Interim Financial Statements 1Q25

Interim Financial Statement

C&A Modas S.A.

March 31, 2025 and 2024
and the Report of the Independent Auditor

C&A Modas S.A.

Interim Financial Statement

March 31, 2025 and 2024

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São Paulo Corporate Towers
Presidente Juscelino Kubitschek, 1.909
Vila Nova Conceição
04543-011 - São Paulo – SP - Brasil

Phone: +55 11 2573-3000
ey.com.br

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)

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 March 31, 2025, which comprises the statement of financial position as of March 31, 2025 and the related statements of profit or loss, of comprehensive income (loss), of changes in equity and of cash flows for the three-month period then ended including the explanatory notes, including material accounting policies and other instructive information.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Standard CPC 21 Interim Financial Reporting, and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) (currently referred to by the IFRS Foundation as "IFRS accounting standards"), 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.

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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 Accounting Standard CPC 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 three-month period ended March 31, 2025, 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 Accounting Standard CPC 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, May 07, 2025.

ERNST & YOUNG

Auditores Independentes S.S. Ltda.

CRC-2SP034519/O

Flávio Serpejante Peppe

Partner

C&A Modas S.A.

Statements of Financial Position
On March 31, 2025 and December 31, 2024
(In thousand Reals)

		Parent Company		Consolidated	
	Note	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Assets					
Current					
Cash and cash equivalents	6	**1,046,571**	1,262,270	**1,192,899**	1,403,225
Bonds and securities	7	**-**	-	**327,921**	169,310
Trade receivables	8	**621,623**	1,076,795	**1,202,124**	1,862,821
Inventory	11	**1,180,869**	1,032,231	**1,180,869**	1,032,231
Taxes recoverable	12	**409,388**	469,885	**411,030**	470,354
Derivatives	34.2	**798**	18,255	**798**	18,255
Other Assets	14	**44,757**	37,186	**44,797**	37,197
Total current assets		**3,304,006**	3,896,622	**4,360,438**	4,993,393
Non-current assets					
Long-term assets					
Bonds and securities - FIDC	7	**800,641**	854,604	**-**	-
Deferred taxes	15	**566,437**	544,580	**548,183**	530,141
Taxes recoverable	12	**1,068,858**	1,127,692	**1,068,858**	1,127,692
Judicial deposits	13	**129,071**	144,935	**129,077**	144,940
Derivatives	34.2	**4,047**	6,551	**4,047**	6,551
Other Assets	14	**5,139**	4,752	**5,139**	4,752
Total long-term assets		**2,574,193**	2,683,114	**1,755,304**	1,814,076
Investments	16	**198,309**	187,647	**-**	-
Property and Equipment	17	**808,606**	823,714	**808,606**	823,714
Right-of-use assets - leases	20	**1,492,846**	1,529,909	**1,492,846**	1,529,909
Intangible assets	18	**862,822**	892,807	**863,607**	892,807
Total non-current assets		**5,936,776**	6,117,191	**4,920,363**	5,060,506
Total assets		**9,240,782**	10,013,813	**9,280,801**	10,053,899

See accompanying notes.

C&A Modas S.A.

Statements of Financial Position
On March 31, 2025 and December 31, 2024
(In thousand Reals)

		Parent Company		Consolidated	
	Note	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Net liabilities and equity					
Current					
Suppliers	21	**1,703,435**	1,877,357	**1,715,904**	1,889,243
Obligations forfait liabilities	22	**190,272**	350,043	**190,272**	350,043
Loans and debentures	23	**585,225**	456,541	**585,225**	456,541
Leases	20	**359,412**	352,734	**359,412**	352,734
Labor liabilities	24	**281,451**	276,780	**284,721**	279,826
Interest on shareholder's equity and dividends payable	29	**101,934**	101,934	**101,934**	101,934
Taxes payable	25	**57,769**	373,489	**60,127**	375,899
Derivatives	34.2	**15,306**	319	**15,306**	319
Other liabilities	27	**23,218**	24,033	**42,046**	43,733
Total current liabilities		**3,318,022**	3,813,230	**3,354,947**	3,850,272
Non-current assets					
Suppliers	21	**75**	218	**75**	218
Loans and debentures	23	**858,562**	1,041,472	**858,562**	1,041,472
Leases	20	**1,424,637**	1,474,142	**1,424,637**	1,474,142
Labor liabilities	24	**27,806**	20,310	**27,806**	20,310
Taxes payable	25	**15,531**	15,389	**15,531**	15,389
Provisions for tax, civil, and labor risks	26	**279,189**	290,012	**282,281**	293,052
Other liabilities	27	**54,410**	50,556	**54,410**	50,556
Total non-current liabilities		**2,660,210**	2,892,099	**2,663,302**	2,895,139
Total liabilities		**5,978,232**	6,705,329	**6,018,249**	6,745,411
Equity					
Capital stock	28	**1,847,177**	1,847,177	**1,847,177**	1,847,177
Shares in Treasury	28	**(70,404)**	(34,365)	**(70,404)**	(34,365)
Capital reserve		**53,183**	49,287	**53,183**	49,287
Profit reserve		**1,439,134**	1,439,134	**1,439,134**	1,439,134
Other comprehensive income		**(10,614)**	7,251	**(10,614)**	7,251
Accumulated profits		**4,074**		**4,074**	
Total controlling shareholders		**3,262,550**	3,308,484	**3,262,550**	3,308,484
Total non-controlling shareholders		**-**	-	**2**	4
Total equity		**3,262,550**	3,308,484	**3,262,552**	3,308,488
Total liabilities and equity		**9,240,782**	10,013,813	**9,280,801**	10,053,899

See accompanying notes.

C&A Modas S.A.

Statements of earnings
Quarters ending March 31, 2025 and 2024
(In thousand Reals - R$, except earnings per share)

		Parent Company		Consolidated	
	Note	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Net revenue	30	**1,534,543**	1,362,865	**1,612,082**	1,453,008
Sales of goods and services		**1,511,939**	1,334,376	**1,515,622**	1,339,140
Financial Products and Services		**22,604**	28,489	**96,460**	113,868
Cost of goods sold and services rendered	31	**(739,982)**	(682,690)	**(740,084)**	(682,659)
Sales of goods and services		**(739,924)**	(682,614)	**(739,924)**	(682,531)
Financial Products and Services		**(58)**	(76)	**(160)**	(128)
Gross Profit		**794,561**	680,175	**871,998**	770,349
Operating revenue (expenses):					
Sales	31	**(560,321)**	(521,702)	**(566,772)**	(534,013)
General and administrative	31	**(217,927)**	(203,396)	**(218,236)**	(203,767)
Net credit losses	8.6	**-**	-	**(29,640)**	(41,004)
Share of profit of subsidiaries	16	**10,103**	4,526	**-**	-
Other net operating income (expenses)	31	**16,397**	64,313	**16,397**	64,317
Profit before financial results		**42,813**	23,916	**73,747**	55,882
Exchange variation		**2,216**	(1,931)	**2,216**	(1,931)
Finance expenses		**(156,437)**	(153,354)	**(145,749)**	(144,737)
Finance income		**56,860**	139,471	**56,663**	139,435
FIDC C&A Pay Earnings		**46,037**	41,582	**-**	-
Earnings from Bonds and Securities		**-**	-	**9,727**	3,334
Finance results	32	**(51,324)**	25,768	**(77,143)**	(3,899)
Profit/(loss) before income taxes		**(8,511)**	49,684	**(3,396)**	51,983
Income taxes	15	**12,585**	21,170	**7,468**	18,871
Net income for the period		**4,074**	70,854	**4,072**	70,854
Attributable to the shareholders:					
Non-controlling				**(2)**	-
Controlling				**4,074**	70,854
				4,072	70,854
Basic profit per share in R$	37			**0.0136**	0.2303
Diluted basic profit per share in R$	37			**0.0134**	0.2278

See accompanying notes.

C&A Modas S.A.

Statement of comprehensive income (loss)
Quarters ending March 31, 2025 and 2024
(In thousand Reals - R$)

		Parent Company		Consolidated	
	Note	**03/31/2025**	**03/31/2024**	**03/31/2025**	**03/31/2024**
Net income for the period		**4,074**	70,854	**4,072**	70,854
Other comprehensive results:					
Gains (losses) from derivatives		**(27,273)**	1,412	**(27,273)**	1,412
Other comprehensive income	(a)	**135**	52	**135**	52
Tax effects		**9,273**	(480)	**9,273**	(480)
Total comprehensive results to be reclassified to results for the period in subsequent periods, net of taxes		**(17,865)**	984	**(17,865)**	984
Total comprehensive results Attributable to the shareholders:		**(13,791)**	71,838	**(13,793)**	71,838
Non-controlling				(2)	-
Controlling				(13,791)	71,838
				(13,793)	71,838

(*) this is due to the mark-to-market adjustment of C&A Pay SCD LFTs

See accompanying notes.

C&A Modas S.A.

Statements of changes in equity
Quarters ending March 31, 2025 and 2024
(In thousand Reals - R$)

				Capital reserve		Profit reserve				Other comprehensive income				
	Note	Capital stock	Shares in Treasury	Capital reserve	Other capital reserves	Legal reserve	Reserves for unrealized gains	Reserve for tax incentives	Reserve for investments	Equity valuation adjustments	Accumulated Profit (Loss) accumulated	Total controlling interests	Non-controlling interests	Total shareholder's equity
On December 31, 2023 - Resubmitted (*)		1,847,177	(8,498)	10,516	39,363	65,208	75,720	14,560	947,612	(586)	-	2,991,072	3	2,991,075
Equity instruments granted - share-based compensation	11	-	-	-	3,159	-	-	-	-	-	-	3,159	-	3,159
Non-exercised options (i)		-	6,495	-	(13,950)	-	-	-	-	-	-	(7,455)	-	(7,455)
Destination of earnings:						-	-	-	-					
Net income for the period		-	-	-	-	-	-	-	-	-	70,854	70,854	-	70,854
Other comprehensive income		-	-	-	-	-	-	-	-	984	-	984	-	984
On March 31, 2024 - Resubmitted (*)		1,847,177	(2,003)	10,516	28,572	65,208	75,720	14,560	947,612	398	70,854	3,058,614	3	3,058,617
On December 31, 2024		**1,847,177**	**(34,365)**	**10,516**	**38,771**	**87,832**	**75,720**	**36,677**	**1,238,905**	**7,251**	**-**	**3,308,484**	**4**	**3,308,488**
Equity instruments granted - share-based compensation	11	**-**	**-**	**-**	**3,896**	**-**	**-**	**-**	**-**	**-**	**-**	**3,896**	**-**	**3,896**
Share buy-back		**-**	**(36,039)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(36,039)**	**-**	**(36,039)**
Destination of earnings:														
Net income for the period			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,074**	**4,074**	**(2)**	**4,072**
Other comprehensive income			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(17,865)**	**-**	**(17,865)**		**(17,865)**
On March 31, 2025		**1,847,177**	**(70,404)**	**10,516**	**42,667**	**87,832**	**75,720**	**36,677**	**1,238,905**	**(10,614)**	**4,074**	**3,262,550**	**2**	**3,262,552**

(i) In March 2024, stock options in the PSU 2021 compensation plan were exercised (see changes in note 10)
(*) Statements include the effects mentioned in note 2.4.

See accompanying notes.

C&A Modas S.A.

Statements of cash flow
Quarters ending March 31, 2025 and 2024
(In thousand Reals - R$)

	Note	Parent Company		Consolidated	
		03/31/2025	03/31/2024	03/31/2025	03/31/2024
Operating activities			Resubmitted (*)		Resubmitted (*)
Income (loss) before income tax		(8,511)	49,684	(3,396)	51,983
Adjustments to reconcile income before income taxes to net cash flows:					
Allowance (reversal) for expected credit losses	8.5	612	119	31.950	45,845
Adjustment to present value of accounts receivables and suppliers		1,271	(726)	1,271	(726)
Expenses with stock-based compensation	10	3,896	3,159	3,896	3,159
Allowance (reversal) for expected inventory losses	11.3	20,091	16,673	20,091	16,673
Gains/Recognition of tax claims	12.2.1.4	(17,850)	(168,123)	(17,850)	(168,123)
Share of profit of subsidiaries	16.2	(10,103)	(4,526)	-	-
Depreciation and amortization	17.3 and 18.3	85,789	89,381	85,789	89,404
Allowance (Reversal) for impairment	19.2	(9,640)	12,048	(9,640)	12,048
Losses from the sale or write-off of property and equipment and intangible assets		9,281	(688)	9,281	(688)
Right-of-use amortization	20.4	92,072	90,750	92,072	90,750
Write-off of lease liabilities	20.4	(7,335)	(4,448)	(7,335)	(4,448)
Interest on leases	20.4	47,003	42,927	47,003	42,927
Expenses with loans and debentures	23.4	42,314	54,668	42,314	54,668
Interest on trade receivables	32	20,685	16,370	20,685	16,370
Derivative operations		7,675	-	7,675	-
Provisions for tax, civil, and labor losses		10,585	(12,656)	10,637	(11,809)
Update of judicial deposits		(1,914)	(4,667)	(1,914)	(4,667)
Yield from investments in bonds and securities		-	-	(9,726)	(3,558)
Variations in assets and liabilities:					
Trade receivables		458,730	423,388	633,476	473,391
Inventory		(173,309)	(190,381)	(173,309)	(190,464)
Suppliers		(102,484)	(204,374)	(101,901)	(203,455)
Obligations forfait liabilities		(159,771)	(115,887)	(159,771)	(115,887)
Taxes, Fees, and Contributions		(137,065)	(86,203)	(137,780)	(88,148)
Labor liabilities		12,167	22,148	12,391	23,890
Tax, civil, and labor claims		(21,408)	(9,960)	(21,408)	(10,489)
Judicial deposits		17,778	638	17,777	659
Other liabilities		(2,024)	5,429	(2,897)	4,690
Other Assets		(7,958)	4,179	(7,987)	4,185
Bonds and securities		53,963	(48,082)	(148,885)	10,148
Income Tax and Social Contribution paid		(41,332)	(44,839)	(43,143)	(44,911)
Net cash flow from operating activities		**183,208**	(63,999)	**189,366**	93,417
Investment activities					
Purchase of property and equipment	17	(92,379)	(16,277)	(92,379)	(16,277)
Purchase of intangible assets	18	(41,677)	(38,587)	(42,462)	(38,587)
Receivables from the sale of property and equipment		34	690	34	690
Cash flow used in investment activities		**(134,022)**	(54,174)	**(134,807)**	(54,174)
Financing activities					
Loan/debenture transaction costs	23	(133)	(160)	(133)	(160)
Repayment of loan principals	23	(40,200)	(20,000)	(40,200)	(20,000)
Interest paid on loans	23	(56,207)	(28,350)	(56,207)	(28,350)
Payment of the principal and interest on leases	20	(132,306)	(128,639)	(132,306)	(128,639)
Share buy-back	28.3	(36,039)	-	(36,039)	-
Cash flow from financing activities		**(264,885)**	(177,149)	**(264,885)**	(177,149)
Net reduction in cash and cash equivalents		**(215,699)**	(295,322)	**(210,326)**	(137,906)
Cash and cash equivalents at the start of the period		**1,262,270**	1,130,245	**1,403,225**	1,155,588
Cash and cash equivalents at the end of the period		**1,046,571**	834,923	**1,192,899**	1,017,682

(*) Statements include the effects mentioned in note 2.4.

See accompanying notes.

C&A Modas S.A.

