>(2,761,266)</b>	<b>(3,066,226)</b>	<b>(2,806,746)</b>
<b>Gross Value Added</b>	<b>3,425,323</b>	<b>2,838,660</b>	<b>3,518,446</b>	<b>2,800,256</b>
Depreciation and amortization	(261,560)	(271,711)	(261,630)	(271,781)
Depreciation of right-of-use	(270,554)	(281,915)	(270,554)	(281,915)
<b>Withholdings</b>	<b>(532,114)</b>	<b>(553,626)</b>	<b>(532,184)</b>	<b>(553,696)</b>
<b>Net value added generated</b>	<b>2,893,209</b>	<b>2,285,034</b>	<b>2,986,262</b>	<b>2,246,560</b>
<b>Value added received through transfer</b>				
Share of profit of subsidiaries	20,674	(17,762)	-	-
Finance income	323,496	154,706	248,829	184,509
	<b>344,170</b>	<b>136,944</b>	<b>248,829</b>	<b>184,509</b>
<b>Total value added for distribution</b>	<b>3,237,379</b>	<b>2,421,978</b>	<b>3,235,091</b>	<b>2,431,069</b>
<b>Distribution of value added</b>				
<b>Personnel and payroll charges</b>	<b>716,268</b>	<b>632,146</b>	<b>725,579</b>	<b>655,467</b>
Direct compensation	526,510	460,978	533,704	481,991
Benefits	114,460	108,370	114,993	108,559
F.G.T.S.	45,703	41,916	46,029	42,107
Other	29,595	20,882	30,853	22,810
<b>Taxes and Contributions</b>	<b>1,681,790</b>	<b>1,302,784</b>	<b>1,699,271</b>	<b>1,311,289</b>
Federal	550,028	370,967	566,840	383,625
State	1,083,153	883,143	1,083,153	877,341
Municipal	48,609	48,674	49,278	50,323
<b>Debt remuneration</b>	<b>641,790</b>	<b>653,403</b>	<b>612,709</b>	<b>630,658</b>
Rentals	166,606	146,193	166,606	146,193
Finance expenses	475,184	507,210	446,103	484,465
<b>Compensation on equity</b>	<b>197,531</b>	<b>(166,355)</b>	<b>197,532</b>	<b>(166,345)</b>
Profit/(Loss) for the period	197,531	(166,355)	197,531	(166,355)
Share of withheld profits of non-controlling shareholders	-	-	1	10
<b>Distribution of value added</b>	<b>3,237,379</b>	<b>2,421,978</b>	<b>3,235,091</b>	<b>2,431,069</b>

See accompanying notes.





## **1. Operating Context**

C&A Modas S.A. (hereafter the "Company" or "Controlling Entity") has its main offices located at Alameda Araguaia, 1.222 - Barueri - São Paulo - Brazil. The Company is a traded company, currently 32.86% of its shares are traded on the B3 Brazilian stock exchange (São Paulo – Brazil) under the ticker "CEAB3". The ultimate parent company is COFRA Holding AG headquartered in Switzerland.

The primary activities of the C&A Modas and its subsidiaries (jointly the "Group" or "Consolidated") are:

### Marketing & Sales:

. Sale of goods in B&M stores and online. The Company portfolio includes apparel, footwear, accessories, cell phones, watches, costume jewelry, and cosmetics, among others.

### Financial Services:

- . Intermediation of credit granted to finance purchases.
- . Issuing (private label) credit cards and granting personal loans.
- . Intermediation in brokering and promoting the distribution of insurance, capitalization bonds, and related products offered by insurers and other third-parties offering such products.
- . Proprietary payment institution activities, which involves processing financial transactions and related services.

The Group sells its merchandise in 330 stores (334 stores On December 31, 2023), supplied by 6 logistics operations and 3 distribution centers in the states of São Paulo, Rio de Janeiro, and Santa Catarina. The Group also sells its goods through e-commerce services.

The non-financial data included in these financial statements, such as number of stores and distribution centers, among others, were not audited, or reviewed by our Independent auditors.

## **2. Basis of Preparation**

The Group's individual and consolidated interim financial statements for the quarter ended September 30 2024 were prepared based on accounting practices used in Brazil, in accordance with Brazilian Accounting Standard NBC TG 21 (R4) - Interim Statement issued by the Federal Accounting Council ("CFC") which is correlated to the international financial reporting standard (IFRS) IAS 34 - Interim Financial Reporting Standards issued by International Accounting Standards Board - IASB, and guidelines from the Brazilian Securities and Exchange Commission ("CVM")

All the data relevant to the interim individual and consolidated financial statements, and only this data, is disclosed, and corresponds to the data used by Management in managing Group activities, as per Technical Instruction OCPC07.

The issuing of the individual and consolidated interim financial statements for the quarter ended September 30, 2024 was authorized by the Board of Directors on November 5, 2024.



### **2.1. Basis of measurement and presumption of continuity**

The individual and consolidated financial statements were prepared based on a historical cost basis, except for certain financial instruments measured at fair value, and based on the premise of a going concern of the consolidated entities.

Management has assessed the Company's ability, and that of its subsidiaries, to continue normal operations, and is convinced they have the resources to remain as a going concern. Furthermore, Management is unaware of any material uncertainty that might create significant questions on its ability to remain a going concern. Thus, these interim financial statements were prepared based on an assumption of a going concern.

Although the Parent Company presents a negative Net Working Capital (NWC) of R\$ 138,059 as of September 30, 2024, Management believes that this does not represent an operational continuity risk, given that, due to the self-financing structure of its sales, the receivables generated through C&A PAY were mostly assigned to the FIDC - Credit Rights Investment Fund, of which the Parent Company holds 100% of the shares. These are classified as long-term due to the redemption period established in the FIDC's bylaws (see note 7.3). This effect is reversed in the consolidated financial statements that include the consolidation of the FIDC, which presents a positive NWC of R\$ 882,053.

### **2.2. Functional and disclosure currency**

The interim financial statements are submitted in thousand Reals (R\$), which is the functional and statement currency of the Company and its subsidiaries. Transactions in foreign currency are initially booked at the exchange rate of the functional currency in effect on the date of the transaction. Foreign-currency denominated monetary assets and liabilities are converted using the functional currency exchange rate in effect on the date of the Statements of Financial Position. All differences are recorded in the Statement of Operations.

### **2.3. Statement of Value Added (SVA)**

The presentation of the Statement of Added Value (SAV), individual and consolidated, is required by Brazilian Accounting Standard NBC TG 09 - Statement of Added Value - applicable to publicly-held companies. IFRS does not require the presentation of this statement. Consequently, by IFRS, this statement is presented as supplementary information, without prejudice to the set of interim financial information. The purpose of the SVA is to demonstrate the wealth created by the Group during the period and demonstrate how it was distributed to the various players.

### **2.4. Changes in the Charts and Notes to the Financial Statements**

When preparing the interim individual and consolidated financial statements for the quarter ended September 30, 2024, the Group realized it needed to reclassify certain amounts and, in order to comply with the principle of comparability introduced by CPC 00 (R2) Conceptual Framework for Financial Reporting, reclassified these in the balances for September 30, 2023 as shown below. These reclassifications do not change the total amounts nor any of the previously disclosed results, they also do not impact the financial statements:



Notes to the interim financial statements  
September 30, 2024 and 2023  
(in thousand Reals unless otherwise stated)

### 2.4.1. - Statements of cash flow

After issuing the financial statements for the quarter ended September 30, 2023, Management found that the taxes on inventory losses had been entered together with the provision for merchandise losses, and for this reason is being reclassified. This reclassification did not impact the Statement of Earnings for the period. The impact is as follows:

	Parent Company			Consolidated		
	As previously reported on 09/30/2023	Reclassification	Balance on 09/30/2023 (Resubmitted)	As previously reported on 09/30/2023	Reclassification	Balance on 09/30/2023 (Resubmitted)
<b>Operating activities</b>						
Income before income tax	(280,970)	-	(280,970)	(279,582)	-	(279,582)
Interest on trade receivables	-	53,595	53,595	-	53,595	53,595
Variations in assets and liabilities:						
Inventory	(201,722)	(14,531)	(216,253)	(201,830)	(14,531)	(216,361)
Taxes recoverable	219,208	14,531	233,739	216,005	14,531	230,536
Suppliers	5,818	(53,595)	(47,777)	7,207	(53,595)	(46,388)
<b>Net cash flow from operating activities</b>	<b>235,500</b>	<b>-</b>	<b>235,500</b>	<b>646,471</b>	<b>-</b>	<b>646,471</b>
<b>Cash flow used in investment activities</b>	<b>(256,269)</b>	<b>-</b>	<b>(256,269)</b>	<b>(180,987)</b>	<b>-</b>	<b>(180,987)</b>
<b>Cash flow originating from (applied in) finance activities</b>	<b>(855,712)</b>	<b>-</b>	<b>(855,712)</b>	<b>(1,019,968)</b>	<b>-</b>	<b>(1,019,968)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(876,481)</b>	<b>-</b>	<b>(876,481)</b>	<b>(554,484)</b>	<b>-</b>	<b>(554,484)</b>
<b>Cash and cash equivalents at the start of the period</b>	<b>1,627,977</b>	<b>-</b>	<b>1,627,977</b>	<b>1,674,091</b>	<b>-</b>	<b>1,674,091</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>751,496</b>	<b>-</b>	<b>751,496</b>	<b>1,119,607</b>	<b>-</b>	<b>1,119,607</b>

## 3. Basis for Consolidation

The fiscal periods of the subsidiaries coincide with those of the Parent Company, and accounting practices were uniformly applied to the subsidiaries. When necessary, adjustments are made in the subsidiary financial statements to align their accounting policies with those of the Company. Consolidation eliminates any assets, liabilities, earnings, revenue, expenses, and cash flows for the same group that have to do with transactions between members of the same economic group.

A change in equity in the subsidiary without loss of control is booked as an equity transaction. In the individual interim financial statements, the Company's investments in its subsidiaries are recorded using the equity approach.

Consolidated interim financial statements include the operations of the Company and its direct - Orion Instituição de Pagamento S.A., Moda Lab LTDA, and C&A Pay Holding Financeira Ltda. -, and indirect - C&A Pay Sociedade de Crédito Direto S.A - subsidiaries. The Group also consolidates the financial statements of FIDC C&A Pay, given that C&A Modas owns all of the subordinate quotas and is exposed to most of the fund's risks and benefits. Consolidation of FIDC C&A Pay data eliminates all assets, liabilities, gains, and losses of the transactions between the Group and FIDC C&A Pay.



Notes to the interim financial statements  
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Direct Subsidiaries	Shareholding	
	09/30/2024	12/31/2023
Orion Instituição de Pagamento S.A.	99.99%	99.99%
Moda Lab LTDA	99.00%	99.00%
C&A Pay Holding Financeira Ltda	99.99%	99.99%
<b>Indirect Subsidiary</b>		
C&A Pay Sociedade de Crédito Direto S.A.	99.99%	99.99%
<b>Investment Fund</b>		
C&A Pay Fundo de Investimento em Direitos Creditórios	100.00%	100.00%

### 3.1. Orion Instituição de Pagamento S.A.

Orion Instituição de Pagamento S.A.'s stated purpose of business is the development of payment arrangements, payment services as an issuer of electronic currency, an issuer of post-paid payment instruments, accrediting, and payment transaction initiator, among other activities inherent to a payment institution.

### 3.2. Moda Lab LTDA

The main purpose of business of Moda Lab Ltda. is apparel, all toll manufactured by third parties with C&A supplying the inputs and the patterns, dies, and models. Moda Lab Ltda. sells exclusively to its parent company.

### 3.3. C&A Pay Holding Financeira Ltda

C&A Pay Holding Financeira Ltda. was created on December 27, 2022. It's stated purpose of business is to own equity in financial institutions and other institutions authorized to operate by the Brazilian Central Bank (BACEN). It is directly controlled by C&A Pay Sociedade de Crédito, which received BACEN authorization to operate on December 30, 2022, and is allowed to offer credit to its end consumers, thus it is subject to this regulatory agency.

### 3.4. C&A Pay Sociedade de Crédito Direto S.A.

C&A Pay Sociedade de Crédito Direto S.A. received authorization from Bacen to offer credit to end consumers on December 30, 2022. Thus, is it subject to Bacen regulations. This Company started operating on May 2, 2023.



### **3.5. C&A Pay Fundo de Investimento em Direitos Creditórios Não Padronizados [Investment Fund in Non-Standardized Credit Rights]**

FIDC (C&A Pay Fundo de Investimento em Direitos Creditórios Não Padronizados), of which C&A is the sole quota holder, started operations on May 2, 2023. The FIDC initially purchased C&A Pay's legacy portfolio, which had been in the hands of Orion Instituição de Pagamento. In May 2023, credit management and concession were transferred to the C&A Pay SCD, which now originates the assets and assigns them to the FIDC.

## **4. Accounting policies**

The main accounting policies used to prepare these Individual and Consolidated Interim Financial Statements are submitted in the following notes.

### **4.1. New statements or statements reviewed and applied for the first time in 2024**

Management reviewed the accounting standards, guidelines, and pronouncements in effect for the first time as of January 1, 2024 and found they had no significant impact on the interim financial statements. The Group decided against early adoption of other standards, interpretations, or amendments issued but not yet applicable.

#### **a) Changes in IFRS 16: Sale and Leaseback Lease Liabilities**

Changes issued in September 2022 define how a seller-lessee measures the lease liability in sale and leaseback transactions, avoiding the recognition of gains or losses. These changes will be effective for annual financial statements beginning in 2024 and must be applied retrospectively. The Group does not anticipate any impact on the financial statements.

#### **b) Changes in IAS 1: Classification of liabilities as current or non-current**

The amendments of January 2020 and October 2022 clarify the classification of liabilities as current or non-current, specifying:

- What constitutes the right to defer settlement.
- That the right to defer must exist at the end of the financial reporting period.
- That this classification is not affected by the likelihood that an entity will exercise its right to defer;
- The terms of a liability would not impact its classification only if that derivative is embedded into a convertible liability is itself an equity instrument.

A further disclosure requirement was introduced whenever a liability resulting from a loan agreement is classified as non-current, and the entity's right to defer settlement depends on complying with future covenants within twelve months.

These amendments are in effect for the annual financial reporting periods starting on January 1, 2024, and must be applied retrospectively.





The Group analyzed the amendments to the standard and concluded they do not impact current practices. Existing loan agreements do not require renegotiation.

c) Amendments to IAS 7 and IFRS Practice Statement 7:

In May 2023, amendments were issued that require additional disclosures about supplier financing arrangements. These amendments will come into effect in 2024. The Company is considering early adoption, which will impact disclosures but not the measurement and recognition of items in the interim financial information.

**4.2. New pronouncements not yet in force**

a) Standard IFRS S1 - General requirements for the disclosure of sustainability-related financial information, and S2 – Requirements for climate-related disclosures.

In October 2023, the CVM [the Brazilian Securities and Exchange Commission] issued Resolution 193 on the disclosure on financial information regarding sustainability. IFRS S1 demands information about sustainable risks and opportunities, while IFRS S2 focuses on climate aspects.

The Company is analyzing the impact of early adoption.

b) IFRS 18 - Submission and Disclosure of Financial Statements

This standard fosters better submission and disclosure of financial statements, providing investors with a more transparent and comparable analysis of company performance. The main amendments in this case are:

- i) Introduction of new categories and subtotals in the Statement of Earnings (SE) covering operating activities, investments, and financing;
- ii) A demand of explanatory notes for operating expenses, classified by nature.
- iii) Detailed presentation of the operating expenses, classified by nature.

This standard is effective as of January 1, 2027 and we are closely analyzing its impact.

c) CPC 18 (R3) – Investments in Affiliates and Jointly Controlled Entities

In September, 2024 the CVM issued Resolution nº 211, requiring that traded companies adopt Technical Pronouncement CPC 18 (R3) – Investments em Affiliates and Jointly Controlled Entities, as per Annex “A” of said Resolution.

This standard is effective as of January 1, 2025 and applies to the fiscal periods starting on or after this date, revoking CVM Resolution 118. At this time we are analyzing its impact.

d) ICPC 09 - Individual, Separate, and Consolidated Financial Statements



CVM Resolution nº 212, published in September, 2024, makes Technical Interpretation ICPC 09 (R3) mandatory for traded companies and applicable to individual, separate, and consolidated financial statements.

This standard is effective as of January 1, 2025 and revokes CVM Resolution 124 to ensure consistency and transparency in accounting practices and align Brazilian standards to international best practices; we are closely analyzing its impact.

- e) CPC 02 (R2) - Impact of Changes in the Exchange rates and Conversion of Financial Statements, and CPC 37 (R1) - Initial Adoption of International Accounting Standards

In September 2024, the CVM issued Resolution 2013, requiring that traded companies issue a Document Reviewing CPC Technical Pronouncement 27, which amends Technical Pronouncement CPC 02 (R2) - Impact of Changes in the Exchange Rates and Conversion of Financial Statements, and CPC 37 (R1) - Initial Adoption of International Accounting Standards.

This standard is effective as of January 1, 2025 and applies to the fiscal periods starting on or after this date, revoking CVM Resolution 118. At this time we are analyzing its impact.

## **5. Significant accounting judgments, estimates, and premises**

The accounting estimates involved in preparing the interim financial statements are based on objective and subjective factors, which in turn are based on the judgment of Management to determine the appropriate amount to be recognized in the financial statements. The settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the interim financial statements due to the probabilistic approach inherent to the estimating process. Significant items subject to these estimates and premises include:

- a) Determination of the lifetime of property and equipment and intangible assets;
- b) Impairment analysis of property and equipment, as well as intangible assets;
- c) Estimated credit losses;
- d) Estimated inventory losses;
- e) Realization of deferred income tax and social contribution;
- f) Rates and timeliness applied when determining adjustment to present value of assets and liabilities;
- g) Provisions for tax, civil, and labor risks;
- h) Determination of the fair value of derivative financial instruments;
- i) Provisions for restoring stores to their original condition;
- j) Profit sharing;
- k) Stock-based compensation; and
- l) Determination of incremental interest rates and contract deadlines to be used to book lease liability cash flows.

The measurement of provisions for civil and labor class actions is based on applying the historical percentage losses and costs, considering the risk classification informed by the Group's legal advisors.



Notes to the interim financial statements  
September 30, 2024 and 2023  
(in thousand Reals unless otherwise stated)

## 6. Cash and cash equivalents

### 6.1. Accounting policy

Cash equivalents are held to meet the short-term cash commitments, and not for investment or other purposes. The Group considers as cash equivalents financial investments of immediate liquidity that may be redeemed at any time with the issuer of the security for a known cash amount, and subject to insignificant risk that the value will change. Thus, investments are normally considered as cash equivalents when they mature over a short period such as three months or less from the date of the transaction.

Following initial recognition, cash equivalents are measured at amortized cost plus yield up to the date of the financial statement, or at fair value plus yield for those available for sale.

### 6.2. Composition of cash and cash equivalents

	Compensation	Parent Company		Consolidated	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
Cash		4,719	5,040	4,719	5,040
Banks		14,646	65,943	181,355	72,713
Cash equivalents:					
Interest yielding account	2% to 99.25% of the CDI	27,726	51,758	27,731	52,697
Bank Certificates of Deposit (*)	96% to 103.75% of the CDI	716,200	1,007,504	735,311	1,025,138
		<b>763,291</b>	<b>1,130,245</b>	<b>949,116</b>	<b>1,155,588</b>

(\*) Interbank Deposit Certificates ("CDIs") can be redeemed at any time from the issuing institution with no loss in contracted yield.

## 7. Bonds and securities

### 7.1. Accounting policy

Financial investments considered cash-equivalents are those with no buy-back guarantee by the issuer in the primary market. They are liquid only in the secondary market and are measured according to the Group's intent to use.



Notes to the interim financial statements  
September 30, 2024 and 2023  
(in thousand Reals unless otherwise stated)

## 7.2. Breakdown of bonds and securities

	Index	Rate	Parent Company		Consolidated	
			09/30/2024	12/31/2023	09/30/2024	12/31/2023
Treasury Bonds (*)	SELIC	100%	-	-	137,671	145,068
FIDC C&A Pay		100%	835,455	791,352	-	-
Fixed Yield Investment Fund			-	-	61,352	46,519
			835,455	791,352	199,023	191,587
Current assets			-	-	199,023	191,587
Non-current assets			835,455	791,352	-	-

(\*)The Company has LTFs (Brazilian Treasury Notes), which are government bonds indexed to the variation in the SELIC (Special Custody and Settlement System) rate.

## 7.3. FIDC C&A Pay

FIDC C&A Pay operations started on May 2, 2023. It was established as a non-standardized credit rights investment fund closed condominium. Quotas are only redeemed at the end of each series, or if the Fund is liquidated. It is governed by its own Bylaws and regulated by CVM Instruction 175/2022 (previously NI 356/2001), as well as other applicable laws and regulations.

On September 30, 2024, all quotas issued by the fund were owned by C&A.

Below is the ownership of FIDC C&A Pay as of September 30, 2024 and 31 December 2023:

Single serie	% Fund SE	Number	Value of each quota	Amount
09/30/2024	100%	986,342	0.9006	888,304
12/31/2023	100%	978,706	0.8452	827,251

Below are the statements of financial position for FIDC C&A Pay on September 30, 2024 and December 31, 2023.

	09/30/2024	12/31/2023
<b>Assets</b>		
Cash and cash equivalents	144,832	4,817
Financial investments	63,074	54,102
Trade receivables	752,582	805,156
Other credits	33	50
<b>Total assets</b>	<b>960,521</b>	<b>864,125</b>
<b>Net liabilities and equity</b>		
Accounts payable	72,217	36,874
Shareholder's Equity	888,304	827,251
<b>Total liabilities and shareholder's equity</b>	<b>960,521</b>	<b>864,125</b>

Reconciliation of FIDC Shareholder's equity x FIDC consolidated Shareholder's equity



Notes to the interim financial statements  
September 30, 2024 and 2023  
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	09/30/2024	12/31/2023
<b>FIDC Shareholder's Equity</b>	<b>888,304</b>	<b>827,251</b>
Expected credit losses (CPC48/IFRS 9)	(16,457)	(21,097)
Present value adjustment	(11,358)	(14,008)
Consolidation adjustments	(25,034)	(794)
<b>FIDC Shareholder's Equity - Consolidated</b>	<b>835,455</b>	<b>791,352</b>

(\*) The FIDC result is booked according to ICVM 489 of January 14, 2011, which applies to direct credit risk investment funds. For interim accounting information, revenue recognition and credit losses are being determined in accordance with IFRS/CPC standards, Group accounting policies, and the elimination of intragroup results.





## 8. Trade receivables

### 8.1. Accounting policy

Trade receivables are receivables from the sale of goods to customers paid for using third-party cards or the Company's proprietary digital card through C&A Pay. It also includes amounts to be received from commercial partnerships. These are entered at the realization amount net of present value adjustments and expected losses, as per CPC48/IFRS-9 guidelines.

Installment sales are brought to their present value on the date of the transaction using rates associated with the customer's credit profile. The mean rate used on September 30, 2024 was 0.85% per month (0.93% on 31 December 2023). Realization is booked as sales revenue. These fees can vary over time based on the economic scenario, which has a direct impact on present value adjustments. Management considers these fluctuations in fees and adjust provisions for losses as necessary.

### Recognition of credits

The company adopts policies to renegotiate credit with customers who are having trouble paying their debt. This allows it to adjust payment terms according to the client's credit profile. These renegotiations have a direct impact on provisions for expected losses, as clients are frozen into the past due baskets in which they are in. Renegotiated transactions are measured differently, bearing in mind the new expected cash flow and associated risk.

Expected credit losses were constituted in an amount considered sufficient by Management to address expected credit realization losses based on periodic reviews of the macroeconomic scenarios.

### 8.2. Breakdown of trade receivables

The following table breaks down trade receivables by different card operators, digital C&A Pay transactions, and other categories. This segmentation enables a clearer view of the financial impact.

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Card operators	614,986	958,344	614,986	958,344
C&A Pay Card - related parties	22,206	60,511	-	-
C&A Pay Card - third parties	-	-	1,040,614	963,020
Present value adjustment	(7,743)	(13,935)	(19,101)	(27,944)
Expected credit losses	(2,717)	(2,955)	(338,885)	(187,334)
<b>Customer accounts receivable</b>	<b>626,732</b>	<b>1,001,965</b>	<b>1,297,614</b>	<b>1,706,086</b>
Trade receivables - business partners	56,235	64,730	55,776	84,431
Expected credit losses	(12,096)	(12,096)	(12,096)	(12,096)
<b>Other trade receivables</b>	<b>44,139</b>	<b>52,634</b>	<b>43,680</b>	<b>72,335</b>
<b>Total trade receivables</b>	<b>670,871</b>	<b>1,054,599</b>	<b>1,341,294</b>	<b>1,778,421</b>



### **Segmentation by Type of Customer:**

Accounts receivable were classified by type of customer to facilitate the analysis of credit risk and financial impact:

- ✓ Card operators: These are sales paid for with third-party cards.
- ✓ C&A Pay Card: This includes sales using the company's private label card, split into related parties and third parties.
- ✓ Business Partnerships: Commercial partner trade receivables from other companies.

### **8.3. Receivables pre-payment**

#### Third-Party

Since October 2023, the Group has not carried out credit card receivables advances with third parties. By September 2023, R\$705,127 had been anticipated, divided into three distinct moments: R\$251,589 in March 2023, R\$251,818 in June 2023, and R\$201,720 in September 2023. The average maturity of the anticipated receivables ranged from 15 to 17 days. This operation incurred a cost of R\$4,110 during the same period in 2023, corresponding to a rate of 1% to 1.2% per month, and was recorded as a financial expense - receivables anticipation (see note 30).

#### Intragroup

During the first nine months of 2024, C&A Modas advanced receivables with affiliate C&A Pay SCD in the amount of R\$ 1,602,658 at a cost of R\$ 29,438 (R\$ 846.953 in the same period of 2023, at a cost of R\$ 23,696). The rate used in these operations was 0.93% monthly (1.25% to 1.80% in the same period in 2023). These were booked as finance expenses for C&A Modas and as finance revenue for C&A pay SCD. These transactions were eliminated in the Group consolidation (see note 30).

### **Receivables Assignment to FIDC:**

In addition to prepayments, the company assigns receivables to the FIDC (Credit Rights Investment Fund) as a cash-flow management tool. These transactions, which involve premiums and discounts, impacts not only financial assets but also parent company and subsidiary operating results. These are, however, eliminated upon consolidation.

### **8.4. C&A Pay credit portfolio by past due range**

The following table shows how the composition of the C&A Pay credit portfolio breaks down by past due range. This segmentation enables a more granular analysis of the quality of the credit portfolio, segregating due from past due receivables, which in turn enables deploying suitable collection strategies for each basket.



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	FIDC C&A Pay	
	09/30/2024	12/31/2023
Coming due:		
Up to 30 days	227,164	236,208
31 – 60 days	144,742	158,185
61 – 90 days	99,172	117,484
91 - 180 days	130,132	158,440
181 - 360 days	39,032	54,595
Over 360 days	1,490	1,642
	<b>641,732</b>	<b>726,554</b>
Past due:		
Up to 30 days	26,846	18,514
31 – 60 days	20,038	15,665
61 – 90 days	23,988	21,336
91 - 180 days	62,006	66,173
181 - 360 days	112,336	113,904
Over 360 days	153,668	874
	<b>398,882</b>	<b>236,466</b>
Total	<b>1,040,614</b>	<b>963,020</b>

## 8.5. Expected losses in credit transactions

### Financial Services – C&A Pay

C&A Pay was launched in late 2021 to improve the customer buying experience and support retail sales. This private label card is currently only accepted at C&A Stores. To support this operation, a strict credit approval system was developed using tools and analyses to more accurately determine the credit limit suited to each customer.

Expected losses (PECLD or Provision for Doubtful Credit) are based on continuous risk assessment, bearing in mind past and future projections of credit behavior. This assessment model complies with the requirements of CPC48/IFRS 9 and Brazilian Central Bank Resolutions (CMN 4966 and BCB 352), both of which are effective as of January 1, 2025.

Although C&A Modas is not directly regulated by the Brazilian Central Bank, it's subsidiary C&A Pay SCD, which is part of the Parent company, is Central Bank-regulated and strictly abides by the guidelines contained in said resolutions, thus reinforcing its commitment to regulatory compliance and prudent asset management considering the risk levels.

### Continuous Review of the Provision for Doubtful Credit (PECLD) model

C&A Pay adopts a continuous review process for its accounting practices related to the expected credit loss model (ECL), proactively adjusting its provisions based on the historical behavior of its credit portfolio and macroeconomic projections. This process includes assessing adverse economic scenarios and future trends, as required by IFRS 9/CPC48.

### Portfolio Breakdown and Loss Estimates by Stage



Provisions for expected losses are calculated based on the composition of the credit portfolio by stage. Assets are classified as follows:

- ✓ Stage 1: Credit with no significant risk of default
- ✓ Stage 2: Credit with a significant increase in the risk of default
- ✓ Stage 3: Past due credit

Provisions for losses increase progressively with the risk of default between stages, ensuring a prudent approach to asset measurements.

The provisions and classifications mentioned in this section, particularly regarding assets overdue between 360 and 721 days and the write-off after 721 days, are based on current practices under CPC 48 – IFRS 9. The CMN Resolution 4,966 and BCB 352 of the Central Bank, effective from January 2025, align with these standards.

These regulations require the application of an approach for the recognition and measurement of credit losses, promoting greater prudence and predictability in credit risk management.

On September 30, 2024, the Group had 95.26% provisions for assets between 360 and 720 days past due, which are more robust provisions for these past due assets, reflecting the company's prudent approach to the risk of long-term default. Thus, assets more than 720 days past due will be written off as a loss, and the corresponding provisions made reversed.

We reiterate that, at the end of this quarter, we had yet to achieve these levels of portfolio and provisions for expected losses, which are expected for the fourth quarter of 2024.

#### **8.5.1 Accounting policy**

The Group uses IFRS-9/CPC-48 methodology, and a simplified approach to calculate expected credit losses (PECLD or Provision for Doubtful Credit). This simplified approach enables recognizing expected losses directly, throughout the lifetime of these financial assets, and considers variables such as past risk behavior and the macroeconomic scenario. This model is constantly reviewed to accommodate changes in internal and external factors that can justify adjusting provisions to ensure that these accurately reflect the credit risk.

Credit transactions include on-balance sheet balances (active portfolio), and off-balance sheet balances (limits granted but not used). These transactions are entered as a loss (written off) when there is no longer any expectation that past due amounts will be recovered, in which case the associated provisions for expected losses are reversed.

By the end of 2023, as C&A Pay operations matured and it had a more robust basis for calculating customer behavior, the Company, with the support of a specialized consulting firm, refined its model for expected losses. Thus, based on the history of recoverability of past due assets, the write-off period was extended from 361 days to 721 days. This change reflects company alignment with industry best practices and IFRS 9 requirements. The impact of this change is directly related to the better quality of the portfolio and provisions made, aligning expected losses to actual behavior and better management of C&A Pay credit receivables assets, which are now better adjusted to the reality of assets with more extended default periods.



The applicability of the simplified expected loss model enables direct recognition of losses over the lifetime of the assets. This model is based on customer default histories and the current economic scenario, ensuring that expected credit losses are duly recognized in an efficient and transparent manner. This simplified process reduces the complexity of measuring provisions and ensure compliance with applicable accounting standards, being in line with Brazilian Central Bank resolutions CMN 4,966 and BCB 352.

Main components of the expected loss model:

Probability of Default (PD): This is the probability that a debtor will not be able to meet its financial obligations within a given period of time.

Exposure at Default (% (EAD)): This is total exposure at the time of default.

Loss Given Default (% (LVD)): This measures expected losses after default, using a specific percentage of the total value of the problem asset.

The expected loss model ensures that suitable provisions are made for credit transactions, ensuring that losses are measured such as to reflect the long-term default risk.

This model seeks to make provisions for expected credit losses over the lifetime of the financial assets, and not only when the actual loss occurs. This approach is based on expected losses using variables such as past risk behavior and the macroeconomic scenario.

The expected loss model is based on three stages that determine how losses are measured and booked, as follows:

Stage 1	Stage 2	Stage 3
Paid up and up to 30 days past due	31 - 90 days past due	Over 90 days past due

Stage 1: For credit transactions classified as paid up, or less than 30 days past due with no significant credit risk at initial recognition.

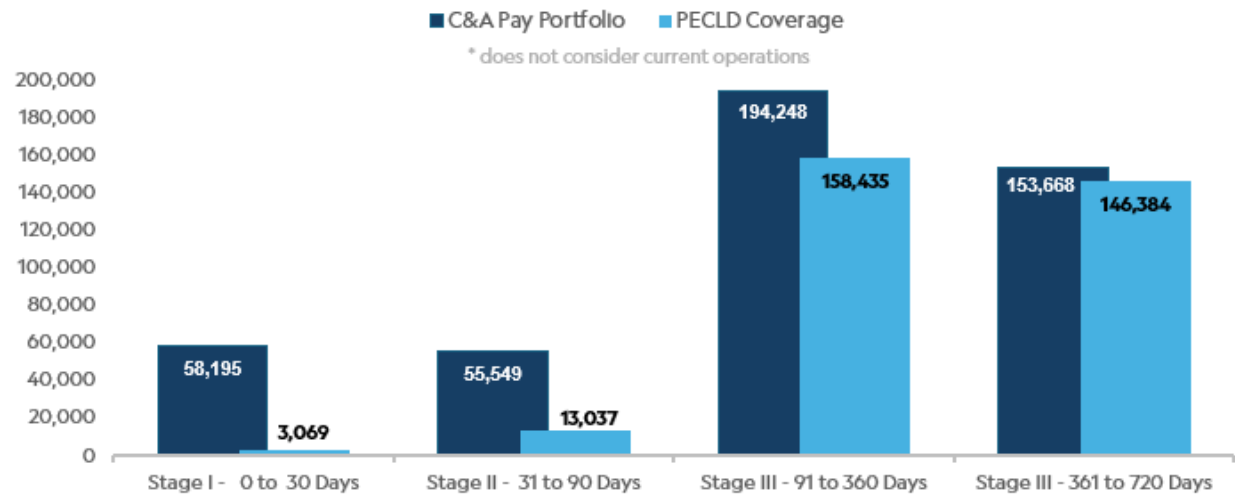
Stage 2: Credit transactions considered 30 to 90 days past due, or assets with significant credit risk at initial recognition.

Stage 3: Credit transactions greater than 90 days past due, described as problematic assets reflecting higher levels of risk coverage.





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### 8.5.2 Portfolio breakdown and loss estimates per stage

The following table shows how the composition of the C&A Pay credit portfolio breaks down by provision stage. These stages represent different levels of credit risk and reflect how portfolio default has evolved and are adjusted based on credit recoverability history. This provision policy is adjusted by asset stage, enabling more effective management of the credit risk.

C&A Pay Credit Card (Private Label)	C&A pay			Estimated losses	% Coverage
	09/30/2024				
	Portfolio				
	Coming due	Past due	Total		
Stage 1	615,162	21,987	637,149	18,202	2.86%
Paid up	578,954	-	578,954	15,133	
Up to 30 days	36,208	21,987	58,195	3,069	
Stage 2	15,039	40,510	55,549	13,037	23.47%
31 – 60 days	9,586	15,977	25,563	5,490	
61 – 90 days	5,453	24,533	29,986	7,547	
Stage 3 - up to 360 days past due	11,531	182,717	194,248	158,435	81.56%
91 - 120 days	3,070	22,136	25,206	18,034	
121 - 150 days	1,704	20,005	21,709	15,572	
151 - 180 days	1,265	21,517	22,782	17,452	
181 - 360 days	5,492	119,059	124,551	107,377	
Stage 3 - over 360 days past due	-	153,668	153,668	146,384	95.26%
Over 360 days	-	153,668	153,668	146,384	
On-balance portfolio	641,732	398,882	1,040,614	336,058	32.29%
Credit limit available (off-balance)	-	-	557,776	110	0.02%
Grand Total	-	-	1,598,390	336,168	21.03%
Coverage over credit portfolio		-	-		32.30%

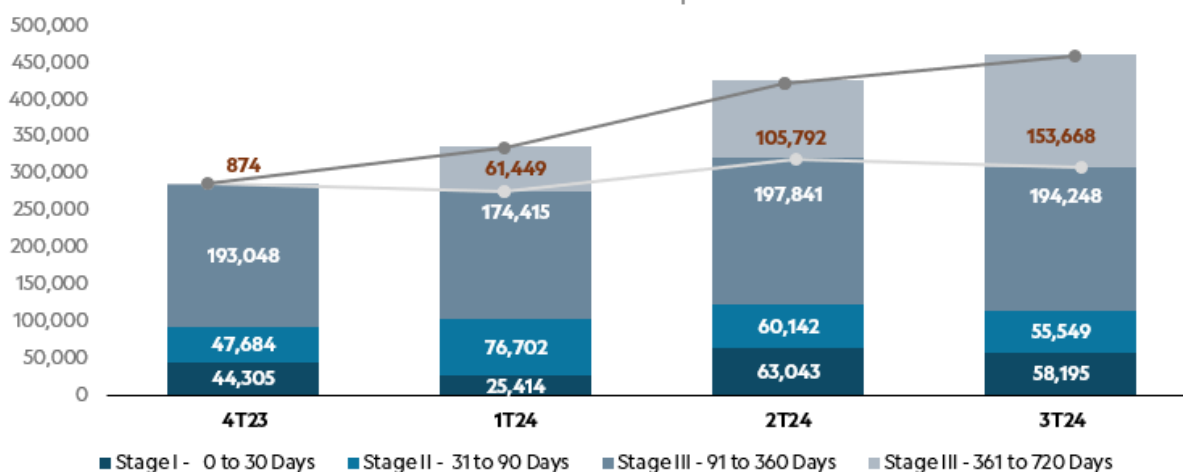


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C&A Pay Credit Card (Private Label)	C&A pay 12/31/2023				
	Portfolio			Estimated losses	% Coverage
	Coming due	Past due	Total		
<b>Stage 1</b>	<b>705,829</b>	<b>15,586</b>	<b>721,415</b>	<b>18,582</b>	<b>2.58%</b>
Paid up	677,110	-	677,110	16,658	
Up to 30 days	28,719	15,586	44,305	1,924	
<b>Stage 2</b>	<b>12,354</b>	<b>35,330</b>	<b>47,684</b>	<b>5,321</b>	<b>11.16%</b>
31 – 60 days	8,417	13,345	21,762	2,384	
61 – 90 days	3,937	21,985	25,922	2,937	
<b>Stage 3 - up to 360 days past due</b>	<b>8,371</b>	<b>184,676</b>	<b>193,047</b>	<b>159,525</b>	<b>82.64%</b>
91 - 120 days	2,313	24,689	27,002	19,761	
121 - 150 days	1,385	24,036	25,421	18,659	
151 - 180 days	877	19,190	20,067	15,731	
181 - 360 days	3,796	116,761	120,557	105,374	
<b>Stage 3 - over 360 days past due</b>	<b>-</b>	<b>874</b>	<b>874</b>	<b>804</b>	<b>92.04%</b>
Over 360 days	-	874	874	804	
<b>On-balance portfolio</b>	<b>726,554</b>	<b>236,466</b>	<b>963,020</b>	<b>184,232</b>	<b>19.13%</b>
<b>Credit limit available (off-balance)</b>			<b>748,247</b>	<b>147</b>	<b>0.02%</b>
<b>Grand Total</b>			<b>1,711,267</b>	<b>184,379</b>	<b>10.77%</b>
<b>Coverage over credit portfolio</b>					<b>19.15%</b>

C&amp;A Pay Portfolio - By Delinquency Range

\* does not consider current operations





### Portfolio Quality Breakdown and Collection Strategies:

The quality of C&A Pay's credit portfolio varies according to the maturity range. Receivables that are due, especially those in short-term ranges (up to 90 days), present a lower risk of default and, consequently, require smaller loss provisions. As the terms increase (from 91 days onward), the risk of default increases substantially, which is reflected in more robust provisions for expected losses.

Receivables Due (up to 30 days): These assets represent the lowest default risk, with a reduced provision percentage. Collection strategies include automated notifications to customers and payment reminders.

Overdue Receivables (from 91 days onward): The probability of default in this range is high. The company adopts more intensive collection strategies, such as sending formal notices and hiring specialized credit recovery companies. Significant provisions are applied as terms extend up to 720 days.

### 8.5.3 Estimated changes in credit losses

Below are the changes in estimated changes in credit losses, both parent company and consolidated. This change reflects provisions made and write-offs taken during the periods indicated, in particular an increase in new provisions and a decrease in write-offs due to changing the approach used to classify expected losses (from 361 to 721 days), as stated in N.E 8.5.1.

	Parent Company	Consolidated
<b>Balance on December 31, 2022</b>	<b>(16,937)</b>	<b>(81,375)</b>
Composition	(2,155)	(233,482)
Low	4,041	115,427
<b>Balance on December 31, 2023</b>	<b>(15,051)</b>	<b>(199,430)</b>
Composition	(262)	(152,051)
Low	500	500
<b>Balance on September 30, 2024</b>	<b>(14,813)</b>	<b>(350,981)</b>
<i>Loss estimate, C&amp;A pay</i>	-	(336,168)
<i>Estimate of other losses</i>	(14,813)	(14,813)



#### **8.5.4 Credit risk loss management**

The Group uses a strict and robust policy to approve credit, which is in line with its governance and portfolio management tidelines determined by Management. It also has a financial services committee to regulate and oversee operations. The goal is to minimize default using measures to control this risk, such as specialized credit analysis tools, database access, credit approval management, and monitoring and managing receiving processes.