Statements of value added
Quarters ending March 31, 2025, and 2024
(In thousand Reals - R$)

	Parent Company		Consolidated	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Revenue				
Sales of goods and services	2,035,299	1,793,676	2,113,994	1,884,559
Other operating revenue	7,923	79,468	7,923	79,471
Provisions for the loss of property and equipment	13	113	(29,627)	(40,892)
	2,043,235	1,873,257	**2,092,290**	1,923,138
Inputs acquired from third parties				
Cost of sales and. services. Sold	(731,444)	(659,024)	(731,444)	(658,940)
Materials, energy, third party services, and others	(255,028)	(200,500)	(258,981)	(208,281)
Provisions for the loss of property and equipment	4,729	(32,201)	4,729	(32,201)
	(981,743)	(891,725)	**(985,696)**	(899,422)
Gross Value Added	**1,061,492**	981,532	**1,106,594**	1,023,716
Depreciation and amortization	(85,860)	(89,382)	(85,860)	(89,405)
Depreciation of right-of-use	(92,072)	(90,749)	(92,072)	(90,749)
Withholdings	**(177,932)**	(180,131)	**(177,932)**	(180,154)
Net value added generated	**883,560**	801,401	**928,662**	843,562
Value added received through transfer				
Share of profit of subsidiaries	10,103	4,526	-	-
Finance income	125,794	189,522	90,035	151,773
	135,897	194,048	**90,035**	151,773
Total value added for distribution	**1,019,457**	995,449	**1,018,697**	995,335
Distribution of value added				
Personnel and payroll charges	**243,600**	232,065	**246,100**	236,300
Direct compensation	171,737	171,865	173,739	175,414
Benefits	38,006	37,261	38,235	37,425
F.G.T.S.	14,769	17,128	14,923	17,238
Other	19,088	5,811	19,203	6,223
Taxes, Fees, and Contributions	**542,807**	457,262	**550,236**	461,531
Federal	175,325	147,197	182,558	151,285
State	352,110	293,996	352,110	293,996
Municipal	15,372	16,069	15,568	16,250
Debt remuneration	**228,976**	235,268	**218,289**	226,650
Rentals	56,896	60,760	56,896	60,760
Finance expenses	172,080	174,508	161,393	165,890
Compensation on equity	**4,074**	70,854	**4,072**	70,854
Profit/(Loss) for the period	4,074	70,854	4,072	70,854
Distribution of value added	**1,019,457**	995,449	**1,018,697**	995,335

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 44.36% 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:

Retail Marketing:

I. 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:

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

The Group sells its merchandise in 332 stores (332 stores on December 31, 2024), supplied by 3 distribution centers in the states of São Paulo, Rio de Janeiro, and Santa Catarina, as well as one logistics operation. 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, was 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 March 31 2025 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.

On May 7, 2025, the Board of Directors authorized the issuing of the individual and consolidated interim financial statements for the period ended March 31, 2025.

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.

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 recorded 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)

Submission of an individual and consolidated Statement of Added Value (SAV) is a requirement of Brazilian Accounting Standard NBC TG 09 - Statement of Added Value - applicable to publicly-held companies. IFRS does not require submission 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. Restatement of Interim Financial Information for Enhanced Presentation

Following the disclosure of the interim financial statements for the quarter ended March 31, 2024, Management identified the need to enhance the presentation of the financial statements, specifically regarding the line items “interest on trade payables” and “related party transactions.” The adjustments were made for the following reasons:

1. **Interest on Trade Payables**: Interest incurred but not yet paid to suppliers, which was previously presented under the line item “trade payables,” has been reclassified to “interest on trade payables.” This adjustment affected only the reallocation of amounts within line items in the statement of cash flows and had no impact on cash generated from operating activities.

2. **Related Party Transactions:** Balances from transactions with related parties, previously presented under “related parties,” have been reclassified to the respective accounts that reflect the nature of the underlying transactions. This adjustment likewise affected

only the reallocation of amounts within the statement of cash flows and did not impact cash flows from operating activities.

Additionally, due to the restatement of the 2023 income statement related to the correction of lease liabilities, the Group is also restating the opening balance of the Statement of Changes in Shareholders' Equity for 2024.

(In thousand Reals unless otherwise stated)

2.4.1. Statement of changes in shareholder's equity

				Capital reserve			Other comprehensive income				
	Adjustment	Capital stock	Shares in Treasury	Capital reserve	Other capital reserves	Profit reserve	Equity valuation adjustments	Accumulated Profit (Loss) accumulated	Total controlling interests	Non-controlling interests	Total shareholder's equity
Opening balance on January 1, 2024	(a)	1,847,177	(8,498)	10,516	39,363	1,124,744	(586)	-	3,012,716	3	3,012,719
Adjustments to correct errors, net of taxes	(a)	-	-	-	-	(21,644)	-		(21,644)	-	(21,644)
On January 1, 2024 - Resubmitted (*)		1,847,177	(8,498)	10,516	39,363	1,103,100	(586)		2,991,072	3	2,991,075
Equity instruments granted - share-based compensation		-	-	-	3,159	-	-	-	3,159	-	3,159
Exercised share options		-	6,495	-	(13,950)	-	-	-	(7,455)	-	(7,455)
Destination of earnings:											
Net income for the period		-	-	-	-	-	-	70,854	70,854	-	70,854
Other comprehensive income		-	-	-	-	-	984	-	984	-	984
On March 31, 2024 - Resubmitted (*)		1,847,177	(2,003)	10,516	28,572	1,103,100	398	-	2,991,072	3	2,991,075

(*) Statements include the effects mentioned in note 2.4.

(In thousand Reals unless otherwise stated)

2.4.2.Statements of cash flow

		Parent Company			Consolidated		
		03/31/2024			03/31/2024		
	Adjustment	Disclosed	Adjustment	Resubmitted (*)	Disclosed	Adjustment	Resubmitted (*)
Operating activities							
Interest on trade receivables	(b)	-	16,370	16,370	-	16,370	16,370
Variations in assets and liabilities:							
Trade receivables	(c)	423,782	(394)	423,388	473,414	(22)	473,391
Related parties	(c)	56,932	(56,932)	-	58,226	(58,226)	-
Other credits	(c)	4,166	13	4,179	4,172	13	4,185
Suppliers	(b) and (c)	(245,367)	40,993	(204,374)	(245,321)	41,866	(203,455)
Other liabilities	(c)	5,479	(50)	5,429	4,690	-	4,690
Net cash flow from operating activities		**(63,999)**		**(63,999)**	**93,417**	**-**	**93,417**
Net increase (decrease) in cash and cash equivalents		**(295,322)**	**-**	**(295,322)**	**(137,906)**	**-**	**(137,906)**
Cash and Cash Equivalents at the start of the period		**1,130,245**	**-**	**1,130,245**	**1,155,588**	**-**	**1,155,588**
Cash and Cash Equivalents at the end of the period		**834,923**	**-**	**834,923**	**1,017,682**	**-**	**1,017,682**

(*) Statements include the effects mentioned in note 2.4.

(In thousand Reals unless otherwise stated)

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 all transactions and balances for members of the members of the same economic group. In the individual financial statements, Company investments in its affiliates are recorded using the equity method.

Consolidated interim financial statements include the operations of the Company and its subsidiaries, and the FIDC C&A Pay investment fund, given that C&A Modas owns the entirety of the quotas and is exposed to the fund's risks and benefits.

	Direct Subsidiaries		Indirect Subsidiaries	Investment Fund
Shareholding	Orion	C&A Pay Holding	C&A pay SCD	C&A pay FIDC
03/31/2025	99.99%	99.99%	99.99%	100.00%
12/31/2024	99.99%	99.99%	99.99%	100.00%

3.1. Orion Instituição de Pagamento S.A. ("Orion")

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. C&A Pay Holding Financeira Ltda ("C&A Pay Holding")

C&A Pay Holding Financeira Ltda.'s purpose of business is to hold equity in the C&A Group financial institution. It owns the controlling stake of C&A Pay Sociedade de Crédito Direto S.A., a financial institution with BACEN authorization to grant credit directly to end consumers, thus subject to the operating rules determined by this regulatory body.

3.3. C&A Pay Sociedade de Crédito Direto S.A. ("C&A Pay SCD")

C&A Pay Sociedade de Crédito Direto S.A. is a financial institution with BACEN authorization to grant credit directly to end consumers, thus subject to the operating rules determined by this regulatory body.

3.4. C&A Pay Fundo de Investimento em Direitos Creditórios não padronizados [Investment Fund in Non-Standardized Credit Rights] ("C&A Pay FIDC")

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. At the time, the Fund acquired the credit portfolio linked to C&A Pay, which had been the responsibility of Orion Instituição de Pagamento. In May 2023, credit management and concession were transferred from C&A Pay to the C&A Pay SCD, which now originates the assets and the credit rights to said fund.

4. Material accounting policies

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

4.1. New statements or statements reviewed and applied for the first time in 2025

Management analyzed the accounting standards, instructions, and pronouncements that became effective for the first time in the period starting January 1, 2025, and concluded that they do not have a significant impact on the financial statements. The Group decided against early adoption of other standards, interpretations, or amendments issued but not yet applicable.

(a) 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 in Affiliates and Jointly Controlled Entities, as per Annex "A" of said Resolution.

This standard became effective on January 1, 2025 and applies to the fiscal periods starting on or after this date, revoking CVM Resolution 118, and will have no impact on our statements.

(b) 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 became effective on January 1, 2025, and revoked CVM Resolution 124. It seeks to ensure consistency and transparency in accounting practices and align Brazilian standards to international best practices. We are currently analyzing its impact.

(c) 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 213, 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 became effective on January 1, 2025, and applies to the fiscal periods starting on or after this date, and does not impact our statements.

(d) Amendment OCPC 10 - Carbon Credits (tCO2e), Allowances, and Carbon Decarbonization Credits (CBIO)

CVM Resolution 223 makes it compulsory for traded companies to comply with OCPC guideline 10, which governs the accounting handling of carbon credits (tCO2e), emission allowances, and decarbonization bio credits (CBIO) of the Brazilian capital markets entities to ensure consistency of their financial statements and link them to the financial sustainability report approved by CVM Resolution 193/23.

This Resolution became effective on January 1, 2025, but the Company does not expect to relevantly impact its disclosures.

(e) CVM Resolution 197/2023 - Pillar Two Model Rules

Law 15,079/24 was signed to bring Brazilian legislation in line with global rules against eroding the tax base (BEPS - Pillar II project), as per OECD (Organization for Economic Cooperation and Development) terms. This law defines that, pursuant to defined calculation criteria, should the rate for Corporate Income Tax (IRPJ) plus Social Contribution on Net Income (CSLL) drop below 15%, an additional rate (top-up tax) shall apply to bring the rate up to the minimum percent taxation. This rule also became effective in January 2025, and the top-up rate is due the following year In light of recent history, it is possible that we may have to pay this top-up.

4.2. New pronouncements that are not yet applicable

(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 of financial information regarding sustainability. IFRS S1 demands information about risks and opportunities, while IFRS S2 focuses on climate aspects.

The Company is analyzing the impact of early adoption of this standard.

(b) IFRS 18 - Submission and Disclosure of Financial Statements

This standard foster better submission and disclosure of financial statements, providing investors with a more transparent and comparable analysis of company performance. The main amendments include:

I. Introduction of new categories and subtotals in the Statement of Earnings (SE) covering operating activities, investments, and financing;
II. A demand for explanatory notes on non GAAP metrics such as EBITDA;
III. Detailed presentation of the operating expenses, classified by nature.

This standard is effective as of January 1, 2027. We are currently analyzing the possible impacts of this change.

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 interim 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 & equipment and intangibles;
(b) Analysis of the recovery of values of property & equipment and intangibles;
(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 proceedings;
(h) Determination of the fair value of derivative financial instruments;
(i) Provisions for restoring stores to their original condition;
(j) Short and long-term incentives - estimates of meeting targets and pricing based on mathematical models (Monte Carlo).
(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 percent losses and costs, considering the phase the case is in. Provisions are made for claims in process in the updated amount of the claim, as calculated by the Company's legal advisors.

6. Cash and cash equivalents

6.1. Material accounting policies

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.

(In thousand Reals unless otherwise stated)

6.2. Composition of cash and cash equivalents

	Compensation	Parent Company		Consolidated	
		03/31/2025	12/31/2024	03/31/2025	12/31/2024
Cash		**3,909**	5,368	**3,909**	5,368
Banks		**12,049**	23,879	**139,451**	146,288
Cash equivalents:					
Interest yielding account	**2% to 10% of the CDI**	**26,720**	75,993	**27,109**	76,037
Bank Certificates of Deposit (*)	**99% to 103.75% of the CDI**	**1,003,893**	1,157,030	**1,022,430**	1,175,532
		1,046,571	1,262,270	**1,192,899**	1,403,225

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

7. Bonds and securities

7.1. Material accounting policies

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.

7.2. Breakdown of bonds and securities

	Index	Rate	Parent Company		Consolidated	
			03/31/2025	12/31/2024	03/31/2025	12/31/2024
Treasury Bonds (*)	**SELIC**	**100%**	**-**	-	**178,601**	160,704
FIDC C&A Pay		**100%**	**800,641**	854,604	**-**	-
Fixed Yield Investment Fund			**-**	-	**149,320**	8,606
			800,641	854,604	**327,921**	169,310
Current assets			**-**	-	**327,921**	169,310
Non-current assets			**800,641**	854,604	**-**	-

The Group 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. The Fund is governed by its own Bylaws and regulated by CVM Instructions 175/2022 and other applicable laws and regulations.

On March 31, 2025, all quotas issued by the fund were owned by C&A.

(In thousand Reals unless otherwise stated)

On March 31, 2025 and December 31, 2024 the ownership of FIDC C&A Pay broke down as follows:

Single series	% Fund SE	Number	Value of each quota	Amount
03/31/2025	100.00%	986,342	0.8923	880,079
12/31/2024	100.00%	986,342	0.9542	941,213

On March 31, 2025 and December 31, 2024 the ownership of FIDC C&A Pay broke down as follows:

	03/31/2025	12/31/2024
Assets		
Cash and cash equivalents	**123,375**	117,035
Financial investments	**157,008**	10,374
Trade receivables	**627,729**	868,190
Other credits	**7,688**	8,407
Total assets	**915,800**	**1,004,006**
Net liabilities and equity		
Accounts payable	**35,721**	62,793
Shareholder's Equity	**880,079**	941,213
Total liabilities and shareholder's equity	**915,800**	**1,004,006**

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

	03/31/2025	12/31/2024
FIDC Shareholder's Equity	**880,079**	**941,213**
Expected credit losses (CPC48/IFRS 9)	**(20,710)**	(24,380)
Present value adjustment	**(11,219)**	(14,901)
Consolidation adjustments	**(47,509)**	(47,328)
FIDC Shareholder's Equity - Consolidated	**800,641**	**854,604**

(*) Adjustments for consolidation are basically comprised of the difference in interest revenue recorded by the FIDC, which in turn is the result of the impact of goodwill and negative goodwill on the assignment of receivables. The portfolio of with-interest installment payments is assigned at face value, and the portfolio of without-interest installment payments is assigned at negative goodwill. This means that interest revenue in FIDC is higher than the original client interest rate. Because goodwill and negative goodwill are intra-group transactions, their effect disappears upon consolidation.

The FIDC result is booked according to Normative Instruction nº 489 of January 14, 2011, which applies to direct credit risk investment funds. For the purposes of consolidated financial statements, credit revenue and losses are calculated using IFRS/CPC rules and the Group's accounting policies.

8. Trade receivables

8.1. Material accounting policies

Trade receivables are receivables from the sale of goods to clients paid for using third-party cards and the Company's proprietary digital card through C&A Pay. Accounts receivables 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 market rates associated with the Company's risk spread. The mean rate used on March 31, 2025, was 1.12% per month (2024: 0.97% a month). 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 adjusts provisions for losses as necessary.

8.2. 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.

(In thousand Reals unless otherwise stated)

8.3. Breakdown of trade receivables

The following table breaks down trade receivables by different card operators, digital C&A Pay transactions, and other categories. The balance of trade receivables is influenced by the seasonality of the business.