Such practices ensure effective credit risk management and keep our retail operations at acceptable levels of exposure, ensuring the quality and sustainability of our credit operations.

### **9. Related parties**

The Company and other group companies enter into related party transactions to support its operations. Terms are commutative and do not generate any undue benefit to the parties, nor losses to the Group. Transactions are entered into:

- according to specific prices agreed by the parties, bearing in mind the transfer price rules.
- at market prices.

In the nine months ending September 30, 2024 and 2023 there was no need to recognize provisions for expected losses in credit from related party accounts receivable.



The relationship and main transactions between the Group and related parties are as follows:

Related parties	Transaction type	Transactions between parties	Conditions
<b>Parent companies</b>			
COFRA Investments	Direct parent company	-	-
Incas SARL	Direct parent company	-	-
COFRA AG	Indirect Final Parent Company	-	-
<b>Affiliates</b>			
Orion Instituição de Pagamento S.A.	Direct Subsidiaries	Institution activities in payment arrangements and credit securitization	Price negotiated between the parties
Moda Lab LTDA	Direct Subsidiaries	Toll processing for C&A Modas	Price negotiated between the parties
C&A Pay Holding Financeira Ltda	Direct Subsidiaries	Final direct parent company of C&A Pay Sociedade de Crédito Direto S.A.	-
C&A Pay Sociedade de Crédito Direto S.A.	Indirect Subsidiaries	Financial institution acting as the founding body of the closed payment arrangement and issuer and administrator of C&A Pay private label cards.	Market value and price between parties
C&A Pay Fundo de Investimento em Direitos Creditórios	Investment Fund Shareholders	Investment Fund that purchases credit rights originated by assignor SCD C&A Pay, with C&A Modas S.A. as the sole quota holder.	Price negotiated between the parties
<b>Associates</b>			
C&A Services	Associate, with no significant influence	Supply of software licenses	Price negotiated between the parties
C&A Sourcing Limited	Associate, with no significant influence	Import intermediation services (trading)	Price negotiated between the parties
Cora Latin America Ltda	Associate, with no significant influence	Supply of sureties/guarantees for C&A Brasil lease agreements	Price negotiated between the parties
Cyamprev Soc. Previd. Privada	Subsidiary under direct influence	A closed pension fund for C&A Group employees only	Price negotiated between the parties
Instituto C&A	Associate, with no significant influence	Federal public utility institution supported by C&A for volunteering, entrepreneurial activities, and support for humanitarian efforts.	Price negotiated between the parties



On September 30, 2024 and December 31, 2023, the outstanding balances in related party transactions were the following:

### 9.1. On-balance-sheet transactions

Assets	Nature of the balance	Parent Company		Consolidated	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
<b>Trade receivables</b>					
Instituto C&A de Desenvolvimento Social	Shared expenses	95	27	95	27
COFRA Latin America	Shared expenses	6	8	6	8
Orion Inst. Pagamento	Shared expenses	6	6	-	-
C&A Pay Sociedade de Crédito Direto	Card transactions	296	187	-	-
C&A Pay Holding Financeira Ltda		-	38	-	-
Cyamprev Soc. Previd. Privada		5	-	5	-
Moda Lab		20	-	-	-
		428	266	106	35
<b>Prepaid expenses</b>					
C&A Services	Licenses	33	76	33	76
<b>Total related party assets</b>		461	342	139	111
<b>Related party assets - current</b>		461	323	139	92
<b>Related party assets - non current</b>		-	19	-	19

Liabilities	Nature of the balance	Parent Company		Consolidated	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
<b>Accounts payable</b>					
C&A Sourcing	Revenue from Merchandise Sales	120,115	69,638	120,115	69,638
Cyamprev Soc. Previd. Privada	Pension fund contributions	841	1,974	860	2,021
Instituto C&A de Desenvolvimento Social		-	2	-	2
FIDC C&A Pay	Amounts to pass along for invoice receiving	4,702	4,355	-	-
C&A Pay Sociedade de Crédito Direto	Expense reimbursement	1,429	3,791	-	-
<b>Related party liabilities - current</b>		127,087	79,760	120,975	71,661





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## 9.2. Transactions in the statement of earnings for the period

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
<b>Reimbursement of shared expenses</b>				
Cyamprev Soc. Prev. Privada	57	203	57	203
Instituto C&A de Desenvolvimento Social	103	-	103	-
COFRA Latin America	57	61	57	61
Orion Inst. Pagamento	52	11,655	-	-
C&A Pay Sociedade de Crédito Direto	453	-	-	-
	<b>722</b>	<b>11,919</b>	<b>217</b>	<b>264</b>
<b>Financial Service Expenses</b>				
C&A Pay Sociedade de Crédito Direto (1)	(33,456)	(293)	-	-
Orion Inst. Pagamento	-	(143)	-	-
	<b>(33,456)</b>	<b>(436)</b>	<b>-</b>	<b>-</b>
<b>Receivables pre-payment</b>				
C&A Pay Sociedade de Crédito Direto	(29,438)	(23,696)	-	-
	<b>(29,438)</b>	<b>(23,696)</b>	<b>-</b>	<b>-</b>
<b>Merchandise purchased</b>				
C&A Sourcing	(397,474)	(259,052)	(397,474)	(259,052)
	<b>(397,474)</b>	<b>(259,052)</b>	<b>(397,474)</b>	<b>(259,052)</b>
<b>Services purchased</b>				
C&A Services	(1,916)	(1,345)	(1,916)	(1,345)
COFRA Latin America	(179)	(172)	(179)	(172)
	<b>(2,095)</b>	<b>(1,517)</b>	<b>(2,095)</b>	<b>(1,517)</b>
<b>Pension fund contributions</b>				
Cyamprev Soc. Prev. Privada (2)	(3,100)	(4,299)	(3,176)	(4,338)
	<b>(3,100)</b>	<b>(4,299)</b>	<b>(3,176)</b>	<b>(4,338)</b>

(1) Commission expenses on transactions using the C&A Pay card.

(2) This include the company's share and the employee's share, withheld from the payroll and transferred to Cyamprev.



### 9.3. Compensation of members of the Board of Directors and Executive Board

Paid and payable expenses regarding management compensation in the nine months ending September 30, 2024 and 2023 were as follows:

	Parent Company and Consolidated	
	09/30/2024	09/30/2023
Fixed Compensation	11,209	10,310
Variable Compensation	3,825	4,292
Contributions to post-employment plans	67	66
Long-Term Incentives	4,437	4,967
Cessation of office	-	2,163
<b>Total excluding charges</b>	<b>19,538</b>	<b>21,798</b>
Estimated charges (1)	12,183	9,317
<b>Total including charges</b>	<b>31,721</b>	<b>31,115</b>

- (1) Social charges on share-based compensation are calculated based on the value of C&A Modas stock on the reporting date and, for this reason, is subject to fluctuations.

Global annual compensation of the Board of Directors and Board of Executive Officers for 2024, in the amount of up to R\$ 36,331 (R\$ 35.457 in 2023), was approved at the Ordinary and Extraordinary Shareholder's Meeting of March 26, 2024.

## 10. Stock-based compensation plan

The Group currently has a Stock Option Plan approved at the Ordinary Shareholder's Meeting held on October 2, 2019, which resulted in programs approved by the Board of Directors and grants to eligible individuals. So far, stock has been granted under programs approved in 2019, 2021, 2022, and 2024 ("2019 grant", "2021 grant", "2022 grant", "2023 grant", and "2024 grant" respectively).

### 2019 Grants

The first stock-based compensation program was approved at a meeting of the Board of Directors held on October 21, 2019, as per the terms of the Company's Purchase Option Plan. As a result of granting options to purchase stock, 1,148,148 options were given to senior managers in three different batches. Of these, 1,062,037 options now follow the same rules as the "2021 Grants" and have already been exercised. All other follow the rules of the original grant.

Below are the current rules governing stock in the "2019 Grant".

Ownership of the option to convert stock will be transferred to the participants in identical batches of 33.33% on each anniversary of the plan over a period of three years from the Granting Date.

This transfer will take place regardless of whether the participant remains as a Group employee or officer. It is subject to verification of the following: the average price per share on the Brazilian stock exchange (B3 S.A. – Brasil, Bolsa, Balco) in the 22 (twenty two) trading sessions that immediately precede the date of exercising the Vested Options must be equal to or larger than the price per share paid by investors in the Initial Public Offering (IPO), corrected according to the IPCA/IBGE less the value per share distributed as dividends



distributed and interest on equity, and adjusted to reflect any share bonuses, splits or grouping between the Granting Date and the date of exercise of the Vested Options.

The price of the global exercise payable by the executives for the vested options on each anniversary is R\$ 1.00. Vested options are restricted for three years after each transfer date.

The weighted average contractual term for the stock options remaining on September 30, 2024 was 1.06 years. The weighted average fair value of the options granted during the nine months of 2024 is R\$ 9.12 in the original program, and R\$ 1.46 incremental fair value of the options posts-substitution, according to the calculation method established in CPC 10. The exercise price shall be adjusted whenever dividends are paid, or stock is grouped or split.

#### 2021 Grants

The Performance Share Units program was approved at a meeting of the Board of Directors on February 24, 2021. The meeting approved granting 1,412,194 options to senior managers in a single batch. The meeting of the Board of Directors on December 21, 2021 also approved uniform rules for the 1,062,037 shares of the 2019 grant, bringing them in line with the rules for the 2021 grants.

In March 2024, a total of 2,236,893 shares in the program were liquidated and transferred from treasury shares net of income tax, representing 2,025,691 shares (in the amount of R\$ 6,495).

#### 2022 Grants

The Performance Share Units program was approved at a meeting of the Board of Directors on May 3, 2022. The meeting approved granting 3,619,618 options to senior managers in a single batch.

The value of the stock will be paid in a single installment (100% of the batch) at the end of the three-year restriction period.

The price of the global exercise payable by the executives for the vested options on each anniversary is R\$ 1.00. After the transfer date there will be no more restrictions on the vested options.

The weighted average contractual term for the stock options remaining on September 30, 2024 was 0.48 years. The fair value of the options granted is R\$ 2.66. The exercise price shall be adjusted whenever dividends are paid, or stock is grouped or split.

#### 2023 Grants

The Performance Share Units program was approved at a meeting of the Board of Directors on May 10, 2023. The meeting approved granting 4,712,639 options to senior managers in a single batch.

The value of the stock will be paid in a single installment (100% of the batch) at the end of the three-year restriction period.



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The price of the global exercise payable by the executives for the vested options on each anniversary is R\$ 1.00. After the transfer date there will be no more restrictions on the vested options.

The weighted average contractual term for the stock options remaining on September 30, 2024 was 1.61 years. The fair value of the options granted is R\$ 5.36.

The exercise price shall be adjusted whenever dividends are paid, or stock is grouped or split.

#### 2024 Grants

The Performance Share Units program was approved at a meeting of the Board of Directors on May 24, 2024. The meeting approved granting 2,068,636 options to senior managers in a single batch.

The value of the stock will be paid in a single installment (100% of the batch) at the end of the three-year restriction period.

The price of the global exercise payable by the executives for the vested options on each anniversary is R\$ 1.00. After the transfer date there will be no more restrictions on the vested options.

The weighted average contractual term for the stock options remaining on September 30, 2024 was 2.55 years. The fair value of the options granted is R\$ 10.20.

The exercise price shall be adjusted whenever dividends are paid or stock is grouped or split.

#### Changes:

Program	2019 Grants 2nd subst.	2021 Grants	2022 Grants	2023 Grants	2024 Grants	Total
Balance on 12/31/2022	86,111	2,416,712	3,419,789	-	-	5,922,612
Granted	-	-	-	4,712,639	-	4,712,639
Cancelled	(28,709)	(160,787)	(542,946)	(142,959)	-	(875,401)
<b>Balance on 12/31/2023</b>	<b>57,402</b>	<b>2,255,925</b>	<b>2,876,843</b>	<b>4,569,680</b>	<b>-</b>	<b>9,759,850</b>
Granted	-	-	-	-	2,068,636	2,068,636
Cancelled	-	(19,032)	(44,952)	(62,510)	(47,149)	(173,643)
Exercised	-	(2,236,893)	-	-	-	(2,236,893)
<b>Balance on 09/30/2024</b>	<b>57,402</b>	<b>-</b>	<b>2,831,891</b>	<b>4,507,170</b>	<b>2,021,487</b>	<b>9,417,950</b>



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#### Premises:

	2019 Grants (substitution add- ons)	2019 Grants (December 2021 substitution)	2021 Grants	2022 Grants	2023 Grants	2024 Grants
	Batch 2 Monte Carlo	Batch 3 Monte Carlo	Single batch Monte Carlo	Single batch Monte Carlo	Single batch Monte Carlo	Single batch Monte Carlo
Pricing model						
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free rate	5.95%	6.20%	10.92%	6.395%	12.785%	12.97%
Share price considered	16.89	16.89	6.59	11.63	2.51	4.98
Expected lifetime of the option	10/21/2024	10/21/2025	02/24/2024	02/24/2024	03/23/2025	05/10/2026
Fair value on the date measure	3.11	1.37	4.39	12.45	2.66	5.36
Expected annual volatility	37.79%	37.10%	58.69%	53.92%	57.58%	66.50%

#### Recognition of expenses

Expenses with stock-based compensation payable in company securities are recorded as personnel, administrative, and sales expenses with the capital reserve account - shares granted - as the counterpart. The following expenses recognized in nine months of 2024 and 2023, and to be recognized break down as follows:

Expenses recognized					
In the period:	2021 Grants	2022 Grants	2023 Grants	2024 Grants	Total
09/30/2024	857	2,081	5,707	2,162	10,807
09/30/2023	4,208	1,849	2,588	-	8,645

Expenses to be recognized				
Year	2022 Grants	2023 Grants	2024 Grants	Total
2024	699	1,856	1,542	4,097
2025	623	7,363	6,118	14,104
2026	-	2,623	6,117	8,740
2027	-	-	1,810	1,810
	1,322	11,842	15,587	28,751



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## 11. Inventory

### 11.1. Accounting policy

Inventory is measured as the lowest between the average acquisition cost and net realizable value. It includes the cost to ship inventory to distribution centers, costs incurred in preparing merchandise for shipment between distribution centers and stores, and non-recoverable taxes. The present value adjustment of forward merchandise purchases is deducted from these costs, and booked according to inventory turnover in the cost of goods sold line. The cost of imported goods includes gains and losses from cash flow hedging. The net realizable value is the estimated sales price in the normal course of business less any additional costs estimated to be necessary to complete the sale.

Provisions for inventory losses are created based on estimated losses considering historical data on merchandise theft, obsolete and damaged merchandise, and merchandise with negative margins. Actual losses are calculated based on physical inventories completed at least annually.

Expenses with shipping merchandise between distribution centers and stores are recorded directly as sales expenses in the period at the time in which they are incurred.

### 11.2. Inventory breakdown

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Goods for resale	1,130,364	881,760	1,130,364	881,677
Merchandise sold and in transit for delivery to customers	1,445	1,195	1,445	1,195
Advances to raw material suppliers	-	387	-	387
Present value adjustment	(23,049)	(22,179)	(23,049)	(22,179)
Provisions for losses	(56,008)	(41,768)	(56,008)	(41,768)
	1,052,752	819,395	1,052,752	819,312
Imports in transit	107,824	55,843	107,824	55,843
	1,160,576	875,238	1,160,576	875,155

### 11.3. Changes in provisions for losses

Changes in the period:

	Parent Company and Consolidated
Balance on December 31, 2022	37,258
Provisions	78,027
Reversal due to use	(73,517)
Balance on December 31, 2023	41,768
Provisions	61,731
Reversal due to use	(47,491)
Balance on September 30, 2024	56,008



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### Changes in the quarter

	Parent Company and Consolidated
<b>Balance on June 30, 2024</b>	<b>69,071</b>
Provisions	20,606
Reversal due to use	(33,669)
<b>Balance on September 30, 2024</b>	<b>56,008</b>

Throughout the year, the Group performs periodic physical counts of goods it classifies as high risk of loss; a full physical count is performed for all items once a year. As physical counts are performed, adjustments are recorded as actual losses, consuming provisions for inventory losses. These provisions, together with losses booked, are reflected in the statement of financial earnings as "cost of goods sold".

On September 30, 2024 the Company had finished inventorying 264 stores (126 in the period ending September 30, 2023).

## 12. Taxes recoverable

### 12.1. Accounting policy

Taxes recoverable include:

- . taxes resulting from normal Group operations and that may be offset and/or recovered,
- . taxes derived from legal claims where it is almost certain that an economic benefit will result and that can be measured with reasonable certainty.

### 12.2. Breakdown of taxes recoverable

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Previously unused PIS / COFINS credit (12.2.1)	732,540	664,919	732,540	664,919
PIS/COFINS	519,169	654,855	519,177	654,864
ICMS	216,727	182,440	216,731	182,444
IT/CSLL	60,773	33,052	63,407	40,503
IRRF (withholding taxes)	15,666	31,349	16,041	33,205
IPI (excise tax)	8	366	8	366
Other	8,652	9,984	8,652	9,989
	<b>1,553,535</b>	<b>1,576,965</b>	<b>1,556,556</b>	<b>1,586,290</b>
Current assets	390,180	379,126	393,201	388,451
Non-current assets	1,163,355	1,197,839	1,163,355	1,197,839

#### 12.2.1 Previously unused PIS / COFINS credit



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#### 12.2.1.1. ICMS on the basis for calculating PIS and COFINS

The Company is involved in two lawsuits on this theme, both of these received final rulings in favor of the company, one on 02/28/2019, and the other on 02/23/2022. On September 30, 2024, the updated amount of credit was R\$ 405,863 (R\$ 352,397 on December 31, 2023).

#### 12.2.1.2. Credit for the Manaus Free Trade Zone (FTZ) Lawsuit

On November 30, 2020, the final unappealable ruling was issued, recognizing the Company's right to consider sales in the MFTZ as being equivalent to exports, and thus not subject to PIS and COFINS on revenue generated in the Manaus Free Trade Zone, and the right to enjoy the benefits of REINTEGRA. On September 30, 2024, the updated credit balances amounted to R\$ 165,419 (R\$ 158,925 on December 31, 2023).

#### 12.2.1.3. Credit Related to the Lei do Bem Lawsuit

On March 18, 2023, a final unappealable ruling favoring the Group was issued by the Federal Supreme Court (STF), co-validating the right that had already been recognized by the Superior Court of Justice (STJ) on October 27, 2022, recognizing the Company's right to the zero PIS and COFINS on the sale of smartphones made in Brazil prior to December 31, 2018, as per Law 11.196/2005 (known as the "Law for Good" or "Lei do Bem"). On September 30, 2024, the updated balance of tax credits was R\$ 161,258 (R\$ 153,597 on December 31, 2023).

#### 12.2.1.4. Changes in unused PIS and COFINS credits in the nine-month periods ended September 30, 2024 and 2023:

	<u>09/30/2024</u>	<u>09/30/2023</u>
<b>Balance on December 31</b>	<b>664,919</b>	<b>1,363,664</b>
Offset by	(127,570)	(578,829)
Recognition of the principal	62,046	(382)
Recognition of interest + updates	133,145	55,877
<b>Balance on September 30</b>	<b>732,540</b>	<b>840,330</b>

In the period ended on September 30, 2024, the Company recognized additional PIS and COFINS tax credits in the amount of R\$195,191 (Notes 29 and 30); this includes interest and monetary correction, substantially related to the exclusion of ICMS from the basis for calculating PIS and COFINS.

#### 12.2.2 ICMS Credits





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#### 12.2.2.1. Credit from the lawsuit regarding ICMS on the supply of electricity

In December 2021, the Federal Supreme Court (STF) published its understanding with general repercussion (Extraordinary Appeal 714.139/SC) that the general rate should apply, and not the higher rate, as the effective rate for ICMS on electricity and telecommunication services. Thus, although the final unappealable ruling for the claims filed between 2015 and 2016 has yet to be issued, The Company booked its best estimate as it believes the economic benefits are almost a certainty, as per the requirements of CPC 25. The updated balance on September 30, 2024 was R\$ 85,821 (R\$ 81,794 on December 31, 2023).

#### 12.2.2.2. Credit regarding the DIFAL claim - sales to end consumers not subject to ICMS

On March 30, 2022, the STF passed the final ruling with general repercussion on the leading case (RE 1287019) involving Theme 1093, stating that collecting the difference in ICMS rates (DIFAL) on interstate transactions involving end-consumers not subject to the tax was unconstitutional. This ruling will remain in force until a supplemental law in this regard is issued. Given this scenario, the Company adjusted the book value of the legal claims ruled on in December 2018, which now amount to an updated balance of R\$ 17,149 (R\$ 16,198 on December 31 2023).

The company is waiting for a ruling on its claims to determine the elements required based on the specific circumstances of each case.

### 12.3. **Expectation of taxes recoverable**

Based on management projections, the amount of taxes recoverable booked under current and non-current assets had the following expectation of realization on September 30, 2024:

Year	Parent Company	Consolidated
2024	74,228	74,283
2025	404,366	406,051
2026	386,886	387,102
2027	344,541	345,606
2028 to 2030	343,514	343,514
<b>Total</b>	<b>1,553,535</b>	<b>1,556,556</b>

Management continuously assesses the possibility of using these taxes, and does not expect any recoverability loss



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### 13. Other assets

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Prepaid technology service expenses	19,981	10,288	19,981	10,288
Prepaid employee and benefit expenses	7,118	5,369	7,118	5,369
Prepaid miscellaneous service expenses	4,352	8,025	4,383	8,026
Prepaid expenses for licensed products	4,328	13,585	4,328	13,585
Prepaid advertising expenses	2,410	3,634	2,410	3,634
Employee loans and advances	5,284	1,634	5,369	1,675
I.P.T.U. (property tax)	4,196	-	4,196	-
Insurance to appropriate	5,312	4,963	5,312	4,963
Other credits	3,823	7,506	3,823	7,506
	<b>56,804</b>	<b>55,004</b>	<b>56,920</b>	<b>55,046</b>
Current assets	53,176	51,785	53,292	51,827
Non-current assets	3,628	3,219	3,628	3,219

### 14. Income Tax and Social Contribution

#### 14.1. Accounting policy

Tax assets and liabilities from the previous and earlier periods are measured at the expected recoverable amount, or the amount owed the tax authorities.

Provisions for income tax and social contribution are calculated using the rate of 15% plus 10% on any taxable income exceeding R\$ 240 for income tax, and 9% of taxable income for Social Contribution on Net Profits [Contribuição Social sobre o Lucro Líquido (CSLL)]. This includes compensation for tax losses and negative basis for social contribution, limited to 30% of the taxable income calculated in each period; these do not expire.

Income tax and social contribution on items recognized directly as shareholder's equity are also booked as shareholder's equity.

From time to time, management analyzes the fiscal position of the situations where tax regulations require interpretation, making provisions as appropriate.

Prepayment or amounts susceptible to offsetting are stated in current and non-current assets, depending on the expectation of realization.

Deferred taxes are generated when there are temporary differences between the fiscal bases of assets and liabilities and their book value, on the date of the balance sheet. Deferred tax credits are recognized to the extent that it is likely that there will be taxable income available to enable using existing tax losses and negative bases against which temporary differences may be used.



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Significant Management judgment is required to determine the value of deferred tax assets to be recognized based on the reasonable timing and taxable future profits, together with future tax planning strategies. The recoverability of deferred taxes is analyzed at the end of each period and written off to the extent that it is no longer likely that taxable profits will be available to enable their use.

#### 14.2. Breakdown and changes in deferred taxes

In the period:

		Parent Company		
		Increase/(Reduction)		
	Balance on 12/31/2023	in earnings	in shareholder's equity	Balance on 09/30/2024
Tax losses carryforward	382,412	20,464	-	402,876
Temporary differences:				
Provisions for tax, civil, and labor risks	97,764	(22,385)	-	75,379
Provisions for losses in inventories and trade receivables	21,360	4,386	-	25,746
Provisions for loss of property and equipment and right-of-use assets	5,113	3,435	-	8,548
Provisions for profit sharing	22,038	(8,852)	-	13,186
Leases CPC 06 (R2)/IFRS16	87,627	4,297	-	91,924
Adjustment to fair value	-	1,362	-	1,362
Expected FIDC credit losses	7,173	(1,578)	-	5,595
FIDC Present value adjustment	4,763	(901)	-	3,862
Other	77,229	9,237	1,584	88,050
<b>Deferred tax assets</b>	<b>705,479</b>	<b>9,465</b>	<b>1,584</b>	<b>716,528</b>
Previously unused credits	(157,603)	(7,268)	-	(164,871)
Present value adjustment	(12,388)	(5,130)	-	(17,518)
<b>Deferred tax liabilities</b>	<b>(169,991)</b>	<b>(12,398)</b>	<b>-</b>	<b>(182,389)</b>
<b>Balance net of deferred tax assets</b>	<b>535,488</b>	<b>(2,933)</b>	<b>1,584</b>	<b>534,139</b>



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	Consolidated			
		Increase/(Reduction)		
	Balance on 12/31/2023	in earnings	in shareholder's equity	Balance on 09/30/2024
Tax losses carryforward	381,567	9,778	-	391,345
Temporary differences:				
Provisions for tax, civil, and labor risks	98,171	(21,947)	-	76,224
Provisions for losses in inventories and trade receivables	22,269	4,945	-	27,214
Provisions for loss of property and equipment and right-of-use assets	5,113	3,435	-	8,548
Provisions for profit sharing	22,038	(8,545)	-	13,493
Leases CPC 06 (R2)/IFRS16	87,627	4,297	-	91,924
Adjustment to fair value	-	1,362	-	1,362
Expected FIDC credit losses	7,173	(1,578)	-	5,595
FIDC Present value adjustment	4,763	(901)	-	3,862
Other	77,229	9,237	1,584	88,050
<b>Deferred tax assets</b>	705,950	(83)	1,584	707,617
Previously unused credits	(157,603)	(7,268)	-	(164,871)
Present value adjustment	(12,388)	(5,130)	-	(17,518)
<b>Deferred tax liabilities</b>	(169,991)	(12,398)	-	(182,389)
<b>Balance net of deferred tax assets</b>	535,959	(12,315)	1,584	525,228

	Parent Company			
	Increase/(Reduction)			
	Balance on 12/31/2022	in shareholder's in earnings equity	Balance on 09/30/2023	
Tax losses carryforward	412,633	30,285	-	442,918
Temporary differences:				
Provisions for tax, civil, and labor risks	94,806	1,470	-	96,276
Provisions for losses in inventories and trade receivables	20,160	10,328	-	30,488
Provisions for loss of property and equipment and right-of-use assets	6,411	(758)	-	5,653
Provisions for profit sharing	22,401	(9,966)	-	12,435
Leases CPC 06 (R2)/IFRS16	80,613	6,076	-	86,689
Other	73,086	(7,750)	(993)	64,343
Deferred tax assets	710,110	29,685	(993)	738,802
Previously unused credits	(276,650)	90,614	-	(186,036)
Present value adjustment	(10,411)	(5,683)	-	(16,094)
Deferred tax liabilities	(287,061)	84,931	-	(202,130)
Balance of deferred tax assets (liabilities)	423,049	114,616	(993)	536,672

Consolidated



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	Balance on 12/31/2022	Increase/(Reduction) in earnings	in shareholder's equity	Balance on 09/30/2023
Tax losses carryforward	412,633	30,285	-	442,918
Temporary differences:				
Provisions for tax, civil, and labor risks	94,806	1,782	-	96,588
Provisions for losses in inventories and trade receivables	20,160	11,788	-	31,948
Provisions for loss of property and equipment and right-of-use assets	6,411	(758)	-	5,653
Provisions for profit sharing	22,401	(9,966)	-	12,435
Leases CPC 06 (R2)/IFRS16	80,613	6,076	-	86,689
Other	73,086	(8,033)	(993)	64,060
<b>Deferred tax assets</b>	<b>710,110</b>	<b>31,174</b>	<b>(993)</b>	<b>740,291</b>
Previously unused credits	(276,650)	90,614	-	(186,036)
Present value adjustment	(10,411)	(5,683)	-	(16,094)
<b>Deferred tax liabilities</b>	<b>(287,061)</b>	<b>84,931</b>	<b>-</b>	<b>(202,130)</b>
<b>Balance of deferred tax assets (liabilities)</b>	<b>423,049</b>	<b>116,105</b>	<b>(993)</b>	<b>538,161</b>

In the quarter:

	Balance on 06/30/2024	Parent Company Increase/(Reduction) in earnings	in shareholder's equity	Balance on 09/30/2024
Tax losses carryforward	404,229	(1,353)	-	402,876
Temporary differences:				
Provisions for tax, civil, and labor risks	78,822	(3,443)	-	75,379
Provisions for losses in inventories and trade receivables	30,104	(4,358)	-	25,746
Provisions for loss of property and equipment and right-of-use assets	8,616	(68)	-	8,548
Provisions for profit sharing	7,696	5,490	-	13,186
Leases CPC 06 (R2)/IFRS16	91,646	278	-	91,924
Adjustment to fair value	-	1,362	-	1,362
Expected FIDC credit losses	8,943	(3,348)	-	5,595
FIDC Present value adjustment	4,071	(209)	-	3,862
Other	81,538	2,303	4,209	88,050
<b>Deferred tax assets</b>	<b>715,665</b>	<b>(3,346)</b>	<b>4,209</b>	<b>716,528</b>
Previously unused credits	(167,512)	2,641	-	(164,871)
Present value adjustment	(24,853)	7,335	-	(17,518)
<b>Deferred tax liabilities</b>	<b>(192,365)</b>	<b>9,976</b>	<b>-</b>	<b>(182,389)</b>
<b>Balance net of deferred tax assets</b>	<b>523,300</b>	<b>6,630</b>	<b>4,209</b>	<b>534,139</b>

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	Consolidated			
	Increase/(Reduction)			
	in			
	Balance on	in earnings	shareholder's	Balance on
	06/30/2024		equity	09/30/2024
Tax losses carryforward	396,437	(5,092)	-	391,345
Temporary differences:				
Provisions for tax, civil, and labor risks	79,535	(3,311)	-	76,224
Provisions for losses in inventories and trade receivables	30,956	(3,743)	-	27,213
Provisions for loss of property and equipment and right-of-use assets	8,616	(67)	-	8,549
Provisions for profit sharing	7,875	5,618	-	13,493
Leases CPC 06 (R2)/IFRS16	91,646	278	-	91,924
Adjustment to fair value	-	1,362	-	1,362
Expected FIDC credit losses	8,943	(3,348)	-	5,595
FIDC Present value adjustment	4,071	(209)	-	3,862
Other	81,538	2,303	4,209	88,050
<b>Deferred tax assets</b>	<b>709,617</b>	<b>(6,209)</b>	<b>4,209</b>	<b>707,617</b>
Previously unused credits	(167,512)	2,641	-	(164,871)
Present value adjustment	(24,853)	7,335	-	(17,518)
<b>Deferred tax liabilities</b>	<b>(192,365)</b>	<b>9,976</b>	<b>-</b>	<b>(182,389)</b>
<b>Balance net of deferred tax assets</b>	<b>517,252</b>	<b>3,767</b>	<b>4,209</b>	<b>525,228</b>

	Parent Company			
	Increase/(Reduction)			
	in			
	Balance on	in earnings	shareholder's	Balance on
	30/06/2023		equity	09/30/2023
Tax losses carryforward	452,410	(9,492)	-	442,918
Temporary differences:				
Provisions for tax, civil, and labor risks	100,128	(3,852)	-	96,276
Provisions for losses in inventories and trade receivables	30,242	246	-	30,488
Provisions for loss of property and equipment and right-of-use assets	5,653	-	-	5,653
Provisions for profit sharing	8,968	3,467	-	12,435
Leases CPC 06 (R2)/IFRS16	84,180	2,509	-	86,689
Other	65,336	1,326	(2,319)	64,343
<b>Deferred tax assets</b>	<b>746,917</b>	<b>(5,796)</b>	<b>(2,319)</b>	<b>738,802</b>
Previously unused credits	(215,357)	29,321	-	(186,036)
Present value adjustment	(33,973)	17,879	-	(16,094)
<b>Deferred tax liabilities</b>	<b>(249,330)</b>	<b>47,200</b>	<b>-</b>	<b>(202,130)</b>
<b>Balance net of deferred tax assets</b>	<b>497,587</b>	<b>41,404</b>	<b>(2,319)</b>	<b>536,672</b>



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		Consolidated		
		Increase/(Reduction)		
	Balance on		in	Balance on
	30/06/2023	in earnings	shareholder's equity	09/30/2023
Tax losses carryforward	452,410	(9,492)	-	442,918
Temporary differences:				
Provisions for tax, civil, and labor risks	100,405	(3,817)	-	96,588
Provisions for losses in inventories and trade receivables	31,840	108	-	31,948
Provisions for loss of property and equipment and right-of-use assets	5,653	-	-	5,653
Provisions for profit sharing	8,968	3,467	-	12,435
Leases CPC 06 (R2)/IFRS16	84,180	2,509	-	86,689
Other	65,337	1,042	(2,319)	64,060
<b>Deferred tax assets</b>	<b>748,793</b>	<b>(6,183)</b>	<b>(2,319)</b>	<b>740,291</b>
Previously unused credits	(215,357)	29,321	-	(186,036)
Present value adjustment	(33,973)	17,879	-	(16,094)
<b>Deferred tax liabilities</b>	<b>(249,330)</b>	<b>47,200</b>	<b>-</b>	<b>(202,130)</b>
<b>Balance net of deferred tax assets</b>	<b>499,463</b>	<b>41,017</b>	<b>(2,319)</b>	<b>538,161</b>

### 14.3. Expected realization of deferred tax assets on September 30, 2024

Each quarter the Group reviews its earnings projects, and estimates that it will realize deferred tax assets in the following periods:

Year	Parent Company	Consolidated
2024	111,015	101,681
2025	91,212	91,634
2026	79,335	79,335
2027	97,529	97,529
2028 to 2030	304,246	304,246
2031 to 2033	30,647	30,647
After 2033	2,544	2,545
	<b>716,528</b>	<b>707,617</b>

Management continuously assesses the possibility of using deferred taxes and does not expect any recoverability loss.

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#### 14.4. Reconciliation of effective rate

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Pre-tax profit/loss	196,059	(280,970)	206,811	(279,582)
Income tax and social contribution expenses at statutory rates - 34%	(66,660)	95,530	(70,316)	95,058
Adjustments to reflect the effective rate				
Share of profit of subsidiaries	7,001	(6,263)	-	-
Non-deductible donations	(1,898)	(2,003)	(1,897)	(2,003)
PAT (worker meal program) and the culture incentive law	-	-	16	-
Adjustments in transfer pricing	-	(1,004)	-	(1,004)
Technology Inovativos – R&D (a)	15,151	-	15,151	-
Corporate gifts and non-deductible fines	(611)	(458)	(611)	(458)
Investment Subsidies	-	3,338	-	3,338
IT and SC from previous periods	(251)	(101)	(218)	(101)
Undue Taxes	48,722	25,576	48,779	25,599
Operating Losses	-	-	(411)	(544)
Deferred taxes on temporary differences not constituted (b)	-	-	156	(6,671)
Other permanent additions and exclusions	-	-	-	5
Taxes calculated on that portion exempt from the additional 10%	18	-	72	18
Income Tax and Social Contribution on profits	1,472	114,615	(9,279)	113,237
Current	965	-	(403)	(2,868)
Deferred	507	114,615	(8,876)	116,105
	1,472	114,615	(9,279)	113,237
Effective rate	-1%	41%	4%	41%

- a) This refers to amounts invested in research and development in 2023 and considered tax incentives according to Law 11.196/05, the so-called “Lei do Bem”. This law allows companies to deduct a percentage of their R&D investments from their Income Tax.
- b) Deferred taxes for subsidiary Orion are not constituted as its activities were transferred to C&A Pay Sociedade de Crédito Direto in 2023.





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## 15. Investments

### 15.1. Accounting policies

Company investments in its subsidiaries are booked in the individual financial statements using the equity method.

After using the equity method, the Company determines if additional impairment of its investments in subsidiaries must be booked. At each statement of earnings closing date, the company determines if there is objective evidence that its investment in subsidiaries has suffered losses due to impairment. If so, the Company calculates the amount of impairment as the difference between the recoverable amount in its subsidiaries and their book value, entering the loss in its statement of earnings.

### 15.2. Information on investments in the subsidiary

Affiliates	09/30/2024							
	Shareholding	Assets	Liabilities	Net Collection	Gross Revenue Gross	Profit/ (loss)	Book value of the investment	Share of profit of subsidiaries
<b>Direct</b>								
Orion	99.99%	14,682	(3,894)	10,788	1,146	1,321	10,786	1,321
C&A Pay Holding	99.99%	220,093	(57,409)	162,684	33,456	19,309	162,682	19,309
Moda Lab	99.00%	21	(20)	1	-	(39)	1	(39)
<b>Total</b>							<b>173,469</b>	<b>20,591</b>
* The difference between Moda Lab losses (R\$ 83) and the equity approach (R\$ 39) refers to unrealized profit from inventories								
<b>Indirect</b>								
C&A pay SCD	100%	211,178	(57,434)	153,744	33,456	18,892	153,744	18,892
							<b>153,744</b>	<b>18,892</b>

Affiliates	12/31/2023							
	Shareholding	Assets	Liabilities	Net Collection	Gross Revenue .	Profit/ (loss)	Book value of the investment	Share of profit of subsidiaries
<b>Direct</b>								
Orion	99.99%	13,240	(3,774)	9,466	81,329	(18,831)	9,465	(18,833)
C&A Pay Holding	99.99%	211,276	(102,448)	108,828	10,040	13,189	108,827	13,188 *
Moda Lab	99.00%	40	-	40	-	(53)	(43)	(53)
<b>Total</b>							<b>118,249</b>	<b>(5,698)</b>
* The difference between Moda Lab losses and the equity approach refers to unrealized profit from inventories								
<b>Indirect</b>								
C&A pay SCD	100%	183,749	(83,443)	100,306	10,040	12,983	100,306	12,983



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### 15.3 Changes in investment

	Orion	C&A Pay Holding	Moda Lab	Total
Balance of investments on December 31, 2022	48,798	-	(143)	48,655
Share of profit of subsidiaries	(19,704)	1,871	(37)	(17,870)
Capital increases	40,000	95,782	-	135,782
Capital reduction	(60,500)	-	-	(60,500)
Unrealized profits from inventories	-	-	108	108
Balance of investments on September 30, 2023	8,594	97,653	(72)	106,175
Balance of investments on December 31, 2023	9,465	108,827	(43)	118,249
Share of profit of subsidiaries	1,321	19,309	(39)	20,591
Capital increases	-	35,000	-	35,000
Other comprehensive income	-	(454)	-	(454)
Unrealized profits from inventories	-	-	83	83
Balance of investments on September 30, 2024	10,786	162,682	1	173,469

## 16. Property and Equipment

### 16.1. Accounting policy

Booked at the purchase, formation, or construction cost of the assets less recoverable taxes. To this is added consideration of the estimate for store restoration if not include in the right-of-use, less depreciation and estimate for losses of a non-financial asset (impairment). Depreciation of assets is calculated using the straight-line approach and takes into consideration the estimated lifetime of the asset.

Lifetimes are estimated at the start of each fiscal period, and the cost to restore and the methods of depreciation are reviewed, and the impact of any changes on estimates is booked prospectively.

Analysis of lifetime bears in mind the expected use of the assets, scheduled store revamps, and any evidence that an asset might have a lifetime other than the one originally booked. This assessment is documented in the form of a report prepared by Group experts.

A Property & Equipment item is written off when sold or when no future economic benefit is expected from its use or sale. Any gain or loss resulted from writing off the asset (calculated as the difference between the net sale value and the book value of the asset) are included in the statement of earnings for the period in which the asset was written off.



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## 16.2. Breakdown of property and equipment (Parent Company and Consolidated)

Property and Equipment	Cost	Accumulated Depreciation	Provision for impairment	September 30, 2024
Machinery and equipment	189,694	(110,440)	(1,308)	77,946
Furniture and fixtures	569,632	(367,223)	(1,697)	200,712
IT Equipment IT Equipment	269,144	(223,624)	(524)	44,996
Vehicles	20	(20)	-	-
Leasehold improvements	1,443,205	(1,025,457)	(16,057)	401,691
Land	126	-	-	126
Construction in progress	4,622	-	-	4,622
Estimated cost of returning stores	2,970	(1,587)	-	1,383
	<b>2,479,413</b>	<b>(1,728,351)</b>	<b>(19,586)</b>	<b>731,476</b>

Property and Equipment	Cost	Accumulated Depreciation	Provision for impairment	December 31, 2023
Machinery and equipment	201,405	(119,650)	(1,272)	80,483
Furniture and fixtures	562,526	(363,248)	(1,606)	197,672
IT Equipment IT Equipment	274,692	(214,179)	(276)	60,237
Vehicles	470	(470)	-	-
Leasehold improvements	1,455,525	(1,025,050)	(11,884)	418,591
Land	126	-	-	126
Construction in progress	4,728	-	-	4,728
Estimated cost of returning stores	2,970	(1,406)	-	1,564
	<b>2,502,442</b>	<b>(1,724,003)</b>	<b>(15,038)</b>	<b>763,401</b>

The Group has no property or equipment pledged as guarantee.