	Note	Parent Company		Consolidated	
		03/31/2025	12/31/2024	03/31/2025	12/31/2024
Card operators		**548,028**	997,842	**548,028**	997,842
C&A Pay Card - related parties	(a)	**41,476**	53,276	**-**	-
C&A Pay Card - third parties		**-**	-	**982,619**	1,225,708
Present value adjustment		**(8,958)**	(13,686)	**(20,176)**	(28,587)
Expected credit losses		**(2,680)**	(2,693)	**(357,152)**	(377,040)
Customer accounts receivable		**577,866**	**1,034,739**	**1,153,319**	**1,817,923**
Trade receivables - business partners and related parties	(b)	**55,853**	54,152	**60,901**	56,994
Expected credit losses		**(12,096)**	(12,096)	**(12,096)**	(12,096)
Other trade receivables		**43,757**	**42,056**	**48,805**	**44,898**
Total trade receivables		**621,623**	**1,076,795**	**1,202,124**	**1,862,821**

(a) Sales using the Group's private label digital card and reimbursement of shared expenses.
(b) It includes R$262 in SCD related party accounts receivable on March 31, 2025 (R$846 in 2024), and R$36 for other business partners, also March 31, 2025 (R$ 469 in 2024)

8.3.1. Segmentation by Type of Customer:

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

Card operators

This refers to sales paid for with third-party cards.

C&A pay

This includes sales using the company's private label digital card, split into related parties and third parties.

Business Partnerships:

Commercial partner trade receivables from other companies.

8.4. Anticipation and Assignment of Receivables

8.4.1. Intragroup Receivables Anticipation

In the first quarter of 2025, a C&A Modas advanced receivables with its C&A Pay SCD subsidiary in the amount of R$474,838, at a cost of R$ 10,699 (compared to R$ 450,160 in the first quarter of 2024 2024, at a cost of R$ 8,626). The rate used in these transactions ranged from 0.84% to 1.04% monthly. (0.93% a month in the same period of 2024) These were booked as finance expenses for C&A Modas and as finance revenue for C&A Pay SCD. Intragroup transactions were eliminated in the Group consolidation (see note 32).

The Group has not carried out any credit card receivables anticipation transactions with third parties over the past two years.

8.4.2. Receivables Assignment to FIDC

In addition to receivables anticipation, SCD C&A Pay assigns receivables to the FIDC (Receivables Investment Fund) as a cash flow management strategy. The entire credit portfolio originated by SCD C&A Pay is assigned to the FIDC at a discount. This transaction impacts both financial assets and the operating results of the parent and subsidiary companies; however, these effects are eliminated upon consolidation. In the first quarter of 2025, the total value of receivables assigned amounted to R$510,941, with a recognized discount of R$11,687 (in the first quarter of 2024, the total assigned was R$504,528, with a discount of R$8,818).

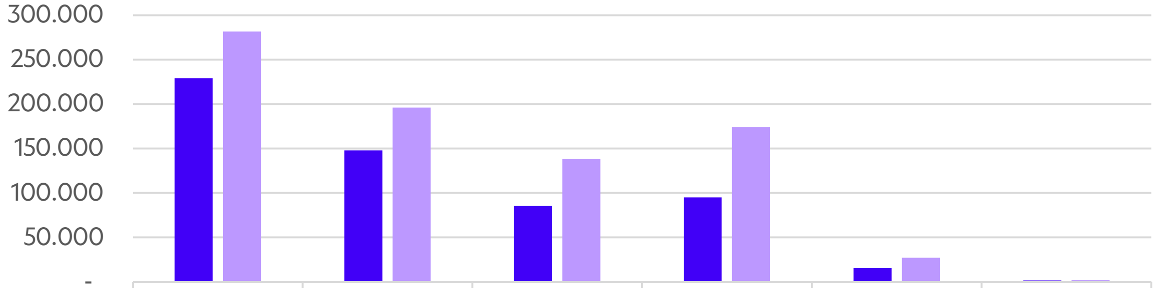
8.5. C&A Pay credit portfolio by past due range

The following table show 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.

Total in Dec '2024: 818,527
Total in **Mar '2025**: **574,552**

FIDC C&A Pay
Coming due

*in thousand Reals (R$)

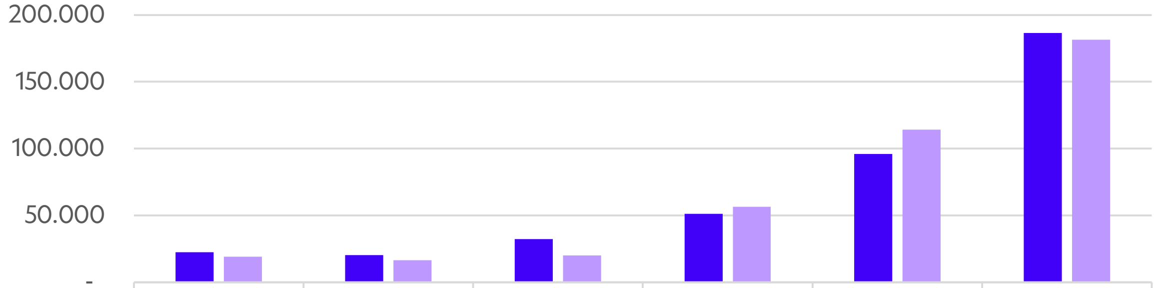


	Up to 30 days	31-60 days	61-90 days	91-180 days	181-360 days	Over 360 days
2025	229.149	147.804	85.340	94.898	15.729	1.632
2024	281.547	195.956	138.068	174.257	26.926	1.773

FIDC C&A Pay
Past due:

*in thousand Reals (R$)

Total in Dec '2024: 407,181
Total in **Mar '2025**: **408,067**



	Up to 30 days	31-60 days	61-90 days	91-180 days	181-360 days	Over 360 days
2025	22.221	20.275	32.185	51.078	95.881	* 186.426
2024	18.968	16.365	20.015	56.306	114.032	181.494

*On January 1, 2024, the Company reviewed its asset write-off period from 361 days to 721 days. On March 31, 2025, the coverage index (estimated loss/portfolio) for this range was 97.19%.

Total coming due + past due Mar/2025: 982,619
Total coming due + past due Dez/2024: 1,225,708

8.6. Expected losses in credit transactions

8.6.1. Context - C&A Pay Financial Services

Digital C&A Pay was launched in late 2021 to improve the customer buying experience and support retail sales. This private label card is 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 (ECL or Provision for Doubtful Credit) is 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 BBC 352), both of which effective since 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 consolidated results, is BACEN-regulated and strictly abides by the guidelines contained in said resolutions, reinforcing the company's commitment to regulatory compliance and prudent management of its assets.

8.6.2.Continuous Review of the PELC (Provision for Doubtful Credit) model

C&A Pay continuously reviews the model it uses for expected losses (PELC or Provision for Doubtful Credit) and proactively adjusts its provisions based on the past behavior of the credit portfolio and its macroeconomic projections. This process includes analyzing adverse economic scenarios and future trends, as required by IFRS 9/CPC48.

8.6.3.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:

I. Stage 1: Credit with no significant risk of default
II. Stage 2: Credit with a significant increase in the risk of default
III. Stage 3: Past due credit

Loss estimates increase progressively with the risk of default between stages, ensuring a prudent approach to asset measurements.

The provisions and classifications mentioned in this item, in particular those regarding assets between 361 and 720 days past due, and after 721 days write-offs, are based on current CPC 48 – IFRS 9 practices. CMN Resolution 4,966 and BCB Resolution 352, effective as of January 2025, converge with these standards.

These standards demand an approach to recognize and measure credit losses, fostering increased prudence and predictability in managing credit risk.

On March 31, 2025, the Group had 97.19% provisions for assets between 361 and 720 days past due. Thus, assets more than 720 days past due will be written off as a loss, and the provisions made reversed.

8.6.4. Material accounting policies

The Group uses IFRS 9/CPC 48 methodology, and a simplified approach to calculate expected credit losses (PECLD). 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.

The model used for expected losses includes on-balance sheet balances (active portfolio), and off-balance sheet balances (limits granted but not used). When there is no longer any expectation of recovery of past due balances, these transactions are entered as a loss (written off), in which case the associated provisions for expected losses are reversed.

Using this simplified model of expected losses 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.

8.6.5.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 (LGD): 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

Less than 30 days past due

For credit transactions classified as current, or less than 30 days past due with no significant credit risk at initial recognition.

Stage 2

31 - 90 Days past due

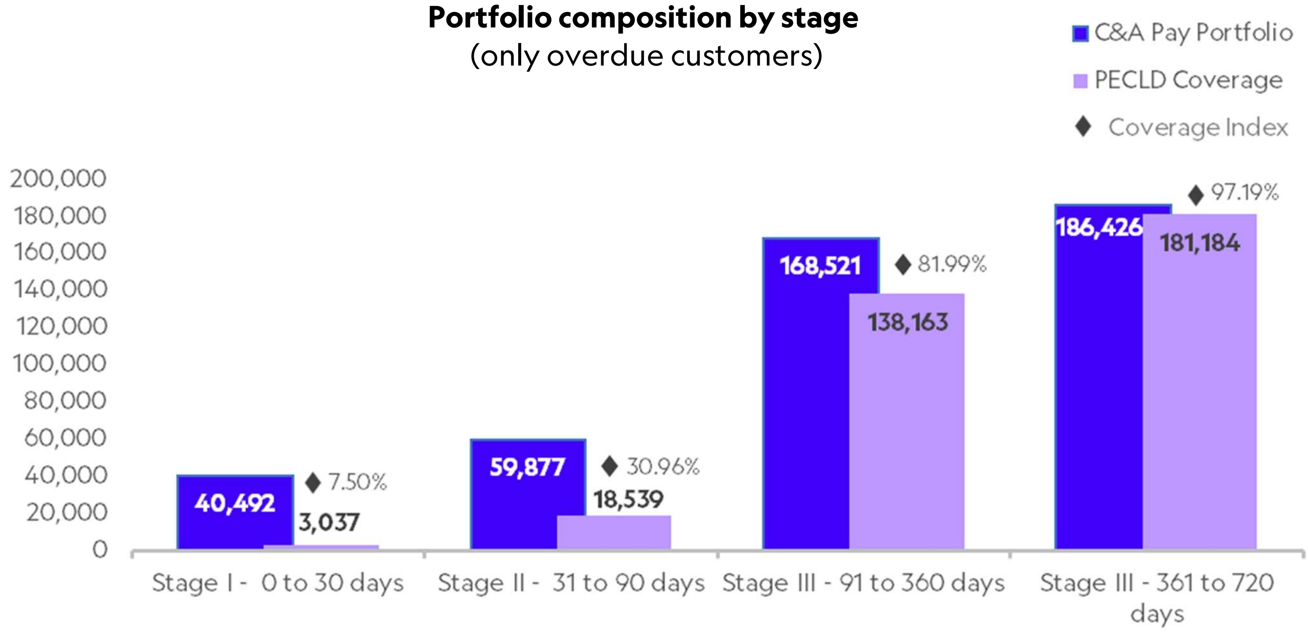
Credit transactions considered 30 to 90 days past due, or assets with significant credit risk at initial recognition.

Stage 3

Over 90 days past due

Credit transactions longer than 90 days past due, described as problematic assets reflecting higher levels of risk coverage.

Portfolio composition by stage
(only overdue customers)



(In thousand Reals unless otherwise stated)

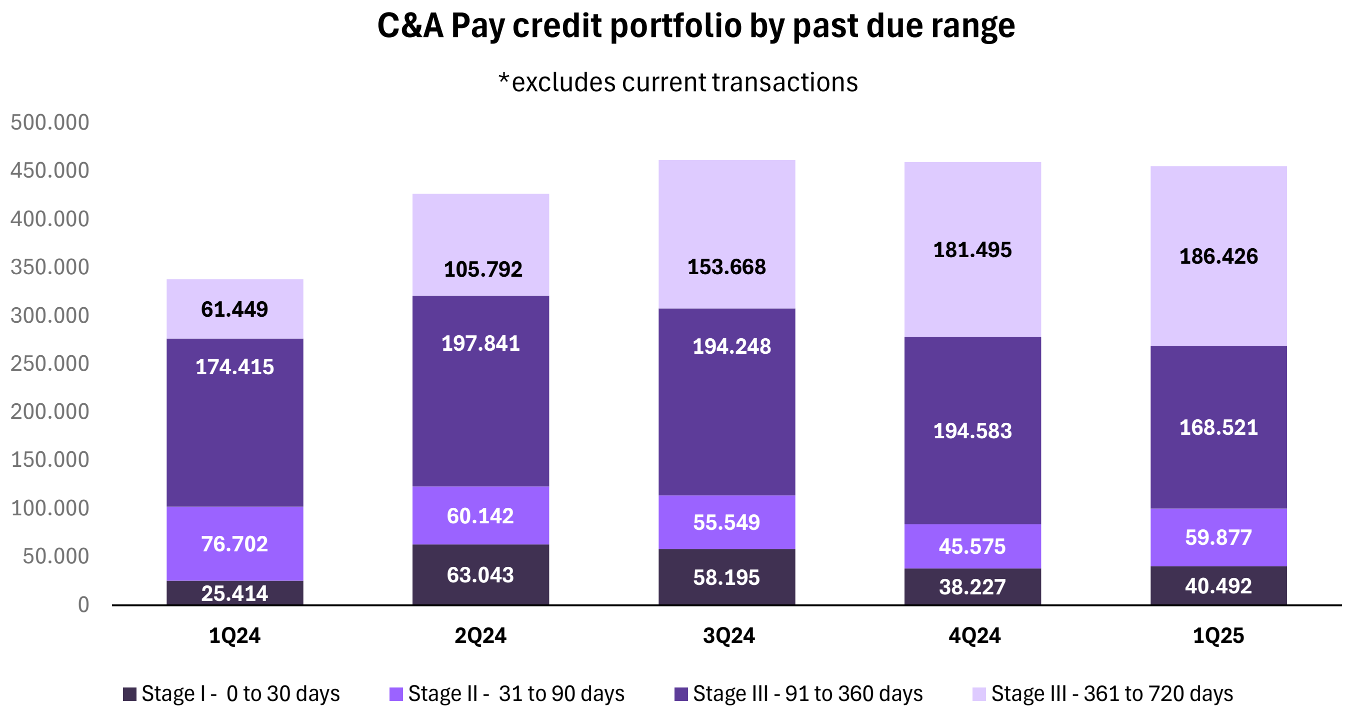
8.6.6. Portfolio Breakdown and Loss Estimates by Stage

Below is the composition of the C&A Pay credit portfolio, broken down by loss estimate 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				
	03/31/2025				
	Portfolio				
C&A Pay Credit Card (Private Label)	**Coming due**	**Past due**	**Total**	**Estimated losses**	**% Coverage**
Stage 1	**550,855**	**16,938**	**567,793**	**16,483**	**2.90%**
Current	527,301	-	527,301	13,446	
Up to 30 days	23,554	16,938	40,492	3,037	
Stage 2	**13,489**	**46,388**	**59,877**	**18,539**	**30.96%**
31 – 60 Days	8,781	15,598	24,379	5,049	
61 – 90 Days	4,708	30,790	35,498	13,490	
Stage 3 - up to 360 days past due	**10,207**	**158,314**	**168,521**	**138,163**	**81.99%**
91 - 120 Days	2,822	19,825	22,647	16,203	
121 - 150 Days	1,523	18,520	20,043	14,378	
151 - 180 Days	1,130	15,365	16,495	12,635	
181 - 360 Days	4,732	104,604	109,336	94,947	
Stage 3 - over 360 days past due	**-**	**186,428**	**186,428**	**181,184**	**97.19%**
Over 360 days	-	186,428	186,428	181,184	
On-balance portfolio	**574,551**	**408,068**	**982,619**	**354,369**	**36.06%**
Credit limit available (off-balance)	-	-	**523,705**	**103**	**0.02%**
Grand Total	-	-	**1,506,324**	**354,472**	**23.53%**
Coverage over credit portfolio					**36.07%**

(In thousand Reals unless otherwise stated)

C&A Pay Credit Card (Private Label)	C&A pay 12/31/2024 Portfolio Coming due	Past due	Total	Estimated losses	% Coverage
Stage 1	**789,854**	**14,201**	**804,055**	**22,396**	**2.79%**
Current	765,828	-	765,828	19,529	
Up to 30 days	24,026	14,201	38,227	2,867	
Stage 2	**13,135**	**32,440**	**45,575**	**14,139**	**31.02%**
31 – 60 Days	6,963	11,996	18,959	4,025	
61 – 90 Days	6,172	20,444	26,616	10,114	
Stage 3 - up to 360 days past due	**15,538**	**179,045**	**194,583**	**160,509**	**82.49%**
91 - 120 Days	3,786	20,675	24,461	17,502	
121 - 150 Days	1,987	19,186	21,173	15,187	
151 - 180 Days	1,337	17,860	19,197	14,705	
181 - 360 Days	8,428	121,324	129,752	113,115	
Stage 3 - over 360 days past due	**-**	**181,495**	**181,495**	**177,159**	**97.61%**
Over 360 days	-	181,495	181,495	177,159	
On-balance portfolio	**818,527**	**407,181**	**1,225,708**	**374,203**	**30.53%**
Credit limit available (off-balance)			**730,883**	**144**	**0.02%**
Grand Total			**1,956,591**	**374,347**	**19.13%**
Coverage over credit portfolio					**30.54%**



8.6.7. Details on the Portfolio Quality and Collection strategies

The quality of the C&A Pay credit portfolio varies by past due range. Short term receivables (up to 90 days) have the smallest risk of default and require less provisions for losses. Past due receivables

(In thousand Reals unless otherwise stated)

(91 days or more) have a greater risk of default, requiring more robust provisions and more vigorous collection strategies.