**16.3. Changes in property and equipment (Parent Company and Consolidated)**

	Average annual depreciation rate	Balance on December 31, 2023	Additions (iii)	Depreciation	Write-offs	Transfers	Reversals (provisions) impairment	Balance on September 30, 2024
Machinery and equipment	7%	80,483	-	(4,693)	(48)	2,239	(35)	77,946
Furniture and fixtures	11%	197,672	28,326	(28,580)	(141)	3,527	(92)	200,712
IT Equipment	20%	60,237	3,032	(19,180)	(19)	1,176	(250)	44,996
Vehicles	20%	-	-	-	-	-	-	-
Leasehold improvements (i)	9%	418,591	201	(58,184)	(421)	45,678	(4,174)	401,691
Land	-	126	-	-	-	-	-	126
Construction in progress	-	4,728	52,514	-	-	(52,620)	-	4,622
Estimated cost of returning stores (ii)	-	1,564	-	(181)	-	-	-	1,383
<b>Total</b>		<b>763,401</b>	<b>84,073</b>	<b>(110,818)</b>	<b>(629)</b>	<b>-</b>	<b>(4,551)</b>	<b>731,476</b>

(i) Leasehold improvements include miscellaneous assets such as civil works, lighting, fire-fighting, generators, etc. The depreciation rate is defined based on the lifetime of these assets.

(ii) The Group has 18 lease agreements with fully variable payments. These are linked to provisions for dismantling and returning stores.

(iii) During the nine months of 2023 the Group purchased R\$ 84,073 in property and equipment, R\$ 24,428 of which are entered as supplier accounts payable (R\$ 45,029 during the nine months of 2023); R\$ 13,324 were paid out in 2024 for purchases made prior to December 31, 2023 (during the nine months of 2023, R\$ 19,364 were disbursed related to previous years).



## 17. Intangible assets

### 17.1. Accounting policy

Intangible assets with a finite lifetime (software and trade funds) are booked at cost less accumulated amortization and impairment. Amortization is booked linearly based on the estimated lifetime of the asset. The estimated lifetime and amortization approach are reviewed at the end of each period, and the impact of any changes on the estimates is booked prospectively. Amortization is calculated using the straight-line approach, and takes into consideration the estimated lifetime of the asset.

For intangible assets with undefined lifetimes recoverability tests are performed annually.

Currently the Group has one intangible asset with undefined lifetime: the right to explore financial services. This right was purchased on December 1, 2021 and there is no predefined contractual term for exploring it. The transaction was booked at the acquisition cost of R\$ 415,000. There was no Goodwill on this transaction but, because of the nature of the asset, impairment is tested annually.

### 17.2. Breakdown of intangibles:

Parent Company	September 30, 2024				December 31, 2023		
	Cost	Accumulated amortization	Reduction to Present Value	Accounting Balance	Cost	Accumulated amortization	Accounting Balance
IT systems	1,380,978	(925,270)	-	455,708	1,289,459	(778,548)	510,911
Goodwill	77,413	(53,639)	(549)	23,225	71,107	(51,028)	20,079
Right to explore financial services	415,000	-	-	415,000	415,000	-	415,000
Intangibles in process	7,278	-	-	7,278	18,503	-	18,503
<b>Total</b>	<b>1,880,669</b>	<b>(978,909)</b>	<b>(549)</b>	<b>901,211</b>	<b>1,794,069</b>	<b>(829,576)</b>	<b>964,493</b>

Consolidated	September 30, 2024				December 31, 2023		
	Cost	Accumulated amortization	Reduction to Present Value	Accounting Balance	Cost	Accumulated amortization	Accounting Balance
IT systems	1,381,438	(925,531)	-	455,907	1,289,921	(778,741)	511,180
Goodwill	77,413	(53,639)	(549)	23,225	71,107	(51,028)	20,079
Right to explore financial services	415,000	-	-	415,000	415,000	-	415,000
Intangibles in process	7,280	-	-	7,280	18,505	-	18,505
<b>Total</b>	<b>1,881,131</b>	<b>(979,170)</b>	<b>(549)</b>	<b>901,412</b>	<b>1,794,533</b>	<b>(829,769)</b>	<b>964,764</b>



### 17.3. Changes in intangibles

Parent Company								
	Average annual amortization rate (% p.y.)	Balance on December 31, 2023	Additions (i)	Amortization	Write-offs	Transfers	Reversals (provisions) impairment	Balance on September 30, 2024
IT systems	18.5%	510,911	-	(148,074)	(11)	92,882	-	455,708
Goodwill	10.0%	20,079	-	(2,668)	-	6,363	(549)	23,225
Right to explore financial services	undefined	415,000	-	-	-	-	-	415,000
Intangibles in process		18,503	88,020	-	-	(99,245)	-	7,278
<b>Total</b>		964,493	88,020	(150,742)	(11)	-	(549)	901,211

	Average annual amortization rate (% p.y.)	Balance on December 31, 2022	Additions (i)	Amortization	Write-offs	Transfers	Property and equipment transfers	Reversals (provisions) impairment	Balance on September 30, 2023
IT systems	18.5%	558,152	-	(148,429)	(154)	95,378	640	55	505,642
Goodwill	10.0%	20,484	-	(2,192)	(1,750)	3,560	-	750	20,852
Right to explore financial services	undefined	415,000	-	-	-	-	-	-	415,000
Intangibles in process	-	27,066	107,419	-	-	(98,938)	-	-	35,547
<b>Total</b>		1,020,702	107,419	(150,621)	(1,904)	-	640	805	977,041

Consolidated								
	Average annual amortization rate (% p.y.)	Balance on December 31, 2023	Additions (i)	Amortization	Write-offs	Transfers	Reversals (provisions) impairment	Balance on September 30, 2024
IT systems	18.5%	511,180	-	(148,144)	(11)	92,882	-	455,907
Goodwill	10.0%	20,079	-	(2,668)	-	6,363	(549)	23,225
Right to explore financial services	undefined	415,000	-	-	-	-	-	415,000
Intangibles in process	-	18,505	88,020	-	-	(99,245)	-	7,280
<b>Total</b>		964,764	88,020	(150,812)	(11)	-	(549)	901,412

	Average annual amortization rate (%)	Balance on December 31, 2022	Additions	Amortization	Write-offs	Transfers	Property and equipment transfers	Reversals (provisions) impairment	Balance on September 30, 2023
Software	18.5%	558,515	-	(148,499)	(153)	95,378	640	55	505,936
Goodwill	10.0%	20,484	-	(2,192)	(1,750)	3,560	-	750	20,852
Right to explore financial services	undefined	415,000	-	-	-	-	-	-	415,000
Intangibles in process	-	27,066	107,419	-	-	(98,938)	-	-	35,547
<b>Total</b>		1,021,065	107,419	(150,691)	(1,903)	-	640	805	977,335

- (i) During the nine-month period of 2024, the Group added R\$ 88,020 related to trade fund systems and to the intangibles line, R\$ 12,288 of which were booked as supplier accounts receivable, and R\$ 23,271 were spent in 2024 for purchases made prior to December 31, 2023.



## **18. Impairment**

### **18.1. Accounting policy**

At the end of each fiscal period, Management reviews the net book value of its assets to assess events or changes in economic and operating circumstances, or in technology, which could indicate deterioration or impairment of value. If any such evidence is found and the net book value exceeds the recoverable value, provision is made for impairment, adjusting the net book value to the recoverable value. The recoverable value of an asset or cash generating unit is defined as being the largest between value in use and the net sales value. Each store is considered a cash generating unit.

The Company considers it to be an indication of impairment if, at the end of the period, a given store's EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) is negative, and/or it had impairment in the previous year. This requires that stores be in operation for more than three years, which is the point at which the Company considers a store to be mature.

Intangible assets with a defined lifetime refers to the 'right to explore financial services', and is submitted to impairment tests annually.

Assessment of impairment is based on detailed financial budgets and provisions, prepared separately by Management for each cash generating unit to which assets are allocated. An average rate of long-term growth is calculated and applied to future cash flows, with key premises based on past experienced and aligned with independent data sources.

The Company also records provisions for store closing impairment when approved by Management. The provision is made in the estimated amount of the assets to be written off, and reversed when the actual write-off is taken.

### **18.2. Assessment of recoverable value by cash generating unit (CGU)**

The company used after-tax cash flow projections based on financial budgets approved by Management, and consistent with the results presented in the past. The following premises were used to develop the discounted cash flows:

- (i) Discount rate: determined bearing in mind the risk-free rate, the business risk, third-party cost of capital, and the Company's capital structure. An annual discount rate of 13.48% was used. When calculating the discount rate, the Company considers lease liabilities as part of financing activities.
- (ii) Revenue: projected to the end of the store's lease term;
- (iii) Costs and expenses: projected in the same period as revenue, corrected for an estimated annual inflation of 3.98% for 2024, and 3.55% for subsequent periods, as per Central Bank estimates;



On the base dates of September 30, 2024 and December 31, 2023, the Company had provisions for asset impairments as follows:

Nature	Impairment test		Store revamps and closures		Total	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Property and Equipment	(19,315)	(15,038)	(271)	-	(19,586)	(15,038)
Intangible assets	(549)	-	-	-	(549)	-
<b>SUB-TOTAL</b>	<b>(19,864)</b>	<b>(15,038)</b>	<b>(271)</b>	<b>-</b>	<b>(20,135)</b>	<b>(15,038)</b>
Right-of-use	(10,449)	-	-	-	(10,449)	-
<b>Total</b>	<b>(30,313)</b>	<b>(15,038)</b>	<b>(271)</b>	<b>-</b>	<b>(30,584)</b>	<b>(15,038)</b>

### 18.3. Assessment of the recoverable value of intangible assets with no defined lifetime

Recoverability of the 'right to explore financial services' asset was assessed based on the value in use approach, using the best estimates provided by Management regarding the future performance of the business. This assessment considered an analysis of past management data, interviews with Management, and a review of past results. The main premises used were:

- (i) Value of the asset: R\$ 415 million
- (ii) Base-date of the assessment: October 31, 2023
- (iii) Discount rate calculated using the cost of equity approach. The discount rate used was 13.46% annually.
- (iv) Projection horizon: Cash flows were projected for the period between November 1, 2023 and December 31, 2031 or 8 years and two months. Projections as of 2030 consider a stable cash flow growing merely to keep up with inflation.
- (v) Residual value – Calculated using the perpetuity approach considering stable growth relative to inflation over the long term (3.5%)
- (vi) Revenue: projected considering card issues, churn (cancellations), and average spending per card, among other variables.
- (vii) Expenses: projected considering interchange expenses, operating expenses, and provisions for losses

The recoverable value of the 'right to explore financial services' asset is greater than its book value, thus no provision for impairment is recognized.





## 19. Leases

### 19.1. Accounting policy

The Group recognizes right-of-use assets and lease liabilities on the starting date of the lease. A right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment and adjusted for certain re-measurements of the lease liability. Depreciation is calculated using the straight-line-approach over the remaining term of the agreements. The Group used the amounts of fixed or in-substance fixed lease payments, which are the minimum payments agreed in contracts with variable payments based on revenue achieved, gross of PIS and COFINS effects, as a cost component. Right-of-use assets are added for pre-payment of leases and provisions for store revamps, less lessor incentives received. Specifically, variable payments are recognized monthly as operating expenses.

A lease liability is initially measured at the present value of residual lease payments, discounted using the incremental interest rate on the lease, which is defined as the equivalent real interest rate (including inflation) the Group would incur if it were to contract a loan for a similar term and similar guarantees.

The Group has applied judgment to determine the lease term of some agreements, considering the provisions of Law 8,245 ("Tenant Law"), which grants the lessee the right to contractual renewals when certain conditions are met, as well as past practices regarding the Group's success in renewing its leases. An assessment of whether the Group is reasonably certain of exercising these options has an impact on the lease term, which significantly affects the amount of recognized lease liabilities and right-of-use assets. Based on past revamps, where negotiated terms and values differed substantially from past agreements, the Group considers revamps as a new agreement and excludes the time to revamp from the contractual term.

### 19.2 Incremental interest rate

The Group estimated the incremental borrowing rate, based on the Brazil risk-free interest rates for similar periods to its lease agreements, adjusted to the Group's credit situation (credit spread). Spreads were obtained from the spreads observed for debt securities issued by comparable Brazilian companies (debentures). Rates are updated for each new lease agreement.

Incremental rates based on lease terms practiced On September 30, 2024 and December 31, 2023:

Contractual terms	09/30/2024		12/31/2023	
	Actual rate (% per year)	Nominal rate (% per year)	Actual rate (% per year)	Nominal rate (% per year)
0 to 3 years	5.3	12.3	6.1	12.3
3 to 5 years	2.1 - 8.8	6.6 - 15.3	6.5 - 8.0	12.1 - 14.5
5 to 6 years	-	-	3.5 - 5.9	7.9 - 12.3
6 to 10 (or more) years	5.7 - 7.1	11.6 - 14.2	3.2 - 7.7	6.8 - 14.8



### 19.3 A) Changes in the balance of lease right-of-use assets and liabilities (Parent Company e Consolidated)

	Right-of-use assets			Lease liabilities
	Real Estate	Equipment	Total	
Balance on December 31, 2023	1,440,055	22,890	1,462,945	(1,711,423)
Amortization (i)	(267,171)	(3,382)	(270,553)	-
Financial charges	-	-	-	(120,221)
Payments made	-	-	-	384,165
Provision for dismantling costs	180	-	180	-
Advance payments	3,000	-	3,000	-
Impairment	(10,449)	-	(10,449)	-
New/renewed/closed Agreements (ii)	65,599	7,817	73,416	(68,969)
Re-measurements (iii)	57,303	828	58,131	(58,131)
<b>Balance on September 30, 2024</b>	<b>1,288,517</b>	<b>28,153</b>	<b>1,316,670</b>	<b>(1,574,579)</b>
Current liabilities			1,316,670	535,754
Non-current liabilities				1,038,825

- (i) The amounts in this table include the PIS/COFINS credits on lease payments in the amount of R\$ 34,280 and on interest, in the amount of R\$ 10,194, booked directly in earnings to reduce amortization and interest expenses.
- (ii) This refers to 6 new store agreements, 15 agreements renewed, and 2 terminated.
- (iii) Refers to the annual re-measurement of inflation adjustments on minimal lease payments as per the respective agreements and lease renewals;

#### a) Comparison of lease projections in the different scenarios

In compliance with CVM guidelines and in order to provide the market with a comprehensive view of the different effects of applying models, with and without inflation, on the flow of minimum lease payments using a given discount rate (3.2% to 14.8%), below is a comparative list of the right-of-use lease liabilities, financial expenses and amortization expenses for the current and coming years in the following scenarios:

Scenario	Incremental rate	Future payments flow
1	Nominal	Including projections for inflation
2	Nominal	No projection for inflation (book value)

The Group adopted scenario 2 for the period ending September 30, 2024, as determined by CPC06(R2) / IFRS16. The comparative balances of lease liabilities are submitted below:

	09/30/2024	12/31/2023
<b>Lease liabilities</b>		
Scenario 1	1,607,361	1,814,047
<b>Scenario 2 (book value)</b>	<b>1,574,579</b>	<b>1,711,423</b>
<b>Financial Charges</b>		
Scenario 1	126,907	178,564
<b>Scenario 2 (book value)</b>	<b>120,221</b>	<b>173,079</b>
<b>Depreciation Expenses</b>		
Scenario 1	260,078	356,700



<b>Scenario 2 (book value)</b>	<b>270,553</b>	<b>373,419</b>
<b>Total Expenses</b>		
Scenario 1	386,985	535,264
<b>Scenario 2 (book value)</b>	<b>390,774</b>	<b>546,498</b>

b) Minimum future payments and potential PIS and COFINS rights (Parent Company and Consolidated)

Minimum future lease payments, according to the terms of the lease agreements, plus the fair value of the minimum lease payments are as follows:

Coming due in	09/30/2024		12/31/2023	
	Payments	Potential PIS/COFINS Rights	Payments	Potential PIS/COFINS Rights
Less than 1 year	496,683	(44,645)	500,406	(44,693)
One to five years	1,184,361	(112,481)	1,308,062	(116,387)
Over five years	437,346	(42,307)	497,441	(43,441)
Total minimum payments	2,118,390	(199,433)	2,305,909	(204,521)
Minimum payments discounted to present value	(543,811)	48,236	(594,486)	52,731
Present value of the minimum payments	1,574,579	(151,197)	1,711,423	(151,790)
Current Liabilities	535,754	-	501,642	-
Non-current Liabilities	1,038,825	-	1,209,781	-

Potential PIS/COFINS rights refer to the amount the Group will have a right to recover if the expected future lease payments happen.

During the nine-month period ended September 30, 2023, the expense associated with the 18 variable lease agreements was R\$ 3,679 (20 agreements or R\$ 3,772 in the same period of 2023). Expenses associated with short-term leases and low-value assets totaled R\$ 11,549 (R\$ 12,587 in the same period in 2023) and refer to leasing printers and forklifts. Because of limited relevance, future commitments with minimum lease payments of low-value assets and short-term contracts are not presented, nor is any sensitivity analysis of variable expenses with leases and the factors that impact this variation.

The Group does not offer property as collateral in any transaction.

c) Impairment

Right-of-use assets are also subject to the impairment test. This approach is the same as used for property and equipment (Note 18).



## 20. Suppliers

### 20.1 Accounting policy

Trade receivables are Group obligations resulting from the purchase of goods, services, occupancy charges, property and equipment, and intangibles. Term purchases are adjusted to present value on the date of the transactions, and reversals have financial earnings as counterpart due to the fruition of the term.

### 20.2 Breakdown of the balance

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Merchandise suppliers	662,021	829,269	662,021	829,270
Bradescard Supplier	590,276	539,898	590,276	539,898
Materials, asset, and service suppliers	341,091	376,558	356,578	392,794
Present value adjustment	(15,708)	(21,489)	(15,708)	(21,489)
	<b>1,577,680</b>	<b>1,724,236</b>	<b>1,593,167</b>	<b>1,740,473</b>
Current liabilities	1,577,156	1,172,988	1,592,643	1,189,225
Non-current liabilities (a)	524	551,248	524	551,248

(a) As of August 2024, supplier Bradesco is booked under short-term suppliers due to the maturity in July 2025.

#### Bradescard Supplier

In November 2021, the Group purchased Balcão Bradesco for R\$ 415 million, recorded under long-term suppliers. This amount is updated monthly, and monetary correction is booked against financial expenses in the sub-group “supplier interest” (note 30). On September 30, 2024, the corrected value was R\$ 590 million.

The terms of the original agreement have been renegotiated. The changes made include, among others, postponement of the settlement from January 2023 to July 2025. This new agreement also has similar covenants to those mentioned in item 22.5 Restrictive covenants for loans and debentures.

#### Present value adjustment

The Group uses interest rates close to those used by the industry to discount the balance of trade receivables to present value. The monthly interest rates used to calculate the present value of outstanding payables on September 30, 2024 and December 31, 2023 were 0.85% and 0.93% respectively. The matching entry to the present value adjustment is made on inventories, and the interest is recognized on a pro rata die basis in financial expenses.



## **21. Obligations - Forfait**

### **21.1. Accounting policy**

The Group offers advanced receivables at a discount over the face value to suppliers who sign a term agreeing with the terms and conditions. This transaction may take place directly with the Group or thorough agreements with financial institutions.

Under these agreements, the financial institution advances a given amount to the supplier and, when this amount comes due, it is paid back by the Group. The decision to subscribe to this type of transaction is solely the supplier's. The agreement does not change the commercial conditions, terms and prices previously agreed between the Group and its supplier. For this reason, the balances payable were booked as operational liabilities. Should obligations forfait risk balances be considered financial liabilities, all covenant clauses will remain unchanged.

### **21.2. Breakdown of the balance**

	<b>Parent Company and Consolidated</b>	
	<b>09/30/2024</b>	<b>12/31/2023</b>
Obligations - Forfait liabilities	<b>286,511</b>	364,709
Current liabilities	<b>286,511</b>	364,709

In the nine-month period ended September 30, 2024 the Group received a commission in the amount of R\$ 12,045 (R\$ 7,803 in the nine-month period ended September 30, 2023). In the nine-month period ended September 30, 2023 the discount ranged from 1.57% to 1.97% a month (compared to 1.23% and 1.89% during the nine months of 2023).

During the first nine months of 2024 the Company made no advances directly to suppliers, thus there was no income recognized as financial income (in the same period of 2023 R\$ 43,361 were advanced, yielding R\$ 329 in revenue).



## 22. Loans and debentures

### 22.1. Accounting policy

Loans and debentures are initially recognized at fair value and subsequently measured at amortized cost, as established in the agreement. All other loan costs are recorded as expenses in the period in which they are incurred. Loan costs include interest and other costs incurred by the Group regarding those loans.

The Group also considers third-party loan transactions as financing activities.

### 22.2. Breakdown of loans and debentures (Parent Company and Consolidated)

Description	Annual rates	Maturity	09/30/2024	12/31/2023
<b>In domestic currency</b>				
CCB (i)	100% CDI+ 2.79%	2024	-	63,746
Debentures - single series, issue 1 (ii)	100% CDI+ 2.15%	2025	140,447	507,519
Book-entry Commercial Notes - single series, issue 1 (iii)	100% CDI + 2.45%	2026 to 2027	250,995	259,947
Debentures - 1st series, issue 2 (iv)	100% CDI + 2.10%	2025	194,013	251,749
Debentures - 2nd series, issue 2 (iv)	100% CDI + 2.40%	2025 to 2028	57,518	358,685
Book-entry Commercial Notes - single series, issue 2 (v)	100% CDI+ 2.10%	2024	-	51,193
Book-entry Commercial Notes - single series, issue 3 (vi)	100% CDI+ 2.70%	2024 to 2025	121,512	202,560
Debentures, 3rd Issue Series 1 (vii)	100% CDI + 1.80%	2027	505,743	-
Book-entry Commercial Notes - single series, issue 4 (viii)	100% CDI + 1.50%	2026	70,000	-
(-) Transaction costs to appropriate			(10,378)	(7,545)
<b>In foreign currency</b>				
Working Capital – under Law n.4131 (ix)	USD + 5.35%	2026	96,809	-
(+/-) Swap – working capital (ix)	100% CDI + 1.40%	2026	4,004	-
<b>Total</b>			<b>1,430,663</b>	<b>1,687,854</b>
Current liabilities			<b>293,847</b>	<b>511,427</b>
Non-current liabilities			<b>1,136,816</b>	<b>1,176,427</b>

- i. On June 30, 2020, the Company issued two Bank Credit Notes (CCBs), one in the amount of R\$230,000, which was settled in December 2022, and another CCB in the amount of R\$120,000, which was settled in July 2024.
- ii. On May 20, 2021, the Company issued its first series of simple, non-secured, non-convertible debentures for public distribution with limited effort (CVM n. 476), in the amount of R\$ 500,000 with a yield of 100% of the DI, plus an annual surcharge of 2.15% effective for 4 (four) years and amortized annually in 2 (two) installments as of year 3 from the date of issue of the debentures. The first installment, equivalent to 50% of the nominal unit amount due on May 20, 2024 and the last on the maturity date of May 20, 2025. The costs associated with the first issue of debentures, including taxes, commissions, and other costs totaled R\$ 3,619 and are being recorded as deductions from



liabilities and added to results monthly during the debt term. In the nine-month period ended September 30, 2024, R\$ 956 were appropriated (R\$ 679 during the nine months of 2023).

- iii. On March 18, 2022, the Company issued its first Commercial Notes ("Commercial Notes" and "Issue") for public distribution with limited effort as per law 14,195 of August 26, 2021, as amended ("Law 14,195") and CVM Instruction n. 476, in the amount of R\$ 250,000 with a yield of 100% of the DI, plus an annual surcharge of 2.45% for settlement on March 18, 2027. The net funds captured by the Issue will be used to reinforce the Company's cash position and extend the average term of the Issuer's debt. The costs associated with the first issue of promissory notes, including taxes, commissions and other costs totaled R\$ 1,528 and are being recorded as deductions from liabilities and added to results monthly during the debt term. In the nine-month period ended September 30, 2024, R\$ 229 were appropriated (R\$ 229 during the nine months of 2023).
- iv. On April 8, 2022 the Company issued its second series of simple, non-secured, non-convertible debentures for public distribution with limited effort in two series, in the amount of R\$ 600,000 (six hundred million), R\$ 247,500 (two hundred and forty-seven, five hundred thousand Reals) refer to debentures in the first series, and R\$ 352,500 (three hundred and fifty-two million, six hundred thousand Reals) refer to the second series. The first series will have a yield of 100% of the DI, plus an annual surcharge of 2.10%, while the second will have a yield of 100% of the DI, plus an annual surcharge of 2.40%. The first series debentures will mature in 42 (forty-two) months from the date of issue, or November 13, 2025 ("maturity date of the first series debentures"), while the second series debentures shall mature in 72 (seventy-two) months from the date of issue, or May 13, 2028 ("maturity date of the second series debentures"). The costs incurred, including fees, commissions, and other costs totaled R\$ 4,521 and are entered as deductions to liabilities and appropriated in earnings monthly during the debt period. In the nine-month period ended September 30, 2024, R\$ 2,244 were appropriated (R\$ 722 during the nine months of 2023).
- v. On April 25, 2023 the Group issued its second Commercial Notes for public distribution with automatic registration according to the Securities Law, law 14,195, and CVM Instruction n. 160, in the amount of R\$ 50,000 with a yield of 100% of the CDI, plus an annual surcharge of 2.10% for settlement on April 25, 2024. The net funds captured through this Issue will be used to reinforce the Group's cash position and extend the Issuer's average payment term. The costs associated with the first issue of promissory notes, including taxes, commissions and other costs totaled R\$ 536 and are being recorded as deductions from liabilities and added to results monthly during the debt term. In the nine-month period ended September 30, 2024, R\$ 134 were appropriated (R\$ 268 during the nine months of 2023).
- vi. On May 22, 2023 the Group issued its third Book-entry Commercial Notes in a single series, for public distribution and automatic registration ("Issue Term", "Commercial Notes", and "Issue") respectively, as per article 45 and subsequent articles of law 14,195 of August 26, 2021 ("Law 14,195") and CVM Instruction n. 160 of July 13, 2022 as amended ("CVM Resolution 160"), in the amount of R\$ 200,000



with a yield of 100% of the CDI, plus an annual surcharge of 2.70% for settlement on May 25, 2025. The net funds captured through this Issue shall be used to reinforce the issuer's working capital. The costs associated with the first issue of promissory notes, including taxes, commissions and other costs totaled R\$ 3,331 and are being recorded as deductions from liabilities and added to results monthly during the debt term. In the nine-month period ended September 30, 2024, R\$ 1,249 were appropriated (R\$ 694 during the nine months of 2023).

- vii. On July 15, 2024 the Company issued its third series of simple, non-secured, single-series, non-convertible debentures with a unit face value of R\$ 1.00, in the total amount of R\$ 495,963 with a yield of 100% of the DI, plus an annual surcharge of 1.80% effective for 3 (four) years and amortized on July 15, 2027. The costs associated with the third issue of debentures, including taxes, commissions and other costs totaled R\$ 8,274 and are being recorded as deductions from liabilities and added to results monthly during the debt term.

For its third issue of debentures the company exchanged its 1st and 2nd issues as follows:

- a. On August 1, 2024 231,440 simple, non-convertible, unsecured, single series debentures from its 1st issue, each with a face value of R\$ 1.00 were written off, thus the company's debenture configuration in numbers and value is now 268,560 simple debentures totaling R\$ 134,280.
  - b. On August 2, 2024 62,413 simple, non-convertible, unsecured, dual series, debentures from its 2nd issue, each with a face value of R\$ 1.00 were written off, and on August 5, 2024 297,691 simple, non-convertible, unsecured, dual series debentures from its 2nd issue, each with a face value of R\$ 1,00 were written off, thus the company's 2nd debenture issue configuration in numbers and value is now: 239,896 simple debentures totaling R\$ 239,896 - R\$ 185,087 from its first series, and R\$ 54,809 from its second series. The maturity date of the installments and the interest remaining from the first and second issues remain unchanged.
- viii. On September 27, 2024, the Group issued its 4th (fourth) Book-entry Commercial Notes in a single series, for public distribution ("Issue Term"), as per article 45 and subsequent articles of law 14,195 of August 26, 2021 ("Law 14,195") in the amount of R\$ 70,000 with a yield of 100% of the CDI, plus an annual surcharge of 1.50% for settlement on September 28, 2026.
- ix. On September 4, 2024, the Company raised funds under the 4.131 modality in the amount of US\$17,769, with a fixed interest rate of 5.35% per year, hedged by a swap operation (derivative instruments) to Brazilian reais, with a remuneration of 100% of the CDI, plus a surcharge of 1.40% per year. The settlement is scheduled for September 4, 2026.





Since December 1, 2021, the Group had captured funds through its subsidiary Orion Instituição de Pagamentos, for use to settle the funding of with-interest installment portfolios, past-due accounts, withdrawals, and refinancing of the new C&A Pay card operations. On May 2, 2023, the Group settled its secured account agreements in the amount of R\$ 201,500.

These funds were captured to reinforce working capital and no guarantee was put up by the Group.

### 22.3. Payment Forecast

The following is a forecast of the payment of long-term loans On September 30, 2024:

Due date	Parent Company and Consolidated
2024	69,251
2025	408,906
2026	305,933
2027	632,895
2028	13,678
	<b>1,430,663</b>

### 22.4. Changes in loans

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
<b>Balance on December 31</b>	<b>1,687,854</b>	<b>1,987,375</b>	<b>1,687,854</b>	<b>2,150,832</b>
New loans/debentures	659,147	250,000	659,147	381,372
Interest	142,741	197,864	142,741	197,864
Interest passed along and to pass along (*)	-	-	-	(1,899)
Funding cost	(1,980)	(4,159)	(1,980)	(4,959)
Cost amortization	5,965	3,270	5,965	4,069
Payment of the principal	(915,824)	(452,500)	(915,824)	(745,429)
Interest payment	(147,614)	(258,717)	(147,614)	(258,717)
Exchange Variation	(3,630)	-	(3,630)	-
Swap	4,004	-	4,004	-
<b>Balance on September 30</b>	<b>1,430,663</b>	<b>1,723,133</b>	<b>1,430,663</b>	<b>1,723,133</b>

(\*) Refers to the mandate clause settled on 05/02/2023.

### 22.5. Restrictive covenants

The financing and debenture agreements contain standard restrictive covenants for this type of transaction, which may result in early maturity if not complied with.



Based on the clauses of the current agreements, the Group must meet certain financial and non-financial covenants.

The financial covenants, which are measured annually on December 31, include the following key indicators:

- **Net Debt / Adjusted EBITDA:** Maintenance of the ratio between Net Debt (comprising loans and debentures plus or minus the balance of derivatives less cash and cash equivalents and financial investments) and Adjusted EBITDA (consisting of EBITDA plus supplier discount revenue less non-operational results, defined as asset sales, provisions/reversals of contingencies, impairment, and restructuring expenses) at a level equal to or below 3.0 times, which will be calculated annually based on the consolidated financial statements. For this calculation, the Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) of the last 12 (twelve) months is considered, excluding the effects brought by the adoption of CPC06/IFRS16.

The non-financial covenants are, substantially:

- **Publication of Financial Statements:** The Issuer must publish and make available its audited consolidated financial statements.
- **Conviction Sentence:** It is prohibited to have a conviction involving acts of racial or gender discrimination, child labor, slave labor, exploitation of prostitution, or environmental crimes.

From time to time, the Group monitors financial indicators that may impact the covenants. The covenants are the normal ones for transactions of this nature and, to date, have in no way limited the Group's ability to conduct its business. As of September 30, 2024, the Company was meeting all of its covenant clauses.

## 23. Labor liabilities

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Wages payable	35,082	35,039	35,275	35,227
13 <sup>th</sup> salaries to be paid	40,522	-	40,919	-
Profit sharing	52,672	77,601	53,580	77,601
Social Charges	55,749	53,152	56,034	53,525
Vacation to pay	78,818	83,046	79,441	83,751
	<b>262,843</b>	<b>248,838</b>	<b>265,249</b>	<b>250,104</b>
Current liabilities	241,087	230,098	243,493	231,364
Non-current liabilities	21,756	18,740	21,756	18,740



## 24. Taxes payable

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
ICMS	47,169	154,009	47,169	154,009
PIS/COFINS	34,332	61,600	34,745	62,323
ISS	2,090	1,040	2,164	2,591
INSS	1,328	1,855	1,328	1,855
IT/CSLL	12,456	68,339	13,858	76,247
Other	3,460	3,339	4,126	2,634
	100,835	290,182	103,390	299,659
Current liabilities	85,096	277,772	87,651	287,249
Non-current liabilities	15,739	12,410	15,739	12,410

## 25. Provisions for tax, civil, and labor risks, as well as judicial deposits

### 25.1. Accounting policy

The Group is a party in numerous legal and administrative proceedings of a tax, civil, and labor nature. Provisions are recognized for all contingencies related to proceedings for which it is probable that an outflow of resources will be required to settle the contingency and a reasonable estimate can be made. Assessment of the likelihood of loss includes an assessment of the available evidence, the hierarchy of the laws, the available case law, and recent court decisions and their relevance in the legal system, as well as the assessment made by independent advisors. Provisions are reviewed and adjusted so as to consider changes in circumstances, such as applicable statute of limitations, the completion of tax audits or additional exposures identified based on new matters or court rulings.

If the provisions include the corresponding judicial deposit, and if the Group intends to settle the liability and realize the asset simultaneously, the values offset each other for the purposes of financial statements.

### 25.2. Balance and changes in provisions for tax, civil, and labor risks

On the advice of its legal advisors, Management creates provisions to cover likely and reasonably estimable losses where disbursement of financial resources by the Group is likely.

	Parent Company				
	12/31/2023	Addition (reversal)	Payments	Update	09/30/2024
Tax (i)	253,499	(68,610)	(2,744)	8,837	190,982
Labor (ii)	31,155	11,858	(15,230)	1,919	29,702
Civil (ii)	2,888	6,273	(8,456)	313	1,018



Provisions for tax, civil, and labor risks	287,542	(50,479)	(26,430)	11,069	221,702
Judicial deposits with a corresponding liability	(103,751)			(3,812)	(107,563)
Net provisions for judicial deposits	183,791	(50,479)	(26,430)	7,257	114,139
Consolidated					
	12/31/2023	Addition (reversal)	Payments	Update	09/30/2024
Tax (i)	253,499	(68,610)	(2,744)	8,837	190,982
Labor (ii)	31,155	11,858	(15,230)	1,919	29,702
Civil (ii)	4,086	9,702	(10,598)	313	3,503
Provisions for tax, civil, and labor risks	288,740	(47,050)	(28,572)	11,069	224,187
Judicial deposits with a corresponding liability	(103,751)			(3,812)	(107,563)
Net provisions for judicial deposits	184,989	(47,050)	(28,572)	7,257	116,624

(i) Tax provisions refer substantially to discussions regarding the following taxes:

- (a) PIS/COFINS: Disallowed right to PIS and COFINS credit on (i) inputs used in the purpose of business, and (ii) COFINS credits on inputs.
- (b) ICMS: Disallowed credits and discussions on the applicability of fines and bases for calculation, among others.
- (c) Other Taxes: discussions regarding the exclusion of ICMS and ISS from the basis for calculating CPRB - Social Security Contribution on Gross Revenue

The main changes in the period ended September 30, 2024 were primarily the result of:

- (i) Reversal of provisions for PIS and COFINS credits on expenses with credit card fees due to self-regulation of the company's ancillary obligations in the amount of R\$ 35,414;
- (ii) The reversal of ICMS credits for electric power charges (TUST/TUSD) due to modulation of the impact of the STJ ruling in favor of the company (986/STJ) in the amount of R\$31,118;
- (iii) Reversal of the provisions for ICMS as the Company subscribed to the Installment Program sponsored by the State of São Paulo, which includes debits regarding the collection of ICMS in transactions with suppliers considered disreputable, in the amount of R\$ 9,785;
- (iv) Provisions for ICMS in the amount of R\$ 5,862 in the state do Rio de Janeiro due to investigations that were unfavorable to the company.

(iii) Civil and labor

Provisions for labor claims are obtained by applying the historical percent losses to the total value of the claim (which is the maximum exposure to which the Group is subject) for each claim, as informed by the Group's legal advisors. This measurement is reviewed every six months, most recently in June 2024. Measurement of the provisions for civil cases uses the overall average success and payment rates, with individual assessments made where the amounts are significant.



### Judicial deposits with a corresponding liability

The Company has judicial deposits with the corresponding liabilities for issues related to (i) COFINS Imports and (ii) exclusion of ICMS and ISS from the basis for calculating CPRB; (iii) Social Contribution on the 10% additional FGTS.

### **25.3. Judicial deposits**

The Group is contesting the payment of certain taxes, contributions, and labor obligations, and has made judicial deposits to ensure that court discussions proceed, either because said deposits are required by the courts, or because of a strategic decision by Management to protect its cash position. Thus the updated amount of the company's judicial deposits is:

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Tax	12,583	20,522	12,583	20,522
Labor and Civil	25,285	27,119	25,296	27,146
Total	37,868	47,641	37,879	47,668

In addition to the amounts mentioned above, the Company keeps judicial deposits under liabilities, in the amount of R\$ 107,563 under “provisions for tax, civil, and labor proceedings” as shown in chart 25.2 of this note.

There is no provision for the judicial deposits mentioned above, as per the judgment of Management supported by its legal advisors.

### **25.4. Non-provisioned contingencies**

#### 25.4.1 Tax contingencies

On September 30, 2024 the Group had an updated amount of R\$ 559,292 (R\$ 379,235 on December 31, 2023) associated with judicial and/or administrative claims where it is considered possible that the Company will lose, and for this reason accounting provisions are not made, as per the relevant accounting standards. Below is a summary of the main claims, with the amount of the principal plus interest and fines that our legal advisors believe we may lose:

	Parent Company and Consolidated	
	09/30/2024	12/31/2023
Disallowed PIS/COFINS credits (a)	154,771	146,647
IRPJ and CSLL – Time of taxation (b)	136,989	-
INSS - Non-homologated and other offsets (c)	93,888	85,928
ICMS - Disallowed credits and others (d)	62,204	47,850
PIS/COFINS - Non-homologated offsets (b)	61,470	51,314
Import Taxes	33,717	32,554
IRPJ and CSLL - Non-homologated offsets	13,986	12,812
Other demands	2,267	2,130
	559,292	379,235



- (a) PIS/COFINS - Disallowed credits related to expenses used as inputs;
- (b) IRPJ/CSLL and PIS/COFINS - Taxes on tax credits due to a final court ruling in favor of the company.

On September 30, 2024, the Federal Revenue Service issued a citation against the Company due to differences in the timing for paying IRPJ/CSLL and PIS/COFINS on tax credits, due to the final court ruling favorable to the company. Taxes on tax credits (R\$122,983) were duly booked under earnings and liabilities using the accrual method. Only the fine and interest (R\$133,989) are classified as risk, and Company legal advisors consider these as “risk of possible loss”.

- (c) INSS - Non-homologation of requests for offsetting social security credits.

On August 26, 2024, the Supreme Court of Justice ruled on Topic 1174, concerning the incidence of Social Security Contributions on co-participation deductions for indirect benefits on the payroll, related to: (i) transportation vouchers; (ii) meal vouchers; and (iii) co-participation in medical and dental plans. Following the decision, Motions for Clarification were filed, which were included by the 1st Section of the STJ in the judgment agenda for November 13, 2024. Since the decision is not final and legal advisors assess the likelihood of a 'possible loss,' no provision is required. The Administration is monitoring the topic and assessing the amounts involved. It is worth noting that this matter was already considered a possible loss as of December 2023, and therefore, it was reflected in the balance reported on that date.

- (d) ICMS - Disallowed credits and supposed inventory differences.

- (e) PIS/COFINS - Non homologation of requests for compensation.

#### 25.4.2 Civil and labor contingencies

The Group informs that it reviews its provisions for civil and labor claims from time to time, and these are created for claims where it is considered likely the Company will lose, bearing in mind the outcome of past claims and the actual amounts settled.

Due to external factors not under the Group's control, it is not feasible to determine when the associated cash disbursements, if any, will be made in the event the Company loses any such claims.



## 26. Shareholder's Equity

### 26.1. Accounting policy

Capital stock is represented by common shares. Incremental costs attributable directly to issuing shares are entered as a deduction of shareholder's equity as capital transactions, net of tax effects.

### 26.2. Capital stock

On September 30, 2024, the share capital of R\$1,847,177 was split into 308,245,068 fully paid-in common shares (308,245,068 on December 31, 2023), with a free float of 101,313,341 common shares (103,375,546 common shares on December 31, 2023).