8.6.8. Estimated changes in credit losses

Below are the changes in estimated credit losses for both the 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 Note 8.6.4.

	Parent Company	Consolidated
Balance on December 31, 2023	**(15,051)**	**(199,430)**
(*) Composition	(326)	(198,678)
(-) Written-off	588	8,972
Balance on December 31, 2024	**(14,789)**	**(389,136)**
(*) Composition	(612)	(31,950)
(-) Written-off	625	51,838
Balance on March 31, 2025	**(14,776)**	**(369,248)**
Loss estimate, C&A pay	**-**	**(354,472)**
Estimate of other losses	**(14,776)**	**(14,776)**

On March 31, 2025, C&A PAY FIDC assigned its more than 720 days overdue credit card receivables portfolio, in the amount of R$ 97,145, to the NPL II Investment Fund in Non-Standard Credit Rights, resulting in a recovery of R$ 3,886 in losses, recorded as a plus in the “Net Credit Loss” line of the Group’s consolidated financial statements.

8.6.9. Management of credit loss risks

The Group uses a strict and robust policy to approve credit, which is in line with its governance and portfolio management guidelines 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 assess, credit approval management, and monitoring and managing receiving processes. In the first quarter of the year, the favorable combination of these factors resulted in R$ 22,864 received from the recovery of transactions for between 61 to 720 days transactions (R$ 18,842 in the first quarter of 2024).

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:

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

During the quarters ended March 31, 2025 and 2024 there was no need to recognize estimates for expected credit losses in 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
Parent companies			
COFRA Investments	Direct parent company	-	-
Incas SARL	Direct parent company	-	-
COFRA AG	Indirect Final Parent Company	-	-
Subsidiaries			
Orion Instituição de Pagamento S.A.	Direct Subsidiaries	Institution activities in payment arrangements and credit securitization	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
Associates			
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

(In thousand Reals unless otherwise stated)

On March 31, 2025 and December 31, 2024 the outstanding balances in related party transactions were the following:

9.1. On-balance-sheet transactions

Assets		Parent Company		Consolidated	
	Note	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Trade receivables					
C&A pay SCD	(a)	**41,737**	54,122	**-**	-
Instituto C&A	(b)	**19**	27	**19**	27
COFRA LA	(b)	**6**	6	**6**	6
Orion	(b)	**5**	430	**-**	-
Cyamprev		**6**	6	**6**	6
		41,773	54,591	**31**	39
Other assets					
C&A Services	(c)	**19**	19	**19**	19
Total related party assets		**41,792**	54,610	**50**	58

(a) Sales using the Group's private label digital card and reimbursement of shared expenses.
(b) Amount regarding expenses shared across related parties.
(c) Amount referring to license payments between related parties.

Liabilities		Parent Company		Consolidated	
	Note	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Suppliers					
C&A Sourcing	(a)	**147,320**	96,744	**147,320**	96,744
Cyamprev	(b)	**815**	1,717	**834**	1,756
COFRA LA		**21**	21	**21**	21
FIDC C&A Pay	(c)	**4,306**	4,447	**-**	-
C&A pay SCD	(d)	**128**	156	**-**	-
		152,590	103,085	**148,175**	98,521
Interest on shareholder's equity and dividends					
Interest on shareholder's equity and dividends	(e)	**53,322**	53,322	**53,322**	53,322
Total current liabilities		**205,912**	156,407	**201,497**	151,843

(a) Merchandise suppliers
(b) Amount regarding monthly social security contributions among related parties.
(c) Amounts to pass along for invoice receiving
(d) Reimbursement of expenses
(e) Net of taxes

(In thousand Reals unless otherwise stated)

9.2. Transactions in the statement of earnings for the period

	Note	Parent Company		Consolidated	
		03/31/2025	03/31/2024	03/31/2025	03/31/2024
Reimbursement of shared expenses					
Cyamprev		**17**	17	**17**	17
Instituto C&A		**40**	40	**40**	40
COFRA LA		**23**	18	**23**	18
Orion		**19**	19	**-**	-
C&A pay SCD		**272**	355	**-**	-
		371	449	**80**	75
Financial Service Expenses					
C&A pay SCD	(a)	**(49,456)**	(9,069)	-	-
		(49,456)	(9,069)	-	-
Receivables pre-payment					
C&A pay SCD		**(10,699)**	(8,626)	-	-
		(10,699)	(8,626)	-	-
Merchandise purchased					
C&A Sourcing		**(225,009)**	(163,414)	**(225,009)**	(163,414)
		(225,009)	(163,414)	**(225,009)**	(163,414)
Services purchased					
C&A Services		**(459)**	(679)	**(459)**	(679)
COFRA LA		**(63)**	(60)	**(63)**	(60)
		(522)	(739)	**(522)**	(739)
Pension fund contributions					
Cyamprev	(b)	**(540)**	(973)	**(540)**	(999)
		(540)	(973)	**(540)**	(999)

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

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

(In thousand Reals unless otherwise stated)

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

Expenses (paid and payable) associated with Officer compensation in the periods ending March 31 2025 and 2024 were as follows:

		Parent Company and Consolidated	
	Note	03/31/2025	03/31/2024
Fixed Compensation		**3,576**	3,449
Variable Compensation		**686**	458
Contributions to post-employment plans		**19**	19
Long-Term Incentives		**1,359**	1,438
Total excluding charges		**5,640**	5,364
Estimated charges	(a)	**5,733**	6,207
Total including charges		**11,373**	11,571

(a) Social charges on share-based compensation are calculated based on the value of C&A Moda 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 2025, in the amount of up to R$37,250 net of fees and charges (R$36,331 in 2024), was approved at the Ordinary and Extraordinary General Meeting of the Shareholders held on April 30, 2025.

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, 2022, 2023, and 2024 (“2019 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 March 31, 2025 was 0.56 years. The weighted average fair value of the options granted in fiscal in the first quarter of 2025 was R$ 9,14 in the original program, and R$ 1,37 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.

<u>2022 Grants</u>

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 buy option for this program may be exercised in the second half of 2025.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.

<u>2023 Grants</u>

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.

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 March 31, 2025 was 1.11 years. The fair value of the options granted is R$ 5,29.

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

(In thousand Reals unless otherwise stated)

<u>2024 Grants</u>

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 March 31, 2025 was 2.05 years. The fair value of the options granted was R$ 10,20.

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

10.1. Changes

Program	2019 Grants; 2nd replacement	2021 Grants	2022 Grants	2023 Grants	2024 Grants	Total
Balance on 12/31/2023	57,402	2,255,925	2,876,843	4,569,680	-	9,759,850
Granted	-	-	-	-	2,068,636	2,068,636
Cancelled	(28,701)	(19,032)	(202,918)	(374,621)	(178,289)	(803,561)
Exercised	-	(2,236,893)	-	-	-	(2,236,893)
Balance on 12/31/2024	28,701	-	2,673,925	4,195,059	1,890,347	8,788,032
Granted	**-**	**-**	**37,488**	**-**	**-**	**37,488**
Balance on 03/31/2025	**28,701**	**-**	**2,711,413**	**4,195,059**	**1,890,347**	**8,825,520**

(In thousand Reals unless otherwise stated)

10.2. Premises:

	2019 Grants (substitution add-ons)	2022 Grants	2023 Grants	2024 Grants
	Batch 3	Single batch	Single batch	Single batch
Pricing model	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo
Dividend yield	0.00%	0.00%	0.00%	0.00%
Risk-free rate	6.20%	12.785%	12.97%	11.00%
Share price considered	16.89	2.51	4.98	9.50
Expected lifetime of the options	10/21/2025	03/23/2025	05/10/2026	04/18/2027
Fair value on the date measured	1.37	2.66	5.29	10.20
Expected annual volatility	37.10%	57.58%	66.50%	65.04%

10.3. 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 incurred in the first quarter of 2025 and 2024 have yet to be recognized:

Expenses recognized

In the period:	2021 Grants	2022 Grants	2023 Grants	2024 Grants	Total
03/31/2025	-	688	1,699	1,508	**3,895**
03/31/2024	857	630	1,672	-	**3,159**

Expenses to be recognized

In the period:	2023 Grants	2024 Grants	Total
2025	5,119	4,306	**9,425**
2026	2,420	5,716	**8,136**
2027	-	1,691	**1,691**
Total	**7,539**	**11,713**	**19,252**

(In thousand Reals unless otherwise stated)

11. Inventory

11.1. Material accounting policies

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.

Estimates for inventory losses are created based on estimated losses considering historical data on merchandise theft, provisions for goods with negative margins, and obsolete and damaged merchandise. 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	
	03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**
Goods for resale	**1,153,189**	995,293	**1,153,189**	995,293
Merchandise sold and in transit for delivery to customers	**3,618**	1,860	**3,618**	1,860
Advances to raw material suppliers	**-**	76	**-**	76
Present value adjustment	**(24,725)**	(20,145)	**(24,725)**	(20,145)
Estimated losses	**(62,477)**	(43,180)	**(62,477)**	(43,180)
	1,069,605	933,904	**1,069,605**	933,904
Imports in transit	**111,264**	98,327	**111,264**	98,327
	1,180,869	1,032,231	**1,180,869**	1,032,231

11.3. Estimated changes in credit losses

	Parent Company and Consolidated
Balance on December 31, 2023	41,768
(+) Estimated losses	95,406
(-) Reversal due to use	(93,994)
Balance on December 31, 2024	**43,180**
(+) Estimated losses	**20,091**
(-) Reversal due to use	**(794)**
Balance on March 31, 2025	**62,477**

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".

(In thousand Reals unless otherwise stated)

12. Taxes recoverable

12.1. Material accounting policies

Taxes recoverable are taxes generated in standard Group operations, which may be offset and/or returned, and 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	
	Note	**03/31/2025**	**12/31/2024**	**03/31/2025**	**12/31/2024**
Previously unused PIS / COFINS credit	12.2.1	**787,391**	804,944	**787,391**	804,944
PIS/COFINS		**374,578**	483,947	**374,578**	483,947
Current ICMS		**133,386**	114,458	**133,386**	114,458
Legal claim ICMS	12.2.2	**109,466**	107,560	**109,466**	107,560
IT/CSLL		**47,859**	61,390	**48,925**	61,390
IRRF (WITHHOLDING TAXES)		**15,387**	20,269	**15,963**	20,738
IPI (EXCISE TAX)		**84**	15	**84**	15
Other		**10,095**	4,994	**10,095**	4,994
		1,478,246	1,597,577	**1,479,888**	1,598,046
Current assets		**409,388**	469,885	**411,030**	470,354
Non-current assets		**1,068,858**	1,127,692	**1,068,858**	1,127,692

12.2.1. Previously unused PIS / COFINS credit

(a) ICMS on the basis for calculating PIS and COFINS

The Company is involved in two lawsuits on this theme, both of which received final rulings in favor of the company on February 28, 2019, and February 23, 2022, respectively. On March 31, 2025. the updated amount of credit was R$ 370,295 (R$ 396,179 on December 31, 2024).

(b) 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 March 31, 2025, the updated credit amounted to R$ 170,133 (R$ 167,646 on December 31, 2024).

(In thousand Reals unless otherwise stated)

(c) 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 March 31, 2025 the updated balance of tax credits was R$ 166,818 (R$ 163,884 on December 31, 2024).

(d) ICMS-ST on the basis for calculating PIS and COFINS

In the case of a special appeal regarding Theme 1125, the supreme court (STJ) rendered a unanimous decisions stating that ICMS-ST is not part of the basis for calculating PIS and COFINS contributions by taxpayers using the progressive tax substitution regime. The Company is involved in two lawsuits on this theme, both of which have been the subject of favorable rulings, and are waiting for a final ruling. On March 31, 2025, the updated balance of tax credits was R$ 80,145 (R$ 77,235 on December 31, 2024).

Changes in previously unused PIS / COFINS credits:

	03/31/2025	03/31/2024
Opening balance	**804,944**	664,919
(-) Offset by	**(35,403)**	(70,183)
(+) Recognition of the principal	**3,055**	59,252
(+) Recognition of interest + updates	**14,795**	108,872
Final balance	**787,391**	762,859

During the course of the first quarter of the year, the Company offset credits resulting from lawsuits in the amount of R$ 35,403 (R$ 70,183 in the first quarter of 2024). The reduction in offsets is the result of changes in the offsetting strategy as of the 2nd half of 2024. as Law 14.873/2023 altered the interpretation of limitations on judicial credits. Thus, the Company is again calculating PIS/COFINS with its own credits, using previously unused credits to offset other federal taxes.

12.2.2. ICMS Credits

(a) 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 March 31, 2025, was R$ 88,743 (R$ 87,201 on December 31, 2024).

(In thousand Reals unless otherwise stated)

(b) 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$ 17,840 (R$ 17,476 on December 31, 2024).

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. Expected realization 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 march 31, 2025:

Year	Parent Company	Consolidated
2025	**327,315**	**327,315**
2026	**337,626**	**339,268**
2027	**493,693**	**493,693**
2028	**288,828**	**288,828**
2029 to 2031	**30,784**	**30,784**
Total	**1,478,246**	**1,479,888**
Current assets	**409,388**	**411,030**
Non-current assets	**1,068,858**	**1,068,858**

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

13. 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. These deposits are corrected using the official rates published in the country. Thus, the updated amount of the company's judicial deposits is:

	Parent Company		Consolidated	
	03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**
Tax	**106,044**	121,164	**106,044**	121,164
Labor and Civil	**23,027**	23,771	**23,033**	23,776
Total	**129,071**	144,935	**129,077**	144,940

(In thousand Reals unless otherwise stated)

13.1. 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. In the first quarter of 2025, the amount related to Social Contribution on the 10% additional on FGTS, or R$ 17,433, was converted into revenue in favor of the Federal Government (see Note 26.2a).

14. Other assets

	Parent Company		Consolidated	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Prepaid expenses - technology services	**20,087**	20,099	**20,087**	20,099
Prepaid expenses - employee benefits	**4,604**	4,604	**4,604**	4,604
Prepaid expenses - miscellaneous services	**3,945**	8,841	**3,945**	8,841
Prepaid expenses - licensed goods	**3,937**	2,875	**3,937**	2,875
Prepaid expenses - advertising	**4,062**	258	**4,062**	258
Employee advances	**4,942**	1,358	**4,982**	1,369
I.P.T.U. (PROPERTY TAX)	**4,139**	-	**4,139**	-
Insurance to appropriate	**2,549**	2,621	**2,549**	2,621
Other credits	**1,631**	1,281	**1,631**	1,281
	49,896	41,938	**49,936**	41,949
Current assets	**44,757**	37,186	**44,797**	37,197
Non-current assets	**5,139**	4,752	**5,139**	4,752

15. Income Tax and Social Contribution

15.1. Material accounting policies

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$ 20,000 a month as income tax, and 9% of taxable income for Social Contribution on Net Profits [Contribuição Social sobre o Lucro Líquido (CSLL)]. Tax losses and negative basis for social contribution are negative amounts from previous periods that may be used to offset up 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.

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.
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

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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.

15.2. Breakdown and changes in deferred taxes In the period:

			Parent Company		
			Increase/(Reduction)		
	Note	Balance on 12/31/2024	in earnings	in shareholder's equity	Balance in 03/31/2025
Tax losses carryforward		380,876	**12,967**	**-**	**393,843**
Temporary differences:					
Provisions for tax, civil, and labor risks		98,604	**(3,679)**	**-**	**94,925**
Provisions for losses in inventories and trade receivables		19,798	**6,306**	**-**	**26,104**
Provisions for loss of property and equipment and right-of-use assets		5,840	**(3,277)**	**-**	**2,563**
Provisions for profit sharing		33,841	**367**	**-**	**34,208**
CPC 6 (R2 leases		104,745	**(153)**	**-**	**104,592**
Adjustment to fair value		(2,227)	**2,227**	**-**	**-**
Expected FIDC credit losses		8,289	**(8,323)**	**-**	**(34)**
FIDC Present value adjustment		5,066	**(1,252)**	**-**	**3,814**
Stock-based compensation plan		7,170	1,324	-	**8,494**
Provisions for store closures		12,850	1,816	-	**14,666**
Other	(a)	67,141	**3,524**	**9,272**	**79,937**
Deferred tax assets		741,993	**11,847**	**9,272**	**763,112**
Previously unused credits		(181,402)	**5,389**	**-**	**(176,013)**
Present value adjustment		(16,011)	**(4,485)**	**-**	**(20,496)**
Adjustment to fair value		-	**(166)**	**-**	**(166)**
Deferred tax liabilities		(197,413)	**738**	**-**	**(196,675)**
Balance net of deferred tax assets	(b)	544,580	**12,585**	**9,272**	**566,437**

(In thousand Reals unless otherwise stated)

			Consolidated		
			Increase/(Reduction)		
	Note	Balance on 12/31/2024	in earnings	in shareholder's equity	Balance in 03/31/2025
Tax losses carryforward		380,876	**12,967**	**-**	**393,843**
Temporary differences:					
Provisions for tax, civil, and labor risks		99,637	**(3,661)**	**-**	**95,976**
Provisions for losses in inventories and trade receivables		21,014	**6,396**	**-**	**27,410**
Provisions for loss of property and equipment and right-of-use assets		5,840	**(3,277)**	**-**	**2,563**
Provisions for profit sharing		34,470	**417**	**-**	**34,887**
CPC 6 (R2) leases		104,745	**(153)**	**-**	**104,592**
Expected FIDC credit losses		8,289	**(8,323)**	**-**	**(34)**
FIDC Present value adjustment		5,066	**(1,252)**	**-**	**3,814**
Consolidation Adjustment		(17,317)	**(3,974)**	**-**	**(21,291)**
Stock-based compensation plan		7,170	**1,324**	**-**	**8,494**
Provisions for store closures		12,850	**1,816**	**-**	**14,666**
Other	(a)	67,141	**3,525**	**9,272**	**79,938**
Deferred tax assets		729,781	**5,805**	**9,272**	**744,858**
Previously unused credits		(181,402)	**5,389**	**-**	**(176,013)**
Present value adjustment		(16,011)	**(4,485)**	**-**	**(20,496)**
Adjustment to fair value		(2,227)	**2,061**	**-**	**(166)**
Deferred tax liabilities		(199,640)	**2,965**	**-**	**(196,675)**
Balance net of deferred tax assets		530,141	**8,770**	**9,272**	**548,183**

(a) Includes provisions for shipping, operating expenses, benefits, and attorney fees.

15.3. Expected realization of deferred tax assets on March 31, 2025

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

Year	Parent Company	Consolidated
2025	**150,717**	**131,937**
2026	**103,670**	**104,196**
2027	**94,865**	**94,865**
2028	**144,300**	**144,300**
2029	**128,053**	**128,053**
2030 to 2031	**105,556**	**105,556**
2032 to 2035	**35,951**	**35,951**
	763,112	**744,858**

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

(In thousand Reals unless otherwise stated)

15.4. Reconciliation of effective rate

	Note	Parent Company		Consolidated	
		03/31/2025	03/31/2024	03/31/2025	03/31/2024
Pre-tax profit/loss		**(8,511)**	49,684	**(3,396)**	51,983
Income tax and social contribution expenses at statutory rates - 34%		**2,894**	(16,893)	**1,155**	(17,674)
Adjustments to reflect the effective rate					
Share of profit of subsidiaries		**3,435**	1,510	**-**	-
Non-deductible donations		**(807)**	(950)	**(807)**	(950)
PAT (worker meal program) and the culture incentive law		**-**	-	**20**	4
Corporate gifts and non-deductible fines		**(415)**	(348)	**(415)**	(348)
IT and SC from previous periods		**-**	-	**-**	34
Undue Taxes		**7,478**	37,851	**7,478**	37,855
Operating Losses		**-**	-	**(36)**	(136)
Deferred taxes on temporary differences not constituted	(a)	**-**	-	**55**	69
Taxes calculated on that portion exempt from the additional 10%		**-**	-	**18**	17
Income Tax and Social Contribution on profits		**12,585**	21,170	**7,468**	18,871
Current		**-**	-	**(1,302)**	(354)
Deferred		**12,585**	21,170	**8,770**	19,225
		12,585	21,170	**7,468**	18,871
Effective rate		**148%**	-43%	**220%**	-36%

(a) Deferred taxes for subsidiary Orion are not constituted as its activities were transferred to C&A Pay Sociedade de Crédito Direto in 2023.

16. Investments

16.1. Material accounting policies

Company investments in its subsidiaries is 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 value of the loss as the difference between the recoverable amount in its subsidiaries and their book value, entering the loss in its statement of earnings.

16.2. Information on investments in the subsidiary

Subsidiaries	03/31/2025							
	Shareholding	Assets	Liabilities	Shareholder's Equity	Gross Revenue Gross	Net Income	Book value of the investment	Share of profit of subsidiaries
Direct								
Orion	**99.99%**	**11,869**	**(280)**	**11,589**	**438**	**427**	**11,588**	**427**
C&A Pay Holding	**99.99%**	**256,173**	**(69,450)**	**186,723**	**9,784**	**9,676**	**186,721**	**9,676**
Total							**198,309**	**10,103**
Indirect								
C&A pay SCD	**100%**	**246,855**	**(69,415)**	**177,440**	**9,784**	**9,516**	**177,440**	**9,516**
							177,440	**9,516**

(In thousand Reals unless otherwise stated)

Subsidiaries	12/31/2024							
	Shareholding	Assets	Liabilities	Shareholder's Equity	Gross Revenue	Profit Losses	Book value of the investment	Share of profit of subsidiaries
Direct								
Orion	99.99%	11,342	(604)	10,738	1,648	1,695	10,737	1,695
C&A Pay Holding	99.99%	261,309	(84,397)	176,912	49,456	33,401	176,910	33,401
Moda Lab	99.00%	-	-	-	-	(47)	-	* 36
Total							187,647	35,049

* The difference between Moda Lab losses (T$ 53) and the equity approach (R$ 55) refers to unrealized profit from inventories

Subsidiaries	Shareholding	Assets	Liabilities	Shareholder's Equity	Gross Revenue	Profit Losses	Book value of the investment	Share of profit of subsidiaries
Indirect								
C&A pay SCD	100%	252,202	(84,413)	167,789	49,456	32,844	167,789	32,844

16.3. Changes in investment

	Orion	C&A Pay Holding	Total
Balance of investments on December 31, 2024	10,737	176,910	187,647
(+/-) Share of profit of subsidiaries	**427**	**9,676**	**10,103**
(+/-) Dividends	**424**	**-**	**424**
(+/-) Other comprehensive income		**135**	**135**
Balance of investments on March 31, 2025	**11,588**	**186,721**	**198,309**

17. Property and Equipment

17.1. Material accounting policies

Assets are booked at the purchase, formation, or construction cost of the assets less recoverable taxes. This includes estimates for store revamps when no included in right-of-use, less depreciation and 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. Any changes in estimates are 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, when control is lost, or when it is no longer expected to yield any future economic benefit. 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) is included in the statement of earnings for the period in which the asset was written off.

(In thousand Reals unless otherwise stated)

17.2. Breakdown of property and equipment (Parent Company and Consolidated)

Property and Equipment	Cost	Accumulated Depreciation	Impairment	March 31, 2025
Machinery and equipment	**199,164**	**(111,623)**	**-**	**87,541**
Furniture and fixtures	**613,631**	**(386,475)**	**(2,263)**	**224,893**
IT Equipment	**294,684**	**(235,960)**	**-**	**58,724**
Vehicles	**20**	**(20)**	**-**	**-**
Leasehold improvements	**1,471,768**	**(1,042,510)**	**-**	**429,258**
Land	**126**	**-**	**-**	**126**
Construction in progress	**6,366**	**-**	**-**	**6,366**
Assets held by third parties	**227**	**-**	**-**	**227**
Estimated cost of returning stores	**3,086**	**(1,615)**	**-**	**1,471**
	2,589,072	**(1,778,203)**	**(2,263)**	**808,606**

Property and Equipment	Cost	Accumulated Depreciation	Impairment	December 31, 2024
Machinery and equipment	199,615	(110,478)	(147)	88,990
Furniture and fixtures	607,893	(376,508)	(2,926)	228,459
IT Equipment	293,980	(229,863)	(91)	64,026
Vehicles	20	(20)	-	-
Leasehold improvements	1,466,925	(1,030,631)	(2,002)	434,292
Land	126	-	-	126
Construction in progress	5,448	-	-	5,448
Assets held by third parties	227	-	-	227
Estimated cost of returning stores	3,780	(1,634)	-	2,146
	2,578,014	(1,749,134)	(5,166)	823,714

The Group has no property or equipment pledged as guarantee.

17.3. Changes in property and equipment (Parent Company and Consolidated)

	Note	Average annual depreciation rate	Balance on December 31, 2024	Additions (i)	Depreciation	Write-offs	Transfers	Reversals (provisions) Impairment	Balance on March 31, 2025
Machinery and equipment		7%	88,990	**-**	**(1,842)**	**(147)**	**393**	**147**	**87,541**
Furniture and fixtures		11%	228,459	**7,228**	**(11,162)**	**(322)**	**27**	**663**	**224,893**
IT Equipment		20%	64,026	**1,096**	**(6,497)**	**(45)**	**53**	**91**	**58,724**
Leasehold improvements	(a)	9%	434,292	**41**	**(18,130)**	**(1,999)**	**13,051**	**2,003**	**429,258**
Land		-	126	**-**	**-**	**-**	**-**	**-**	**126**
Construction in progress		-	5,448	**14,442**	**-**	**-**	**(13,524)**	**-**	**6,366**
Assets held by third parties		-	227	**-**	**-**	**-**	**-**	**-**	**227**
Estimated cost of returning stores		-	2,146	**-**	**-**	**(675)**	**-**	**-**	**1,471**
Total			823,714	**22,807**	**(37,631)**	**(3,188)**	**-**	**2,904**	**808,606**

(a) 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.

(b) In the first quarter of 2025 the Company purchased R$ 22,807 in property and equipment, R$ 16,248 of which re entered as supplier accounts payable (R$ 3,598 in the first quarter of 2024, and R$ 85,821 were paid out in 2025 for purchases made prior to December 31, 2024 (R$ 13,324 were disbursed in the first quarter of 2025 for purchases made in the previous year).

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18. Intangible assets

18.1. Material accounting policies

Intangible assets with a finite lifetime (software, systems, 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.

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 predefine 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.

18.2. Breakdown of intangibles

18.2.1. Parent Company

	03/31/2025				12/31/2024			
	Cost	Accumulated amortization	Impairment	Accounting Balance	Cost	Accumulated amortization	Impairment	Accounting Balance
IT systems	**1,420,616**	**(1,014,156)**	**(375)**	**406,085**	1,418,493	(973,826)	(6,536)	438,131
Goodwill	**76,412**	**(56,484)**	**-**	**19,928**	77,413	(56,005)	(575)	20,833
Right to explore financial services	**415,000**	**-**	**-**	**415,000**	415,000	-	-	415,000
Intangibles in process	**21,809**	**-**	**-**	**21,809**	18,843	-	-	18,843
Total	**1,933,837**	**(1,070,640)**	**(375)**	**862,822**	1,929,749	(1,029,831)	(7,111)	892,807

18.2.2. Consolidated

	03/31/2025				12/31/2024			
	Cost	Accumulated amortization	Impairment	Accounting Balance	Cost	Accumulated amortization	Impairment	Accounting Balance
IT systems	**1,420,616**	**(1,014,156)**	**(375)**	**406,085**	1,418,493	(973,826)	(6,536)	438,131
Goodwill	**76,412**	**(56,484)**	**-**	**19,928**	77,413	(56,005)	(575)	20,833
Right to explore financial services	**415,000**	**-**	**-**	**415,000**	415,000	-	-	415,000
Intangibles in process	**22,594**	**-**	**-**	**22,594**	18,843	-	-	18,843
Total	**1,934,622**	**(1,070,640)**	**(375)**	**863,607**	1,929,749	(1,029,831)	(7,111)	892,807

(In thousand Reals unless otherwise stated)

18.3. Changes in intangibles

18.3.1. Parent Company

	Average annual amortization rate (% p.y.)	Balance on December 31, 2024	Additions	Amortization	Write-offs	Transfers	Reversals (provisions) Impairment Xyxy	Balance on March 31, 2025
IT systems	18.5%	438,131	-	(47,254)	(5,551)	14,598	6,161	406,085
Goodwill	10.0%	20,833	-	(904)	(576)	-	575	19,928
Right to explore financial services	undefined	415,000	-	-	-	-	-	415,000
Intangibles in process		18,843	17,564	-	-	(14,598)	-	21,809
Total		892,807	17,564	(48,158)	(6,127)	-	6,736	862,822

(a) In the first quarter of 2025, the Group acquired R$ 17,564 in intangibles (systems). Of this, R$ 6,737 were booked as supplier accounts payable, and R$ 30,850 were disbursed in 2025 for purchases made prior to December 31, 2024.

18.3.2. Consolidated

	Average annual amortization rate (% p.y.)	Balance on December 31, 2024	Additions	Amortization	Write-offs	Transfers	Reversals (provisions) Impairment Xyxy	Balance on March 31, 2025
IT systems	18.5%	438,131	-	(47,254)	(5,551)	14,598	6,161	406,085
Goodwill	10.0%	20,833	-	(904)	(576)	-	575	19,928
Right to explore financial services	undefined	415,000	-	-	-	-	-	415,000
Intangibles in process	-	18,843	18,349	-	-	(14,598)	-	22,594
Total		892,807	18,349	(48,158)	(6,127)	-	6,736	863,607

19. Impairment

19.1. Material accounting policies

At the end of each fiscal period, Management reviews the net book value of its assets to assess events or changes in economic or operating circumstances, or in technology, that could indicate deterioration or impairment of value. If any such evidence is identified 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 an independent cash generating unit, with the exception of the store located in Shopping Iguatemi São Paulo, which is considered a concept store and generates benefits for other Group operations.

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 stores with impairment in the previous year. This requires that stores be in operation for more than three years, at which point 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.

(In thousand Reals unless otherwise stated)

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 estimates for store closing impairment when approved by Management. The estimate for loss is made in the estimated amount of the assets to be written off, and reversed when the actual write-off is taken.

19.2. 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 13.83% 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 5.5% for 2025, and 4% for subsequent periods, as per Central Bank estimates;

On the base date of March 31, 2025 and 2024, the Company had provisions for asset impairment as follows:

Nature	Impairment test		Discontinued operations and store revamps and closures		Total	
	03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**	**03/31/2025**	**12/31/2024**
Property and Equipment	**-**	-	**(2,263)**	(5,166)	**(2,263)**	(5,166)
Intangible assets	**-**	-	**(375)**	(7,111)	**(375)**	(7,111)
Sub-total	**-**	**-**	**(2,638)**	**(12,277)**	**(2,638)**	**(12,277)**
Right-of-use	**(4,900)**	(4,900)	**-**	(6,034)	**(4,900)**	(10,934)
Total	**(4,900)**	**(4,900)**	**(2,638)**	**(18,311)**	**(7,538)**	**(23,211)**

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

Recoverability of the ‘right to explore financial services’ asset was assed 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, 2024

III. Discount rate calculated using the cost of equity approach. The discount rate used was 14.11% annually.

IV. Projection horizon: Cash flows were projected for the period between November 1, 2024 and December 31, 2031, or 7 years and 2 months. As of 2030, projections consider a stable cash flow and growth merely to keep up with inflation.