On September 30, 2024 and December 31, 2023, the ownership of Company shares broke down as follows:

	09/30/2024		12/31/2023	
	Number of shares	%	Number of shares	%
COFRA Investment SARL	100,363,049	32.56%	100,363,049	32.56%
Incas SARL	100,939,166	32.75%	100,939,166	32.75%
COFRA Latin America	17,121	0.01%	17,121	0.01%
Officers	2,288,265	0.74%	899,686	0.29%
Treasury	3,324,126	1.08%	2,650,500	0.86%
Free Float	101,313,341	32.86%	103,375,546	33.53%
Total	308,245,068	100%	308,245,068	100%

According to its Bylaws, the Company is authorized to increase capital by as many as 135,000,000 new common shares, up to a limit of 443,245,068 common shares, regardless of any statutory reform, as per article 168 of Law 6,404 of 15 December 1976, as amended ("Brazilian Corporate Law").

The increase in share capital within the authorized limits shall be completed by issuing shares, convertible debentures or subscription warrants, as decided by the Board of Directors, which is responsible for setting the issuing terms, including price and form of payment. If payment takes the form of assets, the General Meeting shall be responsible for increasing the share capital, with input from the Fiscal Board, if any.

### 26.3. Shares in Treasury

On November 12, 2021, the market was informed that an 18-month share buy-back program had been approved at a meeting of the Board of Directors (BoD). This share buy-back program ran from the date of notice to May 11, 2023. The end of the program was communicated at the BoD meeting held on May 11, 2023.



On April 18, 2024, the market was informed that an 18-month share buy-back program had been approved at a meeting of the Board of Directors (BoD), starting on April 19, 2024 and ending on October 18, 2025 to enable exercising the buy option of the current share purchasing plans approved at the General Meetings of the Shareholders held on October 2, 2019 and April 28, 2023.

In March 2024 the company set aside 2,026,375 treasury shares at an average cost per share of R\$ 3.21, totaling R\$ 6,497 for the participants of share-based incentive plans, with no reduction in share capital.

	Number	Average cost per share	Book value	Market value
Balance on December 31, 2022	1,969,900	3.44	6,778	4,511
Share buy-back	680,600	2.53	1,720	1,720
<b>Balance on December 31, 2023</b>	<b>2,650,500</b>	<b>3.21</b>	<b>8,498</b>	<b>20,753</b>
Shares delivered in the 2021 Plan	(2,026,375)	3.21	(6,497)	
Share buy-back	2,700,000	10.85	29,300	29,300
<b>Balance on September 30, 2024</b>	<b>3,324,125</b>	<b>9.42</b>	<b>31,301</b>	<b>31,047</b>

#### 26.4. Capital reserve – shares granted

This refers to the reserve for options granted according to the stock-based compensation plan. See Note 10 for further details.

#### 26.5. Legal reserve

The Company Bylaws stipulate that 5% of net profit will be taken as legal reserves, to the limit of 20% of the capital stock. The amount set aside as legal reserve on June 30, 2024 was R\$ 65,208 (R\$ 65,208 On December 31, 2023).

#### 26.6. Reserve for unrealized profits

The Company set aside R\$ 75,720 as reserve for unrealized profits, which is conditional upon using the PIS/COFINS credits from the 2nd claim, which are still unused and for this reason remain in this reserve (R\$ 75,720 on September 30, 2024).

#### 26.7. Reserve for investments

The purpose of this reserve is to reinforce the Group's working capital and activities. The balance of this reserve, plus the balance of other profit reserves with the exception of contingency reserves, reserves for tax incentives and reserves for future profits may not exceed 100% (one hundred percent) of the share capital.





Once this threshold is reached, and pursuant to article 199 of Law 11,638/07, the General Meeting shall determine how to distribute any surplus and shall use it to pay in or increase the capital stock or distribute dividends. The balance of reserves investments on September 30, 2024 was R\$ 969,256.

#### **26.8. Reserve for tax incentives**

The Group has ICMS tax incentives as presumed credit due to its operations in the state of Santa Catarina. Thus, it recognizes the impact as credit on the statement of earnings in those periods in which it recognizes the related costs. Setting aside this incentive for tax incentive reserves is subject to profit in the period after deducting required reserves. The destination of earnings for tax incentives is done annually in the month of December. On June 30, 2024 the total reserve for tax incentives was R\$ 14,560 (R\$ 14,560 on December 31, 2023).

#### **26.9. Equity valuation adjustments**

This refers to the effective portion of financial instruments designated as cash flow hedge, as per Note 32.

### **27. Dividends and interest on shareholder's equity payable**

#### **27.1. Accounting policy**

As stipulated in the Bylaws, each period the shareholders have the right to receive the minimum mandatory 25% of net profits for the period, less legal reserves and plus the reversal of previous reserves, as dividends, and is booked as liabilities on the date of the statement of earnings. Any amounts in excess of the mandatory minimum are booked as proposed additional dividends in the statement of changes in shareholder's equity and entered as dividends payable only on the date on which such additional dividends are approved by the Company shareholder's equity at a General Meeting.

#### **27.2. Distribution de Interest on Shareholder's Equity and dividends**

The Company's profits in the period ended December 31, 2023 was set aside as legal reserve and reserve for tax incentives, as mentioned in Note 26.

### **28. Net revenue**

#### **28.1. Accounting policy**

Revenue is measured based on the fair value of the counterpart received net of taxes, sales taxes, discounts, and deductions. To be recognized, the transaction must meet the criteria for recognition of transactions described in CPC47/IFRS15, The criteria below must also be fulfilled before revenue is recognized:



a) Sale of goods

Revenue from the sale of goods is recognized when the Group fulfills its obligations to perform, i.e. when control over the merchandise is transferred to the buying customer.

Returned goods happen substantially in our e-commerce transactions. Right now they are not sufficiently significant to be recorded as estimates on the date of the balance sheet. Physical returns to stores are immediately exchanged for other and/or similar goods of the same value.

The Group recognizes a revenue when, based on past behavior, it expects customers will not exercise their contractual rights regarding non-reimbursable prepayments. This happens in the case of unused gift cards and exchange vouchers.

b) Services provided

Revenue from services is recognized when the services are actually provided, i.e. when the Group has fulfilled its obligation to perform.

Revenue from services includes commissions served for the sale of insurance products to C&A Pay customers, commissions from the sale of cell phone top-ups, and other commissions.

c) Net revenue from credit securitization

Affiliate Orion recognizes revenue when it settles securities in its receivables portfolio that are a long time past due, and whose credit rights were purchased by Banco Bradesco. This policy was adopted as there is uncertainty that the debtor will pay these amounts to Banco Bradesco, which passes along the funds received to Orion.

f) Revenue from commissions from intermediating financial services - Bradescard Partnership

This revenue is the commissions received for financial intermediation in receiving payment slips (boletos), and commissions for brokering credit cards and other financial services. The calculation includes the commission on revenue from interest and fees charged from Bradesco customers who use the Group's intermediation services, in addition to the related operating costs and expenses.

e) Revenue from financial products

This is the interest on installment sales and arrears interest from the e portfolio originating from SCD – C&A Pay Sociedade de Crédito Direto S.A. ("SCD") and assigned to FIDC -Fundo de Investimento a um Direito Creditório [Credit Rights Investment Fund]. In compliance with the accrual approach, revenue is recognized when results are calculated in the period to which they belong, to the extent that it is likely that they will be received. Formal transactions with pre-define financial charges are updated pro rata diem and booked as revenue from financial products.



## 28.2. Breakdown of net revenue

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Sale of goods	6,644,069	5,776,301	6,646,720	5,769,829
Cancellations, exchanges and vouchers	(402,304)	(328,535)	(402,304)	(328,535)
Sales taxes	(1,530,387)	(1,284,517)	(1,530,387)	(1,284,517)
<b>Net revenue from the sale of merchandise</b>	<b>4,711,378</b>	<b>4,163,249</b>	<b>4,714,029</b>	<b>4,156,777</b>
Revenue from commission and financial services and products(*)	128,912	109,012	390,105	295,754
Taxes on commissions and services	(15,836)	(15,829)	(19,706)	(26,317)
<b>Net revenue from services rendered</b>	<b>113,076</b>	<b>93,183</b>	<b>370,399</b>	<b>269,437</b>
	<b>4,824,454</b>	<b>4,256,432</b>	<b>5,084,428</b>	<b>4,426,214</b>

(\*) As of May 2023, transactions with C&A Pay characteristics migrated to SCD – C&A Pay Sociedade de Crédito Direto S.A. ("SCD"). Formerly they were supported by a mandate clause with the partner financial institution. The portfolio originating from the SCD is assigned to an FIDC - Credit Rights Investment Fund on the day after origination, the FIDC records the interest on installment sales and arrears interest.

## 29. Earnings by nature

### 29.1. Classified by function

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Cost of goods sold and services rendered	(2,309,604)	(2,124,700)	(2,309,753)	(2,125,110)
General and administrative	(630,639)	(557,646)	(631,279)	(559,840)
Sales	(1,656,724)	(1,496,365)	(1,684,225)	(1,562,977)
Net credit losses	-	-	(152,947)	(167,278)
Other net operating income (expenses)	98,120	26,170	98,123	25,913
	<b>(4,498,847)</b>	<b>(4,152,541)</b>	<b>(4,680,081)</b>	<b>(4,389,292)</b>

### 29.2. General and administrative expenses by nature

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Personnel	(289,941)	(225,927)	(290,394)	(227,742)
Third party materials/services	(122,994)	(102,779)	(123,104)	(102,998)
Depreciation and amortization	(160,857)	(164,843)	(160,927)	(164,913)
Depreciation of right-of-use	(17,944)	(19,184)	(17,944)	(19,184)
Occupancy	(5,109)	(10,459)	(5,109)	(10,459)
Other	(33,794)	(34,454)	(33,801)	(34,544)
	<b>(630,639)</b>	<b>(557,646)</b>	<b>(631,279)</b>	<b>(559,840)</b>



### 29.3. Selling expenses by nature

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Personnel	(514,942)	(494,007)	(523,674)	(514,239)
Third party materials/services	(255,880)	(209,362)	(289,757)	(242,573)
Depreciation of right-of-use	(228,523)	(237,575)	(228,523)	(237,575)
Depreciation and amortization	(100,703)	(106,868)	(100,703)	(106,868)
Occupancy	(276,979)	(250,535)	(276,979)	(250,535)
Advertising and promotions	(118,617)	(70,202)	(118,617)	(70,231)
Other	(161,080)	(127,816)	(145,972)	(140,956)
	<b>(1,656,724)</b>	<b>(1,496,365)</b>	<b>(1,684,225)</b>	<b>(1,562,977)</b>

### 29.4. Other net operating revenue (expenses) by nature

Other net operating revenue (expenses) are amounts that are not related or only incidentally related to core Group activities and are not expected to be repeated with any frequency in future periods.

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Asset write-offs and store /DC closings (a)	(19,075)	1,574	(19,075)	1,530
Tax expenses and credits (b)	66,750	26,985	66,750	26,985
Reversal (provision) for tax contingencies (c)	64,700	9,497	64,700	9,497
Other	(14,255)	(11,886)	(14,252)	(12,099)
	<b>98,120</b>	<b>26,170</b>	<b>98,123</b>	<b>25,913</b>

(a) Includes asset write-offs, inventory, contractual fines, and labor terminations.

(b) Tax credit recovery is booked net of attorney and consulting fees and is comprised substantially of PIS and COFINS credits in the amount of R\$ 62,046 (R\$ 383 in September 2023), social security credits in the amount of R\$ 2,488 (R\$ 11,021 in September 2023), and other lower value credits.

(c) In 2024, it refers substantially to the reversal of provisions for PIS and COFINS credits amounting to R\$35,414 and the reversal of provisions for charges related to energy operations (TUST/TUSD) amounting to R\$30,111, previously recognized in the results.



### 30. Finance results

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
<u>Exchange variation</u>				
Purchasing	(9,138)	1,137	(9,138)	1,137
Loans	3,630	-	3,630	-
	(5,508)	1,137	(5,508)	1,137
<u>Gains (losses) from derivatives - Swap</u>	(4,004)	-	(4,004)	-
	(4,004)	-	(4,004)	-
<u>Finance expenses</u>				
Interest on loans	(142,741)	(197,864)	(142,741)	(197,864)
Interest on leases	(110,027)	(118,197)	(110,027)	(118,197)
Supplier financial expenses - PVA	(74,740)	(84,761)	(74,740)	(84,761)
Bradescard supplier interest	(50,378)	(53,595)	(50,378)	(53,595)
Interest on taxes and contingencies	(17,194)	(16,611)	(17,195)	(16,624)
Charges on prepaid receivables (note 8.3)	(29,438)	(27,806)	-	(4,110)
Other finance expenses	(6,815)	(5,456)	(6,846)	(6,559)
	(431,333)	(504,290)	(401,927)	(481,710)
<u>Finance income</u>				
Monetary correction of tax credits (a)	136,394	73,247	136,515	71,526
Interest on financial investments	54,581	69,431	60,146	82,596
Supplier financial income	12,043	6,843	12,043	6,843
Other	3	7	3	6
	203,021	149,528	208,707	160,971
<u>FIDC C&amp;A Pay Earnings (b)</u>	87,602	(13,474)	-	-
	87,602	(13,474)	-	-
<u>Earnings from Bonds and Securities</u>	-	-	5,196	3,098
	-	-	5,196	3,098
<u>Net financial results</u>	(150,222)	(367,099)	(197,536)	(316,504)

- (a) In September 2024, interest revenue included R\$ 133,145 (R\$ 55,877 in September 2023) related to monetary adjustment for previously unused PIS/COFINS credits, less PIS/COFINS taxes in the amount of R\$ 6,191 (R\$ 2,598 in September 2023) see note 12.2.1.4.
- (b) The FIDC C&A Pay operation, created as a credit rights investment funds, with all quotas owned by C&A Modas, started up in May, 2023. This fund purchases and manages receivables generated by C&A Pay's private label card. Fund results are calculated based on the revenue and expenses of this operation, booked as per IFRS (*International Financial Reporting Standard*).



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### 31. Information by segment

Group Management defined the reportable operating segments based on the reports used to make strategic decisions. The businesses were classified into two segments, retail and financial services; the main characteristics for each of the divisions are:

- (i) Retail: sale of apparel, perfumery, cosmetics, watches, and cell phones in B&M stores and e-commerce.
- (ii) Financial products and services: consumer credit operations and intermediation of insurance sales through our partners or own operations with the C&A Pay card

	Retail		Financial Services				Total Financial Services		Elimination		Consolidated	
	09/30/2024	09/30/2023	Bradescard Partnership		C&A pay		09/30/2024	09/30/2023	09/30/2024	09/30/2023	09/30/2024	09/30/2023
			09/30/2024	09/30/2023	09/30/2024	09/30/2023						
Net Operating Revenue	4,740,348	4,172,887	38,216	17,822	339,320	235,941	377,536	253,763	(33,456)	(436)	5,084,428	4,426,214
Cost of goods sold and services rendered	(2,309,306)	(2,124,385)	(447)	(833)	(22,544)	-	(22,991)	(833)	22,544	108	(2,309,753)	(2,125,110)
<b>Gross Profit</b>	<b>2,431,042</b>	<b>2,048,502</b>	<b>37,769</b>	<b>16,989</b>	<b>316,776</b>	<b>235,941</b>	<b>354,545</b>	<b>252,930</b>	<b>(10,912)</b>	<b>(328)</b>	<b>2,774,675</b>	<b>2,301,104</b>
Sales	(1,252,294)	(1,076,329)	(13,677)	(33,053)	(122,482)	(109,589)	(136,159)	(142,642)	33,454	437	(1,354,999)	(1,218,534)
General and administrative	(440,331)	(362,502)	(34)	(189)	(12,043)	(13,053)	(12,077)	(13,242)	-	1	(452,408)	(375,743)
Net credit losses	-	-	-	-	(152,947)	(167,278)	(152,947)	(167,278)	-	-	(152,947)	(167,278)
Other net operating income (expenses)	98,120	26,167	-	-	3	(252)	3	(252)	-	(2)	98,123	25,913
<b>Earnings by segment (excluding depreciation)</b>	<b>836,537</b>	<b>635,838</b>	<b>24,058</b>	<b>(16,253)</b>	<b>29,307</b>	<b>(54,231)</b>	<b>53,365</b>	<b>(70,484)</b>	<b>22,542</b>	<b>108</b>	<b>912,444</b>	<b>565,462</b>
Depreciation and amortization	(499,307)	(516,978)	(1,700)	(995)	(7,090)	(10,567)	(8,790)	(11,562)	-	-	(508,097)	(528,540)
Finance results											(197,536)	(316,504)
Income taxes											(9,279)	113,237
<b>Net income (loss) for the period</b>											<b>197,532</b>	<b>(166,345)</b>



## 32. Financial instruments and capital management

### 32.1. Financial instruments - Accounting Policy

A financial instrument is a contract that gives rise to a financial asset for one entity, and a financial liability or equity instrument for another entity.

#### a) Classification of financial instruments

The classification of financial assets depends on the characteristics of the financial asset's contractual cash flows, and on the business model used to manage such financial instruments. The Group classifies them at:

- (i) Amortized cost
- (ii) Fair value through profit or loss,
- (iii) Fair value through other comprehensive earnings.

#### *(i) Amortized cost*

Financial results at amortized cost include the following lines: cash and cash equivalents, trade receivables, judicial deposits, and related parties. Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) approach, and are subject to impairment.

Financial liabilities are initially recognized at fair value and, in the case of loans and financing, plus the directly attributable transaction costs. Measuring financial liabilities depends on their classification. Trade payables, related party loans and accounts payable, and leases payable classified as financial liabilities at amortized using the effective interest rate approach.

#### *(ii) Fair value through profit and loss*

Includes financial assets held for trading, and financial assets designed upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they were acquired to be sold short term. This category includes investments in bonds and securities held for trading, and swap transactions entered into to protect foreign currency loans.

#### *(iii) Fair value through other comprehensive income.*

Financial assets and liabilities in this category are derivative transactions to which hedge accounting applies. This category includes investments in bonds and securities (Treasury Bonds) held for trading. The Group uses



hedge accounting and considers forward currency contracts (NDF) as cash flow hedges. The fair value of derivative financial instruments is determined based on the exchange rate and interest rate curves.

b) Cash flow hedges

The Group uses derivative financial instruments to minimize the risks associated with foreign currency exposure. The Group uses hedge transactions to protect itself from foreign exchange risk associated with as-yet unpaid import orders, and for this reason designates them as cash flow hedges.

The effective and unsettled portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in shareholder's equity as equity valuation adjustments in OCI. This installment is realized when the risk for which the derivative was purchased no longer exists. Regarding liquidation of financial instruments, previously deferred gains and losses in shareholder's equity are transferred to the initial measurement of the cost of the asset.

Such derivative financial instruments in hedge transactions are initially recognized at fair value on the date the derivative agreement is entered into, and are subsequently reviewed, also at fair value.

The effective portion of the gain or loss on the hedge instrument is recognized in shareholder's equity under other comprehensive income, while any ineffective portion is recognized immediately in the statement of operations under finance results.