V. Residual value – Calculated using the perpetuity approach considering stable growth relative to inflation over the long term (3.6%)

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.

20. Leases

20.1. Material accounting policies

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. Prepaid leases and provisions for restoring stores, less lessor incentives, are added to right-of-use assets. 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. Expired agreement that are in the process of being renewed are excluded, as they are not yet a right and it is impossible to determine the value this Agreement would have.

(In thousand Reals unless otherwise stated)

Based on past revamps, where negotiated terms and values differed substantially from expired agreements, the Group considers revamps as a new agreement and excludes the time to revamp from the contractual term.

20.2. 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 March 31, 2025 and December 31, 2024:

	03/31/2025		12/31/2024	
Contractual terms	**Actual rate (% per year)**	**Nominal rate (% per year)**	**Actual rate (% per year)**	**Nominal rate (% per year)**
0 to 3 years	9.4	16.2	5.3	12.3
3 to 5 years	7.4 – 7.6	15.9 – 16.1	2.1 – 8.8	6.6 – 15.3
5 to 6 years	7.5	15.6	3.5 – 7.5	11.8 – 15.3
6 to 10 (or more) years	7.4 – 9.1	14.2 – 17.2	6.5 – 9.4	11.6 – 16.2

20.3. Changes in the balance of lease right-of-use assets and liabilities (Parent Company e Consolidated)

20.3.1. Changes in right-of-use assets

	Right-of-use assets			Lease
	Real Estate	**Equipment**	**Total**	**liabilities**
Balance on December 31, 2024	1,502,621	27,288	1,529,909	(1,826,876)
Amortization	**(90,524)**	**(1,548)**	**(92,072)**	**-**
Financial charges	**-**	**-**	**-**	**(47,003)**
Payments made	**-**	**-**	**-**	**132,306**
Provisions for dismantling costs	**5,451**	**-**	**5,451**	**-**
Prepayments	**(252)**	**-**	**(252)**	**-**
New/renewed/closed Agreements	**13,380**	**-**	**13,380**	**(13,380)**
Rescission of contract	**(27,137)**	**-**	**(27,137)**	**34,471**
Re-measurements	**63,540**	**27**	**63,567**	**(63,567)**
Balance on March 31, 2025	**1,467,079**	**25,767**	**1,492,846**	**(1,784,049)**
Current liabilities				**359,412**
Non-current liabilities				**1,424,637**

This amount has not been deducted from PIS/COFINS credits on lease payments, in the amount of R$ 11,763, nor from interest, in the amount of R$ 3,634. These credits were entered directly in earnings as reducers of the expense with amortization and interest. In 2025, 8 new agreements have been renewed, and 3 new ones signed.

(In thousand Reals unless otherwise stated)

20.4. 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 (7.4% to 17.2%); 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:

Scenarios	Incremental rate	Future payments flow
1	Nominal	Including projections for inflation
2	Nominal	Not including projections for inflation

The Group adopted scenario 2 for the period ended December 31, 2024, as required by CPC06(R2) / IFRS16. Below are the comparative balances of lase liabilities.

12/31/2024

Scenarios	Lease liabilities	Payroll Charges	Depreciation Expenses	Total Expenses
Scenario 1	1,527,976	169,541	344,550	514,091
Scenario 2 (book value)	1,826,876	185,061	358,647	543,708

20.5. 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:

	03/31/2025		12/31/2024	
Coming due in	**Payments**	**Potential PIS/COFINS Rights**	**Payments**	**Potential PIS/COFINS Rights**
Less than 1 year	**528,162**	**(47,050)**	522,899	(47,372)
One to five years	**1,372,472**	**(123,267)**	1,407,659	(126,305)
Over five years	**536,306**	**(47,912)**	551,011	(49,118)
Total minimum payments	**2,436,940**	**(218,229)**	2,481,569	(222,795)
Minimum payments discounted to present value	**(652,891)**	**84,689**	(654,693)	58,566
Present value of the minimum payments	**1,784,049**	**(133,540)**	1,826,876	(164,229)
Current Liabilities	**359,412**		352,734	
Non-current Liabilities	**1,424,637**		1,474,142	

(In thousand Reals unless otherwise stated)

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 quarter ended March 31, 2025, the expense associated with the 18 variable lease agreements was R$ 1,158 (R$ 1,160 for the 19 agreements in the period ended March 31, 2024). Expenses associated with short-term leases and low-value assets totaled R$ 4,679 (R$ 3,614 in the first quarter of 2024) 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.

20.6. Impairment

Right-of-use assets are also subject to the impairment test. This approach is the same as used for property and equipment (Note 17).

21. Suppliers

21.1. Material accounting policies

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 impact the inventory line for the purchase of goods and suppliers. Term purchases have financial earnings as counterpart due to the maturity term.

21.2. Breakdown of the balance

		Parent Company		Consolidated	
	Note	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Merchandise suppliers		**628,619**	716,403	**628,619**	716,403
Suppliers - Related parties		**152,590**	103,085	**148,174**	98,521
Bradescard Supplier	(a)	**629,214**	608,563	**629,214**	608,563
Materials, asset, and service suppliers		**313,211**	471,068	**330,096**	487,518
Present value adjustment		**(20,124)**	(21,544)	**(20,124)**	(21,544)
		1,703,510	1,877,575	**1,715,979**	1,889,461
Current liabilities		**1,703,435**	1,877,357	**1,715,904**	1,889,243
Non-current liabilities		**75**	218	**75**	218

(a) In November, 2021 the Group purchased the right to explore financial services, also known as *Balcão Bradesco,* for R$ 415 million, recorded as an intangible asset under short-term suppliers. This will be settled in July, 2025: The amount due is updated monthly, and monetary correction is booked against financial expenses in the sub-group "supplier interest" (note 32). On December 31, 2025 the corrected amount was R$ 629 million. This agreement also has covenants that are similar to those mentioned in item 24 23.6. Restrictive covenants for loans and debentures.

(In thousand Reals unless otherwise stated)

21.3. 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 31 March 2025 and 31 December 2024 were 1.12% and 0.97% 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.

22. Obligations - Forfait

22.1. Material accounting policies

The Group signed financing agreement with its suppliers; such agreements are optional for suppliers. Suppliers who sign financing agreements receive early payment for invoices submitted to the group through third-party financial institutions. If suppliers opt for early payment they pay a fee to the financial institution, of which the group is not a part, Before the financial institutions pay the invoices the merchandise must have been received, and the Group must have approved the invoices. Payment of supplier invoices before their due date are processed by the financial institution. in all cases the Group settles the original invoice by paying the financial institution on the date the invoice was originally due. Supplier payment terms are not renegotiated as a result of such supplier agreements. The Group offers no guarantees to the financial institution.
All suppliers subject to the financing agreement are included in the supplier line of the statement of financial position of the individual and consolidated financial statements.
The agreement does not change the commercial conditions, terms, or prices previously agreed between the Group and its supplier. For this reason, the balances payable were booked as operational liabilities. Should drawee risk balances be considered financial liabilities, all covenant clauses will remain unchanged.

22.2. Breakdown of the balance

	Note	Parent Company		Consolidated	
		03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**
Obligations Forfait	(a)	**190,272**	350,043	**190,272**	350,043
Time between payment due dates					
Liabilities included in obligations forfait transactions		**108 days**	107 days	**108 days**	107 days
Suppliers and other accounts payable not included in drawee risk transactions		**89 days**	90 days	**89 days**	90 days

(a) All suppliers were paid directly by the bank that was a party of the agreement signed.

This transaction yielded the Group a commission totaling R$ 910 for the period ended 31 March 2025 (R$ 3,744 for the same period in 2024). In the fiscal quarter ended March 31, 2025, the discount rate ranged from 1.57% to 1.87% a month (compared to 1.57% and 1.89% in the same period of 2024).

In the first quarter of 2025, the Company made no advances directly to suppliers, thus there was no income recognized as financial income.

23.Loans and debentures

23.1. Material accounting policies

Loans and debentures are initially recognized at fair value and subsequently measured at amortized cost, as established in the agreement. The costs incurred, including fees, commissions, and other costs are entered as deductions to liabilities and appropriated in earnings monthly during the debt period. 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. Interest paid on loans, debentures, and lease liabilities are booked as financing activities in the cash flow.

(In thousand Reals unless otherwise stated)

23.2. Breakdown of loans and debentures (Parent Company and Consolidated)

Contractual conditions					Changes in the year					Maturity			
Description	Note	Annual rates	Issue	Amount	December 31, 2024	Payment of the principal	Interest payment	Expenses with interest, amortization, and FOREX fluctuations	March 31, 2025	2,025	2,026	2,027	2028
In domestic currency													
Debentures - single series, issue 1	(a)	100% CDI+ 2.15%	05/20/2021	**500,000**	136,178	-	-	4,789	**140,967**	140,967	-	-	-
Registered Commercial Notes - single series, issue 1	(b)	100% CDI + 2.45%	03/18/2022	**250,000**	259,262	-	(17,090)	9,188	**251,360**	1,360	125,000	125,000	-
Debentures - 1st series, issue 2	(c)	100% CDI + 2.10%	04/08/2022	**247,500**	188,070	-	-	6,591	**194,661**	194,661	-	-	-
Debentures - 1st series, issue 2	(c)	100% CDI + 2.40%	04/08/2022	**352,500**	55,712	-	-	1,993	**57,705**	16,599	13,702	13,702	13,702
Registered Commercial Notes - single series, issue 3	(d)	100% CDI+ 2.70%	05/22/2023	**200,000**	81,497	(40,200)	(2,952)	3,315	**41,660**	41,660	-	-	-
Debentures - 1st series, issue 3	(e)	100% CDI + 1.80%	07/15/2024	**495,963**	521,569	-	(28,355)	17,072	**510,286**	14,323	-	495,963	-
Registered Commercial Notes - single series, issue 4	(f)	100% CDI + 1.50%	09/27/2024	**70,000**	72,137	-	(4,515)	2,414	**70,036**	36	70,000		
Registered Commercial Notes - single series, issue 5	(g)	100% CDI + 1.40%	11/05/2024	**80,000**	81,336	-	-	1,819	**83,155**	3,155	80,000		
(-) Transaction costs to appropriate					(9,544)	-	-	1,466	**(8,078)**	(2,946)	(3,337)	(1,770)	(25)
Total in domestic currency					1,386,217	(40,200)	(52,912)	48,647	**1,341,752**	409,815	285,365	632,895	13,677
In foreign currency													
Working Capital - type 4.131	(h)	USD + 5.35%	04/09/2024	**USD 17,769**	111,796	-	(3,295)	(6,466)	**102,035**	462	101,573	-	-
Total in foreign currency					111,796	-	(3,295)	(6,466)	**102,035**	462	101,573	-	-
Total					1,498,013	**(40,200)**	**(56,207)**	**42,181**	**1,443,787**	**410,277**	**386,938**	**632,895**	**13,677**
Current Liabilities					456,541				**585,225**				
Non-current liabilities					1,041,472				**858,562**				
(+/-) Swap – working capital (*)		100% CDI + 1.40%		-	(6,551)	-	-	-	**488**	-	**488**	**-**	**-**

(*) see note 34.2.1.2.

(a) Debentures - single series, issue 1: Issued its 1st (first) series of simple, non-secured, non-convertible debentures for public distribution with limited effort (CVM n° 476). The associated costs total4ed R$ 3,619 and R$ 122 were appropriated in the period ended March 31, 2025 (R$ 1,078 in 2024).

(b) Registered Commercial Notes - single series, issue 1 Issued its 1st (first) Commercial Notes ("Commercial Notes" and "Issue") for public distribution with limited effort as per law 14,195 of August 26, 2021, as amended, and CVM Instruction n. 476. The associated costs totaled R$ 1,528 and R$ 76 were appropriated in the period ended March 31, 2025 (R$ 306 IN 2023).

(c) Debentures - 2nd series, issue 2 Issued its 2nd (second) series of simple, non-secured, non-convertible debentures for public distribution with limited effort in two series, limited to Company distribution. The associated costs totaled R$ 4,521 and R$ 113 were appropriated in the period ended December 31, 2025 (R$2,357 in 2024).

(d)Registered Commercial Notes - single series, issue 3 Issued its 3rd (third) Registered Commercial Notes in a single series, for public distribution and automatic registration, as per article 45 and subsequent articles of law 14,195, and CVM Resolution 160. The associated costs totaled R$ 3,331 and R$ 416 were appropriated in the period ended March 31, 2025 (R$ 1,665 in 2024).

(e) Debentures - single series, issue 3: Issued its 3rd series of simple, non-secured, single-series debentures. The associated costs totaled R$ 8,274 and R$ 1,827 were appropriated in the period ended March 31, 2025

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

I. 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.

II. 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.

(f) Registered Commercial Notes - single series, issue 4 Issued its 4th (fourth) Registered 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.

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(g) Secured a type 4,131 US Dollar loan in the amount of US$ 17,769 at a fixed rate of 5.35% a year, protected by a Swap agreement (derivatives) to Reals at an annual rate of 100% of the CDI plus a 1.40% annual surcharge, for settlement on September 4, 2026.

(h) Registered Commercial Notes - single series, issue 5 Issued its 5th (fifth) Commercial Notes for public distribution with automatic registration according to he Securities Law, law 14,195, and CVM Instruction n. 160. The associated costs totaled R$ 440, and R$ 53 were appropriated in the period ended March 31, 2025

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

23.3. Breakdown of loans and debentures

	Parent Company and Consolidated	
	03/31/2025	**03/31/2024**
Opening balance	**1,498,013**	1,687,854
(-) Funding cost	(133)	(160)
(-) Payment of the principal	(40,200)	(20,000)
Interest payment	(56,207)	(28,350)
Total cash effect	**(96,540)**	**(48,510)**
(+) Interest	48,798	53,544
(+) Cost amortization	1,600	1,124
(+/-) Exchange variation	(8,084)	-
Total with no cash effect	**42,314**	54,668
Final balance	**1,443,787**	1,694,012

23.4. Restrictive covenants

The financing agreements and debentures have the normal covenants, which may demand early payment if not complied with.

Based on the clauses of current agreements, the Group must fulfill the following financial and non-financial covenants. The financial covenants are measured each year on December 31, and include the following key indicators:

I. **Net Debt / Adjusted EBITDA** Maintain a Net Debt (comprised of loans and debentures plus or minus the balance of derivatives less cash and cash equivalents) over Adjusted EBITDA (comprised of EBITDA plus revenue discounting suppliers less non-operating results, define as the sale of assets, contingency provisions/reversals, impairment, and restructuring clauses) ratio at less than or equal to 3.0x, to be calculated each year based on the consolidated financial statements. For this calculation, Adjusted EBITDA for the past 12 (twelve) months is used, and the effects brought on by adopting CPC06/IFRS16 are ignored.

(In thousand Reals unless otherwise stated)

Non-financial covenants are essentially:

I. **Publication of the Financial Statements** The issuer must publish and make available its audited consolidated financial statements.

II. **Enforceable Judgement:** The Company shall not be found guilty of activities that involve racial or gender discrimination, child labor, exploration of prostitution, or crimes against the environment.

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 March 31, 2025 the Company had and was meeting all of its covenant clauses.

24. Labor liabilities

	Parent Company		Consolidated	
	03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**
Short-Term Incentives	**109,308**	107,633	**111,305**	109,484
Vacation pay and charges	**85,389**	88,671	**86,064**	89,342
Salaries and social charges	**43,546**	51,937	**43,906**	52,304
13th salary, and payroll charges	**14,576**	-	**14,710**	-
Charges and fees on Long-Term Incentives	**34,273**	21,732	**34,273**	21,732
Other demands	**22,165**	27,117	**22,269**	27,274
	309,257	297,090	**312,527**	300,136
Current liabilities	**281,451**	276,780	**284,721**	279,826
Non-current liabilities	**27,806**	20,310	**27,806**	20,310

(In thousand Reals unless otherwise stated)

25. Taxes payable

	Parent Company		Consolidated	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
ICMS	**33,863**	200,557	**33,863**	200,557
PIS/COFINS	**32,063**	104,641	**32,436**	105,533
IT/CSLL	**-**	61,274	**1,308**	61,993
Other	**7,374**	22,406	**8,051**	23,205
	73,300	388,878	**75,658**	391,288
Current liabilities	**57,769**	373,489	**60,127**	375,899
Non-current liabilities	**15,531**	15,389	**15,531**	15,389

26. Provisions for tax, civil, and labor risks

26.1. Material accounting policies

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.

26.2. 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.

26.2.1. Parent Company

	Note	12/31/2024	Addition (reversal)	Payments	Update	03/31/2025
Tax	(a)	252,397	**1,564**	**(17,455)**	**4,239**	**240,745**
Labor	(b)	35,616	**3,266**	**(3,374)**	**942**	**36,450**
Civil	(b)	1,999	**523**	**(579)**	**51**	**1,994**
Provisions for tax, civil, and labor risks		290,012	**5,353**	**(21,408)**	**5,232**	**279,189**

(In thousand Reals unless otherwise stated)

26.2.2. Consolidated

	Note	12/31/2024	Addition (reversal)	Payments	Update	03/31/2025
Tax	(a)	252,397	**1,564**	**(17,455)**	**4,239**	**240,745**
Labor	(b)	35,616	**3,266**	**(3,374)**	**942**	**36,450**
Civil	(b)	5,039	**575**	**(579)**	**51**	**5,086**
Provisions for tax, civil, and labor risks		293,052	**5,405**	**(21,408)**	**5,232**	**282,281**

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

PIS/COFINS: Disallowed right to PIS and COFINS credit on (i) inputs used in the purpose of business, and (ii) COFINS credits on imports.

ICMS: Disallowed credits and discussions on the applicability of fines and bases for calculation, among others.

Other taxes Exclusion of ICMS and ISS from the basis for calculating CPRB and social security contributions on the payroll deductions for transportation and meal vouchers, and medical and dental care.

The main changes in the period ended March 31, 2025 were primarily the result of:

i. Partial reversal of provisions for "Other Taxes" as a result of the Superior Court (STF) decision regarding Theme 846, which considered 10% contribution on the balance of FGTS to be constitutional. In light of this, the lawsuit underway was ruled on against the Company, and the judicial deposit in the amount of R$ 17,433 was convertible into revenue for the Federal Government.

(b) Civil and labor Provisions for labor claims are calculated 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 calculation is reviewed every six months, most recently in December 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.

26.3. Non-provisioned contingencies

26.3.1. Tax contingencies

The updated amount for the Group on March 31, 2025, was R$ 527,150 (R$ 513,052 in 2024) 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:

(In thousand Reals unless otherwise stated)

	Note	Parent Company and Consolidated	
		03/31/2025	**12/31/2024**
Disallowed PIS/COFINS credits	(a)	**160,632**	157,769
IRPJ/CSLL and PIS/COFINS – taxation point	(b)	**142,660**	139,931
INSS - Non-homologated and other offsets	(c)	**51,017**	42,400
ICMS - Disallowed credits and others	(d)	**60,443**	61,484
PIS/COFINS - Non-homologated offsets	(e)	**63,779**	62,682
Import Taxes	(f)	**32,817**	32,389
IRPJ and CSLL - Non-homologated offsets	(g)	**13,440**	14,086
Other demands	(h)	**2,362**	2,311
		527,150	513,052

a) Disallowed credits related to expenses used as inputs;
b) Administrative claims that discuss when overpaid taxes will be taxed. The Company's legal advisors consider the discussion of the fine and interest as a "risk of possible loss".
c) INSS - Administrative proceedings discussing the non-homologation of requests to offset social security and other credits.
d) ICMS - Disallowed credits and supposed inventory differences In 2025, the ICMS-DIFAL claim in the state of Bahia, in the amount of R$ 1,800, was reversed due to the end of fiscal enforcement and a ruling favorable for the Company;
e) Non homologation of requests for compensation;
f) Import taxes - Administrative ruling discussing whether to include royalties paid for the use of licensed brands;
g) IRPJ and CSLL - Non-homologated offsets

26.3.2. Civil and labor contingencies

In the case of civil and labor claims, the Group informs that it reviews its provisions created pursuant to the methodology described in note 26.2.2b.

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.

(In thousand Reals unless otherwise stated)

27. Other liabilities

		Parent Company		Consolidated	
	Note	**03/31/2025**	**12/31/2024**	**03/31/2025**	**12/31/2024**
Obligation with tenants	(a)	**58,714**	54,310	**58,714**	54,310
Customer credit	(b)	**7,691**	12,722	**18,494**	22,382
Insurer amounts to pass along		**-**	-	**7,976**	9,996
IPTU (Property Tax)		**4,043**	1,004	**4,043**	1,004
Other		**7,180**	6,553	**7,229**	6,597
		77,628	74,589	**96,456**	94,289
Current Liabilities		**23,218**	24,033	**42,046**	43,733
Non-current liabilities		**54,410**	50,556	**54,410**	50,556

a) This is made up substantially on rent incentives received from lessors, in the amount of R$ 8,831 (R$ 9,613 in 2024), R$ 44,607 in provisions to restore stores to their original condition (R$ 39,941in 2024), and R$1,888 (R$ 1,620 in 2024) for amounts being discussed in association with contractual reviews.
b) These refer to exchange vouchers and gift cards not yet used by customers, as well as excess credit from excess payments made by C&A Pay credit card customers, to be deducted from future purchases and/or returned to customers.

28. Shareholder's Equity

28.1. Material accounting policies

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.

28.2. Capital stock

On March 31, 2025, capital stock in the amount of R$ 1,847,177 was represented by 308,245,068 fully paid-in common shares (308,245,068 in 2024), 141,013,341 common shares in free-float (101,313,341 in 2024).

(In thousand Reals unless otherwise stated)

On March 31, 2025 and December 31, 2024, ownership of Company shares broke down as follows:

Year/%	COFRA Investment SARL	Incas SARL	COFRA Latin America	Management	Treasury	Free Float
03/31/2025	80,363,049	80,939,166	9,068	2,422,565	7,787,926	136,723,294
%	26.07%	26.26%	0.003%	0.79%	2.53%	44.36%
12/31/2024	80,363,049	80,939,166	17,121	2,288,265	3,624,126	141,013,341
%	26.07%	26.25%	0.01%	0.74%	1.18%	45.75%

Total in 2025: 308,245,068

Total in 2024: 308,245,068

According to its Bylaws, the Company is authorized to increase capital by as many as 393,000,000 new 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.

28.3. Shares in Treasury

On April 18, 2024, the market was informed that an 18-month share buy-back program had been approved at a meting of the Board of Directors (BoD), starting on April 19 2024 and ending on January 13, 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.

At a meeting held on January 13, 2025, Management approved the creation of a new 18-month program to buy back common shares issued by the Company, starting on January 13, 2025 and ending on July 13, 2026 According to the terms of the New Buy-back Agreement, the Company can buy back 5,000,000 non-par registered common shares, respecting the limitations of RCVM 77/22.

Share buyback program (in terms of treasury shares)					
Program	**Start date**	**End date**	**Total program**	**Total repurchased**	**Balance to repurchase**
1	04/18/2024	01/13/2025	3,000,000	3,000,000	-
2	01/13/2025	07/13/2026	5,000,000	4,163,800	836,200

(In thousand Reals unless otherwise stated)

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	2,650,501	3.21	8,498	20,753
Shares delivered in the 2021 Plan	(2,026,375)	3.21	(6,497)	
Share buy-back	3,000,000	10.79	32,364	32,364
Balance on December 31, 2024	**3,624,126**	**9.48**	**34,365**	**28,124**
Share buy-back	4,163,800	8.66	36,039	36,039
Balance on March 31, 2025	**7,787,926**	**9.04**	**70,404**	**82,708**

28.4. 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.

28.5. 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 March 31, 2025 was R$ 87,831 (R$ 87,831 in 2024).

28.6. 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 March 31, 2025).

28.7. 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.
Based on the Company’s capital budget, on December 31, 2024 R$ 291,293 were set aside as reserve for investments. The balance of investments on March 31, 2025 was R$ 1,238,905.

(In thousand Reals unless otherwise stated)

28.8. 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 March 31, 2025, the total reserve for tax incentives was R$ 36,677 (R$ 36,677 in 2024).

28.9. Equity valuation adjustments

This refers to the effective portion of financial instruments designated as cash flow hedge, as per Note 34.

29. Interest on shareholder's equity and dividends payable (JCSP)

29.1. Material accounting policies

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. Interest on equity is assigned to minimum mandatory dividends net of withholding income tax, as per CVM resolution 143/2022.

29.2. Distribution de Interest on Shareholder's Equity and dividends

	Note	12/31/2024
Net income for the period		**452,477**
(-) Legal reserve		**(22,623)**
(-) Tax incentive reserve		**(22,117)**
Basis for calculating dividends		**407,737**
Minimum mandatory dividends - 25%		**101,934**
Dividends and Interest on Shareholder's Equity (JSCP)		
Distribution of interest on shareholder's equity	(a)	**105,000**
(-) Withheld income tax on interest on shareholders' equity		**(14,509)**
Dividends	(a)	**11,443**
Total for distribution		**101,934**

(a) R$ 53,035 for related party dividends and Interest on Shareholder's Equity.

The fiscal advantages obtained from interest on shareholder's equity amounted to R$35,700, as recognized in the Statement of Financial Results for 2024.

30. Net revenue

30.1. Material accounting policies

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 specific criteria below must also be fulfilled before revenue is recognized:

30.1.1. Sale of goods

Revenue from the sale of goods is recognized when the Group fulfills it's 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.

30.1.2. Services provided

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.

30.1.3. 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.

30.1.4. 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 extend 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. The impact of assigning receivables between Group companies on earnings, due to assignments with goodwill or discount, are eliminated in the consolidated result.

(In thousand Reals unless otherwise stated)

30.2. Breakdown of net revenue

		Parent Company		Consolidated	
	Note	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Sale of goods		**2,119,068**	1,867,951	**2,122,750**	1,872,716
Cancellations, exchanges and vouchers		**(120,599)**	(119,344)	**(120,599)**	(119,344)
Sales taxes		**(492,479)**	(422,150)	**(492,479)**	(422,150)
Net revenue from the sale of merchandise		**1,505,990**	1,326,457	**1,509,672**	1,331,222
Revenue from commissions and financial services and products(*)	(a)	**32,810**	41,530	**107,808**	127,961
Taxes on commissions and services		**(4,257)**	(5,122)	**(5,398)**	(6,175)
Net revenue from services rendered		**28,553**	36,408	**102,410**	121,786
		1,534,543	1,362,865	**1,612,082**	1,453,008

(a) This is comprised of C&A Pay financing transactions. This portfolio originating from SCD – C&A Pay Sociedade de Crédito Direto S.A. ("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.

31. Earnings by nature

31.1. Classified by function

	Parent Company		Consolidated	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Cost of goods sold and services rendered	**(739,982)**	(682,690)	**(740,084)**	(682,659)
General and administrative	**(217,927)**	(203,396)	**(218,236)**	(203,767)
Sales	**(560,321)**	(521,702)	**(566,772)**	(534,013)
Net credit losses	**-**	-	**(29,640)**	(41,004)
Other net operating income (expenses)	**16,397**	64,313	**16,397**	64,317
	(1,501,833)	(1,343,475)	**(1,538,335)**	(1,397,126)

(In thousand Reals unless otherwise stated)

31.2. General and administrative expenses by nature

	Parent Company		Consolidated	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Personnel	**(99,124)**	(95,692)	**(99,395)**	(96,048)
Third party materials/services	**(46,088)**	(33,242)	**(46,123)**	(33,232)
Depreciation and amortization	**(51,428)**	(55,510)	**(51,428)**	(55,533)
Depreciation of right-of-use	**(5,925)**	(6,203)	**(5,925)**	(6,203)
Occupancy	**(2,824)**	(2,447)	**(2,824)**	(2,447)
Other	**(12,538)**	(10,302)	**(12,541)**	(10,304)
	(217,927)	(203,396)	**(218,236)**	(203,767)

31.3. Selling expenses by nature

	Parent Company		Consolidated	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Personnel	**(174,875)**	(169,370)	**(177,418)**	(173,219)
Third party materials/services	**(94,861)**	(77,948)	**(104,451)**	(89,516)
Depreciation of right-of-use	**(78,020)**	(76,486)	**(78,020)**	(76,486)
Depreciation and amortization	**(34,432)**	(33,872)	**(34,432)**	(33,872)
Occupancy	**(96,344)**	(94,507)	**(96,344)**	(94,507)
Advertising and promotions	**(30,622)**	(23,631)	**(30,622)**	(23,631)
Other	**(51,167)**	(45,888)	**(45,485)**	(42,782)
	(560,321)	(521,702)	**(566,772)**	(534,013)

31.4. Other net operating revenue (expenses) by nature

This is comprised of 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	
	Note	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Asset write-offs and store /DC closings	(a)	**4,234**	(15,661)	**4,234**	(15,661)
Tax expenses and credits	(b)	**7,708**	56,814	**7,708**	56,814
Reversal (provision) for tax contingencies	(c)	**(737)**	23,619	**(737)**	23,619
Other	(d)	**5,192**	(459)	**5,192**	(455)
		16,397	64,313	**16,397**	64,317

(a) This includes provisions and reversals associated with asset write-offs, discontinued business lines, and contractual fines.
(b) In 2025, tax credit recovery is booked net of attorney and consulting fees, and is comprised substantially of previously unused PIS and COFINS credits in the amount of R$ 1,699 (R$ 62,880 in 2024), ICMS recovery credit (new interpretative concept based on the STJ ruling), in the amount of R$ 4,192, and PIS/COFINS credit on “Minha C&A” commissions, in the amount of R$ 1,495.
(c) In 2024 these referred substantially to the reversal of provisions for PIS and COFINS credits, in the amount of R$ 35, 414, and INSS and ICMS provisions in the amount of R$ 11,563.
(d) Write-off of lease liabilities resulting from a reduction in leased area.

(In thousand Reals unless otherwise stated)

32. Finance results

		Parent Company		Consolidated	
	Note	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Exchange Variation					
Loans		**(937)**	-	**(937)**	-
Purchasing		**3,153**	(1,931)	**3,153**	(1,931)
		2,216	(1,931)	**2,216**	(1,931)
Finance income					
Monetary correction of tax credits	(a)	**24,547**	110,103	**24,532**	110,103
Interest on financial investments		**31,402**	25,623	**31,220**	25,587
Supplier financial income		**909**	3,744	**909**	3,744
Other Finance Income		**2**	1	**2**	1
		56,860	139,471	**56,663**	139,435
Finance expenses					
Interest on loans		**(48,798)**	(53,653)	**(48,798)**	(53,653)
Interest on leases		**(43,369)**	(39,524)	**(43,369)**	(39,524)
Supplier financial expenses - PVA		**(26,095)**	(28,023)	**(26,095)**	(28,023)
Bradescard supplier interest		**(20,685)**	(16,370)	**(20,685)**	(16,370)
Monetary correction of taxes and contingencies		**(5,012)**	(5,977)	**(5,013)**	(5,977)
Charges on prepaid receivables (note 8.3)		**(10,699)**	(8,626)	**-**	-
Other finance expenses		**(1,779)**	(1,181)	**(1,789)**	(1,190)
		(156,437)	(153,354)	**(145,749)**	(144,737)
FIDC C&A Pay Earnings	(b)	**46,037**	41,582	**-**	-
Financial revenue from bonds and securities		**-**	-	**9,727**	3,334
Net financial results		**(51,324)**	25,768	**(77,143)**	(3,899)

(a) In March 2025, interest revenue included R$ 14,795 (R$ 108,872 in March 2024) related to monetary adjustment for previously unused PIS/COFINS credits, less PIS/COFINS taxes in the amount of R$ 688 (R$ 5,063 in March 2024) see note 12.2.1.