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### 32.2. Financial instruments - classification

As of September, 30 2024 and December 31 2023, the financial instruments can be summarized and classified as follows:

#### Parent Company

	Cost Amortized	Fair value through profit and loss	Fair value through other comprehensive income	Total
<b>Financial assets</b>				
Cash and cash equivalents	763,291	-	-	763,291
Trade receivables	670,871	-	-	670,871
FIDC C&A Pay	-	835,455	-	835,455
Derivatives	-	-	571	571
Related parties	461	-	-	461
Judicial deposits	37,868	-	-	37,868
<b>Financial liabilities</b>				
Lease liabilities	(1,574,579)	-	-	(1,574,579)
Suppliers	(1,864,191)	-	-	(1,864,191)
Loans and debentures	(1,426,659)	(4,004)	-	(1,430,663)
Derivatives	-	-	(5,901)	(5,901)
Related parties	(127,087)	-	-	(127,087)
<b>Total on September 30, 2024</b>	<b>(3,520,025)</b>	<b>831,451</b>	<b>(5,330)</b>	<b>(2,693,904)</b>

	Cost amortized	Fair value through profit and loss	Fair value through other comprehensive income	Total
<b>Financial assets</b>				
Cash and cash equivalents	1,130,245	-	-	1,130,245
Trade receivables	1,054,599	-	-	1,054,599
FIDC C&A Pay	-	791,352	-	791,352
Derivatives	-	-	721	721
Related parties	342	-	-	342
Judicial deposits	47,641	-	-	47,641
<b>Financial liabilities</b>				
Lease liabilities	(1,711,423)	-	-	(1,711,423)
Suppliers	(2,088,945)	-	-	(2,088,945)
Loans and debentures	(1,687,854)	-	-	(1,687,854)
Derivatives	-	-	(1,392)	(1,392)
Related parties	(79,760)	-	-	(79,760)
<b>Total On December 31, 2023</b>	<b>(3,335,155)</b>	<b>791,352</b>	<b>(671)</b>	<b>(2,544,474)</b>

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	Cost Amortized	Fair value through profit and loss	Fair value through other earnings comprehensive income	Total
<b>Financial assets</b>				
Cash and cash equivalents	949,116	-	-	949,116
Financial investments	-	199,023	-	199,023
Trade receivables	1,341,294	-	-	1,341,294
Derivatives	-	-	571	571
Related parties	139	-	-	139
Judicial deposits	37,879	-	-	37,879
<b>Financial liabilities</b>				
Lease liabilities	(1,574,579)	-	-	(1,574,579)
Suppliers	(1,879,678)	-	-	(1,879,678)
Loans and debentures	(1,426,659)	(4,004)	-	(1,430,663)
Derivatives	-	-	(5,901)	(5,901)
Related parties	(120,975)	-	-	(120,975)
<b>Total on September 30, 2024</b>	<b>(2,673,463)</b>	<b>195,019</b>	<b>(5,330)</b>	<b>(2,483,774)</b>

	Cost Amortized	Fair value through profit and loss	Fair value through other earnings comprehensive income	Total
<b>Financial assets</b>				
Cash and cash equivalents	1,155,588	-	-	1,155,588
Financial investments	-	107,604	83,983	191,587
Trade receivables	1,778,421	-	-	1,778,421
Derivatives	-	-	721	721
Related parties	111	-	-	111
Judicial deposits	47,668	-	-	47,668
<b>Financial liabilities</b>				
Lease liabilities	(1,711,423)	-	-	(1,711,423)
Suppliers	(2,105,182)	-	-	(2,105,182)
Loans and debentures	(1,687,854)	-	-	(1,687,854)
Derivatives	-	-	(1,392)	(1,392)
Related parties	(71,661)	-	-	(71,661)
<b>Total On December 31, 2023</b>	<b>(2,594,332)</b>	<b>107,604</b>	<b>83,312</b>	<b>(2,403,416)</b>

The fair value of the Group's assets and liabilities were measured on September 30, 2024 and 2023 using Level 2 hierarchy, which corresponds to significant observable data.

### 32.3. Financial risk management



The activities of the Group and its subsidiaries expose them to certain financial risks (including foreign exchange and interest rate), credit risk, and liquidity risk. Financial risks are assessed and managed carefully, using the limits and procedures defined in the Group's financial policy.

a) Market Risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to market prices. Market prices include three types of risk: interest rate risk, exchange risk and price risk, which can be commodities or shares, among others. Financial instruments affected by market risk includes loans and financing, cash equivalents and other financial assets, investments in debt and equity instruments, and derivative financial instruments.

*Interest rate risk*

The Group is exposed to the risk of changes in interest rate that could impact returns on its short-term assets and financial liabilities indexed to the CDI.

The Group attempts to keep the interest rate indicators for its assets and liabilities equal to reduce the impact of a risk in a fluctuation in interest rates. Currently all our transactions are in the credit and capital markets, and most are fixed rate and indexed to the CDI. The Group is also exposed to the CDI in the payments to Bradesco for the purchase of Balcão and in the Swap operation related to dollar loans.

Management continuously analyzes its exposure to interest rates, comparing the contracted rates to current market rates and simulating refinancing scenarios and the impact on results.

The Group ran tests using scenarios for the next disclosure to demonstrate how fluctuations in this index impact results. Likely scenario interest rates come from the reference rates on the B3 website on September 30, 2024 (annualized CDI of 11.54%).



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Parent Company								
Risk	Balance on 09/30/2024	Rate	Likely scenario	Increasing interest		Decreasing interest		
				Possible scenario + 25%	Remote scenario + 50%	Possible scenario - 25%	Remote scenario - 50%	
Financial investments (i)	Lower CDI	743,926	CDI (i)	82,070	102,588	123,105	61,552	41,035
Loans and debentures	Higher CDI	(1,430,663)	CDI (i)	(165,099)	(206,373)	(247,648)	(123,824)	(82,549)
Bradescard Supplier	Higher CDI	(590,276)	CDI (i)	(68,118)	(85,148)	(102,177)	(51,088)	(34,059)
<b>Net exposure/Impact on earnings prior to IT/SC</b>	<b>(1,277,013)</b>		<b>(151,147)</b>	<b>(188,933)</b>	<b>(226,720)</b>	<b>(113,360)</b>	<b>(75,573)</b>	
Impact on earnings, net of IT/SC			<b>(99,757)</b>	<b>(124,696)</b>	<b>(149,635)</b>	<b>(74,818)</b>	<b>(49,878)</b>	

(i) Financial revenue stated net of 4.65% PIS and COFINS. For financial investments we considered an average yield of 100.29% of the CDI.

Consolidated								
Risk	Balance on 09/30/2024	Rate	Likely scenario	Increasing interest		Decreasing interest		
				Possible scenario + 25%	Remote scenario + 50%	Possible scenario - 25%	Remote scenario - 50%	
Financial investments (i)	Lower CDI	962,065	CDI (i)	106,135	132,669	159,203	79,601	53,067
Loans and debentures	Higher CDI	(1,430,663)	CDI (i)	(165,099)	(206,374)	(247,649)	(123,824)	(82,549)
Bradescard Supplier	Higher CDI	(590,276)	CDI (i)	(68,118)	(85,148)	(102,177)	(51,088)	(34,059)
<b>Net exposure/Impact on earnings prior to IT/SC</b>	<b>(1,058,874)</b>		<b>(127,082)</b>	<b>(158,853)</b>	<b>(190,623)</b>	<b>(95,311)</b>	<b>(63,541)</b>	
Impact on earnings, net of IT/SC			<b>(83,874)</b>	<b>(104,843)</b>	<b>(125,811)</b>	<b>(62,905)</b>	<b>(41,937)</b>	

(i) Financial revenue stated net of 4.65% PIS and COFINS. For financial investments we considered an average yield of 100.22% of the CDI.

### Exchange risk

Foreign currency exchange risk exists in future commercial transactions, primarily those associated with US-Dollar denominated imports of goods, and US-Dollar denominated loans. The foreign currency risk management policy is defined by Group Management, and subsequently submitted to the Auditing and Risk Management Committee for analysis and approval.

### i) Loans

The Group took out foreign currency loans at fixed interest rates. Interest expenses and foreign exchange variation are charged against "Financial revenue and expenses".

The foreign currency risk on foreign currency loans was mitigated through swap contracts, whereby the foreign exchange variation was "swapped" for the rate set by the bank.

Currency	Amount	R\$	Long Leg	Short Leg
US Dollar	17,689	100,000	USD + 5.35%	CDI + 1.40%



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## ii) Import of goods

The Group hedges against exchange variations in the outstanding balance of its imports by entering into Non-Deliverable Forward Contracts (NDFs) for highly probable budgeted purchases. Contracts based on the FOB value of the goods limits the exchange exposure and its effect on price composition. As soon as goods are nationalized, taxes must be paid that are not included in the hedge defined when contracting the NDF. These taxes amount to 36% of the value of the order.

The table below shows exposure to exchange variation related to orders issued and not covered by the hedge, and non-recoverable customs clearance taxes for which the Group is not hedged. The Group shows sensitivity to possible changes in the range of 25% to 50%, indicating a deteriorating financial situation for the Group due to increases in the US Dollar exchange rate.

The US Dollar exchange rate used in the sensitivity analysis was taken by the FOCUS report published by the Brazilian Central Bank on September 30, 2024. Scenario estimates were adopted according to CVM Instruction 475/08.

			Negative Scenarios			
		Risk	Notional USD (Payables)/ Receivables	Scenario Likely	Possible scenario +25%	Scenario Remote scenario +50%
				USD 1 = R\$ 5,40	USD 1 = R\$ 6,75	USD 1 = R\$ 8,10
Hedge object	Purchasing orders for imported goods and imports in transit	Increase in the USD exchange	(94,172)	4,530	(122,602)	(249,734)
Hedge instrument	NDF	Decrease in the USD exchange	61,324	(2,949)	79,838	162,625
<b>Net exposure of import orders</b>			<b>(32,848)</b>	<b>1,581</b>	<b>(42,764)</b>	<b>(87,109)</b>
Non-recoverable taxes (36%)			(33,902)	1,631	(44,137)	(89,904)
<b>Total net exposure</b>			<b>(66,750)</b>	<b>3,212</b>	<b>(86,901)</b>	<b>(177,013)</b>
Hedge object	Law 4,131 Loans (object)	Increase in the USD exchange	17,769	(855)	23,134	47,122
Hedge instrument	Exchange swap	Decrease in the USD exchange	(17,769)	855	(23,134)	(47,122)
<b>Net exposure</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Impact on earnings, net of IT/SC</b>			<b>(44,055)</b>	<b>2,120</b>	<b>(57,355)</b>	<b>(116,829)</b>
USD exchange on September 30, 2024 = R\$5,4481						



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### Derivative financial instruments

#### Designated for hedge accounting

To manage its market risk, the Group manages its foreign currency exposure related to the purchase of merchandise by contracting US Dollar-based derivative financial instruments, considering the expected date the merchandise will enter Group inventory in the official budget.

The following table shows the outstanding positions by maturity date of the forward contracts (Non-Deliverable Forwards - NDF) used to hedge exchange rate risk on the date of September 30, 2024:

Contract	Maturity	Reference (notional) value - USD	Amount receivable (payable)
NDF	Oct' 2024	7,786	185
NDF	Nov' 2024	10,379	(1,428)
NDF	Dec' 2024	13,246	(1,322)
NDF	Jan' 2025	9,448	(1,152)
NDF	Feb' 2025	5,585	(536)
NDF	Mar' 2025	7,436	(417)
NDF	Apr' 2025	3,649	(289)
NDF	May' 2025	2,963	(261)
NDF	Jun' 2025	832	(110)
<b>Total NDF</b>		<b>61,324</b>	<b>(5,330)</b>
<b>Current assets</b>			<b>571</b>
<b>Current Liabilities</b>			<b>(5,901)</b>

#### Financial instruments designated for hedge accounting

The Group manages its exposure to US Dollar denominated loans through Swap transactions. This is not considered hedge accounting and is booked at fair value through earnings.

Contract	Maturity	Reference (notional) value - USD	Amount receivable (payable)
CAMBIANDF Exchange	Sep' 2026	17,689	(4,004)
<b>Total Exchange Swap</b>		<b>17,689</b>	<b>(4,004)</b>

#### b) Credit risk



*i) Cash and Cash Equivalents*

In accordance with the Group policy, cash and cash equivalents must be invested in financial institutions rated as having low credit risk.

*ii) Receivables*

In December 2021, the C&A pay card was launched, operated by subsidiary Orion until April 2023. As of May 2023, this operation is the responsibility of another subsidiary, SCD – C&A Pay Sociedade de Credito Direto. In the current operation, CCD assigns the receivables to FIDC – C&A Pay Fundos de Investimentos em Direitos Creditórios, of which C&A Modas is the sole quota holder (see Note 7.3).

Expected losses from C&A Pay operations are calculated by the Group based on in-house studies to measure percent loss based on past-due stage and time, bearing in mind the likelihood of exposure to default and the effective loss for each past-due range.

As C&A Pay operations mature, estimates and approaches may be reviewed to adjust provisions to reflect the changes in the macroeconomic scenario and/or changes in customer profiles.

The credit risk of other Group operations is minimized to the extent that assets represented by receivables from the sale of goods and services are intermediated by Bradescard and credit card companies. In the case of credit card companies, the risk is fully transferred to them, and the Group remains only with the risk of non-recognition of purchase by customers (charge-backs) for which an allowance for impairment is measured and recognized. For transactions intermediated by Banco Bradescard, there is a potential loss, contractually limited to 50% of the net doubtful receivables registered with that institution, in addition to customer chargebacks. Historically, credit losses resulting from the agreement with Banco Bradescard are smaller than the gains.

Management believes that the estimates used to make provisions for expected losses are sufficient to cover possible customer portfolio credit losses.

*c) Liquidity risk*

Based on the operation's cash cycle, Management approved a minimum cash policy to:

- i) Protect itself in times of uncertainty;
- ii) Ensure execution of its investment and expansion strategy;
- iii) Ensure that a dividend distribution policy is maintained.

Management constantly monitors the expected demands on the liquidity of the Group and that of its subsidiary to ensure they have sufficient cash to meet their operational needs, investment plans and financial obligations. The Group invests excess cash in financial assets with floating interest rates and daily liquidity (CDBs, repo transactions, and private credit investment funds that comply with the investment policy approved by Management). The Group also invests in LFTs (Treasury Bonds) (Note 7), that may or may not be kept until



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they mature. Those that are kept until maturity are registered at amortized cost, and those available for sale at fair value.

The following table summarizes the maturity profile of the Group's financial liabilities:

On September 30, 2024	Less than 1 year	1 to 5 years	More than 5 years	Total
Lease liabilities	535,754	677,418	361,407	1,574,579
Loans	293,847	1,136,816	-	1,430,663
Suppliers	1,592,643	524	-	1,593,167
Obligations - Forfait	286,511	-	-	286,511
<b>Total</b>	<b>2,708,755</b>	<b>1,814,758</b>	<b>361,407</b>	<b>4,884,920</b>

### 32.4. Capital management

The Group's capital management aims to ensure the maintenance of a structure to fund its operations.

The Group manages its capital structure by making suitable adjustments to changes in economic conditions. To keep this structure adjusted, the Group may pay dividends and take out loans. There were no changes in the capital structure objectives, policies, or processes in the period ending September 30, 2024.

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
<b>Net Debt excluding Lease Liabilities</b>				
Short and long-term loans and debentures	1,430,663	1,687,854	1,430,663	1,687,854
Cash and cash equivalents	(763,291)	(1,130,245)	(949,116)	(1,155,588)
Financial investments	-	-	(199,023)	(191,587)
Net debt (cash)	667,372	557,609	282,524	340,679
Non-controlling interests	-	-	4	3
Total shareholder's equity	3,180,772	3,012,716	3,180,776	3,012,719
Financial leverage index	21%	19%	9%	11%

On September 30, 2024, the balance of lease liabilities was R\$ 1,574,579 (R\$1,711,423 on December 31, 2023). If lease liabilities are included in the capital management calculations, leverage would be 70%, as follows:

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
<b>Net Debt including Lease liabilities</b>				
Net debt (cash)	667,372	557,609	282,524	340,679
Lease liabilities	1,574,579	1,711,423	1,574,579	1,711,423
Adjusted net debt	2,241,951	2,269,032	1,857,103	2,052,102
Total shareholder's equity	3,180,772	3,012,716	3,180,776	3,012,719
Financial leverage index	70%	75%	58%	68%





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### 32.5. Changes in liabilities associated with financing activities in the consolidated Group figures:

	December 31, 2023	Cash flows	Interest incurred	Re-measurements of lease liabilities (i)	Other (ii)	September 30, 2024
Leases	<b>1,711,423</b>	(384,165)	120,221	58,131	68,969	<b>1,574,579</b>
Loans and debentures	<b>1,687,854</b>	(406,271)	142,741	-	6,339	<b>1,430,663</b>
<b>Total</b>	<b>3,399,277</b>	<b>(790,436)</b>	<b>262,962</b>	<b>58,131</b>	<b>75,308</b>	<b>3,005,242</b>

(i) This refers to the annual re-measurement of inflation adjustments on minimal lease payments as per the respective agreements and lease renewals;

(ii) "Other" refers primarily to the exchange variation of foreign currency loans in the amount of R\$ 3,630, and new, ended, and renewed lease agreements

## 33. Insurance Purchased

The Group has a policy of keeping insurance coverage in the amount that Management considers appropriate to cover possible risks to its property and equipment (basic coverage: fire, lightning, explosion and other property and equipment policy coverage), inventories, civil liability and transportation of goods. Below is the maximum indemnity limit for each coverage:

	Consolidated	
	09/30/2024	12/31/2023
Civil Liability and D&O	<b>315,366</b>	313,688
Property and Inventory	<b>538,520</b>	529,900
Shipping	<b>64,873</b>	66,270
Cyber Risk Insurance	<b>50,000</b>	50,000
	<b>968,759</b>	959,858

## 34. Retirement plan

### 34.1. Accounting policy

The Company sponsors Cyamprev - Sociedade de Previdência Privada, a closed capital private pension company that provides private pension plans for the employees of its sponsors. In essence, the pension plans sponsored by the Company are structured as defined contribution plans e pension plan contributions are made by active participants and/or the sponsor. The plans ensure a minimum benefit paid out in a single installment at the end of their employment link and eligibility for retirement. Contributions to the plans for this minimum benefit are made exclusively by the Company.



Benefit plans are reviewed at the end of each fiscal period to check if contributions are sufficient for forming the necessary reserves to honor current and future commitments. Actuarial losses and gains are recognized on an accrual basis.

In accordance with CPC 33/IAS19, approved by CFC Resolution 1,193/09, the Company recognizes an actuarial asset when: (a) the Company controls a resource, which is the ability to use the surplus to generate future benefits, (b) that control is a result of past events (contributions paid by the Company and service rendered by the employee), and (c) future economic benefits are available to the Company in the form of a reduction in future contributions.

#### **34.2. Retirement plan**

On September 30, 2024, the Company contributed R\$ 1,068 (R\$ 1,600 on September 30, 2023) to the plans, booked as expenses in earnings in the period. The total number of participating employees on September 30, 2024 was 3,836 (4,500 on December 31, 2023), with 205 participants under care (192 on December 31, 2023).

On September 30, 2024 the fair value of the plan assets related to the minimum benefit described above exceeded the actuarial present value of the accumulated benefit obligations by approximately R\$ 622 (R\$ 303 on December 31, 2023).



### 35. Earnings per share

Basic earnings per share are obtained by dividing profit attributable to the owners of common shares (numerator) by the weighted average number of outstanding shares (common shares in the hands of shareholders) (denominator) during the period.

Diluted earnings per share are obtained by dividing net profit attributable to the owners of common shares (numerator) by the weighted average number of outstanding shares in the period plus the weighted average number of common shares that would be issued if all potential diluted common shares were converted into common shares.

Equity instruments that should or could be settled only as Company shares are included in the calculation if their settlement would have a dilution effect on earnings per share.

The following chart shows the determination of net profit available to the holders of common shares, and the weighted average of outstanding common shares used to calculate basic and diluted earnings (loss) per share in each period:

	09/30/2024	09/30/2023
<b>Basic earnings per share</b>		
Net Profit (Loss) for the Period	197,532	(166,345)
Weighted average of the number of common shares	304,920,942	305,594,568
Basic profit per share - R\$	0.6478	(0.5443)
<b>Diluted earnings per share</b>		
Net Profit (Loss) for the Period	197,532	(166,345)
Weighted average of the number of outstanding common shares	304,920,942	305,594,568
Weighted average of the options granted as part of the stock-based compensation plan	4,207,607	-
Weighted average of the diluted number of common shares	309,128,549	305,594,568
Diluted profit per share - R\$	0.6390	(0.5443)

The only financial instrument providing dilution is the stock-based compensation plan, described in detail in Note 10.

On September 30, 2024 the share-based compensation plan provided dilution (on September 30, 2023 it provided an anti-dilution effect, which is why it was not considered in the calculation shown above).



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### 36. Non-cash transactions

On September 30, 2024, the non-cash investment and financing transactions were:

- (i) purchase of property and equipment, in the amount of R\$ 11,104 (R\$ 7,040 in 2023).
- (ii) purchase of intangible assets, in the amount of R\$ 11,083 (R\$ 13,580 in 2023).
- (iii) recognition of lease liabilities as a counter-entry to the right to use the asset, where new agreements amounted to R\$ 68,891 (R\$ 132,643 in 2023), remeasurements amounting to R\$ 58,131 (R\$ 135,513 in 2023), and terminated or closed agreements in the amount of R\$ 4,448 (R\$ 2,581).

	Parent Company and Consolidated	
	09/30/2024	12/31/2023
Purchase of property and equipment	(11,104)	7,040
Purchase of intangible assets	11,083	13,580
New right-of-use agreements	68,969	132,643
New lease liability agreements	(68,969)	(132,643)
Remeasurements of right-of-use agreements	58,131	135,513
Remeasurement of lease liabilities	(58,131)	(135,513)
Closed/terminated lease agreements	(4,448)	(2,581)

### 37. Subsequent events

#### 37.1 Commercial notes issue:

On October 28, the document issuing the Company's 5th (fifth) book-entry commercial notes in a single series, totaling R\$ 80 million was signed. These will pay interest in the amount of 100% of the DI plus 1.40% annually, with a 24-month term. Settlement will occur by the end of November 2024, and the conclusion of this public offering will take place within 5 days from the settlement date

The net funds resulting from this transaction shall be entirely used for the day-to-day management of Company business.