(b) This refers to the FIDC C&A Pay operation, created as a credit rights investment funds with all quotas owned by C&A Modas. 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 CPC/IFRS (*International Financial Reporting Standard*).

(In thousand Reals unless otherwise stated)

33.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

			Financial Services				
	Note	**Retail**	**Bradescard Partnership**	**C&A pay**	**Total Financial Services**	**Elimination**	**Consolidated**
				03/31/2025			
Net Operating Revenue	(a)	1,515,622	14,300	91,944	106,244	**(9,784)**	**1,612,082**
Cost of goods sold and services rendered	(b)	(739,924)	(160)	(6,653)	(6,813)	**6,653**	**(740,084)**
Gross Profit		**775,698**	**14,140**	**85,291**	**99,431**	**(3,131)**	**871,998**
Sales	(a)	(428,733)	(830)	(34,541)	(35,371)	**9,784**	**(454,320)**
General and administrative		(159,103)	(22)	(1,758)	(1,780)	**-**	**(160,883)**
Net credit losses		-	-	(29,640)	(29,640)	**-**	**(29,640)**
Other net operating income (expenses)		16,397	-	-	-	**-**	**16,397**
Earnings by segment (excluding depreciation)		**204,259**	**13,288**	**19,352**	**32,640**	**6,653**	**243,552**
Depreciation and amortization		(166,776)	(286)	(2,743)	(3,029)	**-**	**(169,805)**
Finance results							**(77,143)**
Income taxes							**7,468**
Net income for the period							**4,072**

(a) R$ 9,784 were eliminated; this refers to the Merchant Discount Rate (MDR) or the commission charged by the SCD (Direct Credit Society) on the transactions performed by C&A Retail. As this is an inter-group charge, it's impact is eliminated upon consolidation.

(b) The amount eliminated of R$ 6,653 regards funding, or the expenses incurred by C&A Pay to finance customer balances. This may include amounts in arrears, resolving credit, and with-interest purchases. The financial revenue of these transactions is recognized under Retail. The funding and associated revenue are eliminated upon consolidation.

(In thousand Reals unless otherwise stated)

	Retail	Financial Services			Elimination	Consolidated
		Bradescard Partnership	C&A pay	Total Financial Services		
				03/31/2024		
Net Operating Revenue	1,339,140	12,817	110,120	122,937	(9,069)	1,453,008
Cost of goods sold and services rendered	(682,531)	(128)	(7,566)	(7,694)	7,566	(682,659)
Gross Profit	**656,609**	**12,689**	**102,554**	**115,243**	**(1,503)**	**770,349**
Sales	(388,168)	(4,235)	(40,321)	(44,556)	9,069	(423,655)
General and administrative	(138,346)	-	(3,685)	(3,685)	-	(142,031)
Net credit losses	-	-	(41,004)	(41,004)	-	(41,004)
Other net operating income (expenses)	64,315	-	3	3	-	64,318
Earnings by segment (excluding depreciation)	**194,410**	**8,454**	**17,546**	**26,000**	**7,566**	**227,976**
Depreciation and amortization	(168,991)	(609)	(2,494)	(3,103)	-	(172,094)
Finance results						(3,899)
Income taxes						18,871
Net income (loss) for the period						70,854

34. Financial instruments and risks

34.1. Financial instruments - Material accounting policies

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. These are essentially financial instruments that grant a right or impose an obligation, such as shares, debt securities, and derivatives, among others.

34.1.1. Classification of financial instruments

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

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.

34.1.2. Financial derivative instruments - 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.

(In thousand Reals unless otherwise stated)

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. This happens when goods are nationalized and when financial instruments are liquidated. At this time, previously deferred gains and losses in shareholder’s equity are transferred and included in the initial measurement of the cost of the asset and in finance results, respectively.

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.

Classification of financial instruments

Financial instruments on March 31, 2025, and 2024 can be summarized and classified as follows:

	Parent Company		Consolidated	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Financial assets				
Amortized cost				
Cash and cash equivalents	1,046,571	1,262,270	1,192,899	1,403,225
Trade receivables	621,623	1,076,795	1,202,124	1,862,821
Judicial deposits	129,071	144,935	129,077	144,940
Sub-total	**1,797,265**	2,484,000	**2,524,100**	3,410,986
Fair value through profit and loss				
Financial investments	-	-	328,248	169,310
FIDC C&A Pay	800,641	854,604	-	-
Derivatives	4,047	6,551	4,047	6,551
Sub-total	**804,688**	861,155	**332,295**	175,861
Fair value through other comprehensive income				
Financial investments	-	-	(327)	-
Derivatives	798	18,255	798	18,255
Sub-total	798	18,255	**471**	18,255
Total assets	**2,602,751**	3,363,410	**2,856,866**	3,605,102

(In thousand Reals unless otherwise stated)

	Parent Company		Consolidated	
	03/31/2025	12/31/2024	03/31/2025	12/31/2024
Financial liabilities				
Amortized cost				
Lease liabilities	(1,784,049)	(1,826,876)	(1,784,049)	(1,826,876)
Suppliers	(1,893,782)	(2,227,618)	(1,906,251)	(2,239,504)
Loans and debentures	(1,443,787)	(1,498,013)	(1,443,787)	(1,498,013)
Sub-total	**(5,121,618)**	(5,552,507)	**(5,134,087)**	(5,564,393)
Fair value through other comprehensive income				
Derivatives	(15,306)	(319)	(15,306)	(319)
Sub-total	**(15,306)**	(319)	**(15,306)**	(319)
Total liabilities	**(5,136,924)**	(5,552,826)	**(5,149,393)**	(5,564,712)

The fair value of the Group's assets and liabilities were measured on March 31, 2025, and 2024 using Level 2 hierarchy, which corresponds to significant observable data.

34.2. 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.

34.2.1. 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.

34.2.1.1. 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 Bradescard for the purchase of Balcão, and its Swap transactions regarding US Dollar denominated 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.

(In thousand Reals unless otherwise stated)

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 March 31, 2025 (annualized CDI of 14.39%).

		Parent Company						
					Increasing interest		Decreasing interest	
	Risk	Balance on 03/31/2025	Rate	Likely scenario	Possible scenario + 25%	Remote scenario + 50%	Possible scenario - 25%	Remote scenario - 50%
Financial investments	Lower CDI	1,030,612	CDI (i)	141,704	177,130	212,556	106,278	70,852
Loans and debentures	Highe r CDI	(1,443,787)	CDI (i)	(207,761)	(259,701)	(311,642)	(155,821)	(103,880)
Bradescard Supplier	Highe r CDI	(629,214)	CDI (i)	(90,544)	(113,180)	(135,816)	(67,908)	(45,272)
Net exposure/Impact on earnings prior to IT/SC		**(1,042,389)**		**(156,601)**	**(195,751)**	**(234,902)**	**(117,451)**	**(78,300)**
Impact on earnings, net of IT/SC				**(103,357)**	**(129,196)**	**(155,035)**	**(77,518)**	**(51,678)**

		Consolidated						
					Increasing interest		Decreasing interest	
	Risk	Balance on 03/31/2025	Rate	Likely scenario	Possible scenario + 25%	Remote scenario + 50%	Possible scenario - 25%	Remote scenario - 50%
Financial investments	Lower CDI	1,377,460	CDI (i)	189,393	236,741	284,090	142,045	94,696
Loans and debentures	Higher CDI	(1,443,787)	CDI (i)	(207,761)	(259,701)	(311,642)	(155,821)	(103,880)
Bradescard Supplier	Higher CDI	(629,214)	CDI (i)	(90,544)	(113,180)	(135,816)	(67,908)	(45,272)
Net exposure/Impact on earnings prior to IT/SC		**(695,541)**		**(108,912)**	**(136,140)**	**(163,368)**	**(81,684)**	**(54,456)**
Impact on earnings, net of IT/SC				**(71,882)**	**(89,852)**	**(107,823)**	**(53,911)**	**(35,941)**

Financial revenue stated net of 4.65% PIS and COFINS. For financial investments we considered an average yield of 100.24% of the CDI (100.23% in 2024) for the parent company, and 100.18% (100.10% in 2023) for the consolidated results.

34.2.1.2. 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.

(In thousand Reals unless otherwise stated)

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%

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 from the FOCUS report published by the Brazilian Central Bank on March 28, 2025. Scenario estimates were adopted according to CVM Instruction 475/08.

(In thousand Reals unless otherwise stated)

		Risk	Notional USD (Payables)/ Receivables	Scenarios: Scenario Likely USD 1 = R$ 5,92	Possible scenario +25% USD 1 = R$ 7,40	Scenario Remote scenario +50% USD 1 = R$ 8,88
Hedge object	. Purchasing orders for imported goods and imports in transit	Increase in the USD exchange	(48,861)	(8,687)	(81,002)	(153,316)
	. (-) Payment of imported merchandise		(10,618)	(1,888)	(17,603)	(33,318)
Hedge instrument	NDF	Decrease in the USD exchange	58,967	10,485	97,756	185,027
	Net exposure of import orders		**(512)**	**(90)**	**(849)**	**(1,607)**
	Non-recoverable taxes (36%)		(17,590)	(3,127)	(29,161)	(55,194)
	Total net exposure		**(18,102)**	**(3,217)**	**(30,010)**	**(56,801)**
Hedge object	Law 4,131 Loans	Increase in the USD exchange	17,769	3,159	29,458	55,756
Hedge instrument	Exchange swap	Decrease in the USD exchange	(17,769)	(3,159)	(29,458)	(55,756)
	Net exposure		**-**	**-**	**-**	**-**
	Impact on earnings, net of IT/SC		**(11,947)**	**(2,123)**	**(19,807)**	**(37,489)**

USD on 03/31/2025 = R$ 5,77422

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 March 31, 2025:

Contract	Maturity	Reference (notional) value - USD	Amount receivable (payable)
NDF	4/2025	12,560	(2,279)
NDF	5/2025	11,495	(1,667)
NDF	6/2025	9,014	(2,317)
NDF	7/2025	6,124	(1,653)
NDF	8/2025	5,970	(1,477)
NDF	9/2025	4,283	(914)
NDF	10/2025	5,472	(303)
NDF	11/2025	4,049	(339)
Total NDF		**58,967**	**(10,949)**

(In thousand Reals unless otherwise stated)

Derivative Financial instruments not designated for hedge accounting

The Group manages its exposure to US Dollar denominated loans through Swap transactions. This transaction is not considered hedge accounting and is booked at fair value through earnings. (see Note 23).

Contract	Maturity	Reference (notional) value - USD	Amount receivable (payable)
Exchange swap	sep/2026	17,689	488
Total Exchange Swap		**17,689**	**488**

34.2.2. 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. In the current operation, CCD assigns the receivables to FIDC – C&A Pay, of which C&A Modas is the sole quota holder (see Note 8.3).

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.

These 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 (chargebacks) 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.

(In thousand Reals unless otherwise stated)

34.2.3. 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 the execution of the investment and expansion strategy;
III. Observe the maintenance of the dividend distribution policy.

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 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 March 31, 2025	Less than 1 year	1 To 5 years	More than 5 years	Total
Lease liabilities	359,412	982,115	442,522	1,784,049
Loans	585,225	858,562	-	1,443,787
Suppliers	1,715,904	75	-	1,715,979
Drawee risk transactions	190,272	-	-	190,272
Total	2,850,813	1,840,752	442,522	5,134,087

34.3. 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 quarter ended March 31, 2025.

(In thousand Reals unless otherwise stated)

	Parent Company		Consolidated	
Net Debt excluding Lease Liabilities	**03/31/2025**	**12/31/2024**	**03/31/2025**	**12/31/2024**
Short and long-term loans and debentures	**1,443,787**	1,498,013	**1,443,787**	1,498,013
Cash and cash equivalents	**(1,046,571)**	(1,262,270)	**(1,192,899)**	(1,403,225)
Financial investments	**-**	-	**(327,921)**	(169,310)
Net debt (cash)	**397,216**	235,743	**(77,033)**	(74,522)
Non-controlling interests	**-**	-	**2**	4
Total shareholder's equity	**3,262,550**	3,308,484	**3,262,552**	3,308,488
Financial leverage index	**12%**	7%	**-2%**	-2%

On March 31, 2025, the balance of lease liabilities was R$ 1,784.049 (R$ 1,826,876 on December 31, 2024). If lease liabilities are included in the capital management calculations, leverage would be 67%, as follows:

	Parent Company		Consolidated	
Net Debt including Lease liabilities	**03/31/2025**	**12/31/2024**	**03/31/2025**	**12/31/2024**
Net debt (cash)	**397,216**	235,743	**(77,033)**	(74,522)
Lease liabilities	1,784,049	1,826,876	1,784,049	1,826,876
Adjusted net debt	**2,181,265**	2,062,619	**1,707,016**	1,752,354
Total shareholder's equity	**3,262,550**	3,308,484	**3,262,552**	3,308,488
Financial leverage index	**67%**	62%	**52%**	53%

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

	December 31, 2024	Cash flows	Interest incurred	Re-measurements of lease liabilities	Other	March 31, 2025
Leases	1,826,876	(132,306)	47,002	63,567	(21,090)	**1,784,049**
Loans and debentures	1,498,013	(96,540)	48,798	-	(6,484)	**1,443,787**
Total	**3,324,889**	**(228,846)**	**95,800**	**63,567**	**(27,574)**	**3,227,836**

This amount disclosed as re-measurement of lease liabilities refer to the annual review of inflation adjustments on minimal lease payments as per the respective agreements and lease renewals; “Other” refers primarily to the exchange variation of foreign currency loans in the amount of R$ 8,085, and new, ended, and renewed lease agreements

(In thousand Reals unless otherwise stated)

35. 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, transportation of goods, and cyber risk. Below is the maximum indemnity limit for each coverage:

	Consolidated	
	03/31/2025	12/31/2024
Civil Liability and D&O	**345,249**	327,619
Property and Inventory	**538,520**	538,520
Shipping	**73,085**	64,873
Cyber Risk Insurance	**50,000**	50,000
	1,006,854	981,012

36. Retirement plan

36.1. Material accounting policies

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.

(In thousand Reals unless otherwise stated)

36.2. Retirement plan

On March 31, 2025, the C&A Group contributed R$ 1,074 (R$ 1,443 on March 31, 2024) to the plans, booked as expenses in the period. The total number of participating employees on March 31, 2025, was 3,575 (4,261 on March 31, 2024), with 211 participants under care (191 on March 30, 2024).

On March 31, 2025, 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$ 1,513 (R$ 1,114 on December 31, 2024).

37.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 per share in each period:

Basic earnings per share	**03/31/2025**	**03/31/2024**
Net income for the period	**4,072**	70,854
Weighted average of the number of common shares	**300,457,142**	307,620,260
Basic profit per share - R$	**0,0136**	0,2303

Diluted earnings per share	**03/31/2025**	**03/31/2024**
Net income for the period	**4,072**	70,854
Weighted average of the number of outstanding common shares	**300,457,142**	307,620,260
Weighted average of the options granted as part of the stock-based compensation plan	**4,345,290**	3,394,561
Weighted average of the diluted number of common shares	**304,802,432**	311,014,821
Diluted profit per share - R$	**0.0134**	0.2278

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

On March 31, 2025, and 2024, the stock-based compensation plan provided dilution.

(In thousand Reals unless otherwise stated)

38. Non-cash transactions

On March 31, 2025, and 2024 the non-cash investment and financing transactions were:

I. purchase of property and equipment, in the amount of R$ 69,573 R$ 67,911 in 2024);
II. purchase of intangible assets, in the amount of R$ 24,113 (R$ 758 in 2024); and
III. recognition of lease liabilities as a counter-entry to the right to use the asset, where new agreements amounted to R$ 21,091 (R$ 109,321 in 2024), R$ 63,567 in remeasurements (R$ 107,303 in 2024), and agreements closed in the amount of R$ 7,335 (R$ 14,730 in 2024).

	Parent Company and Consolidated	
	03/31/2025	**12/31/2024**
Purchase of property and equipment	69,573	(67,911)
Purchase of intangible assets	24,113	(758)
New right-of-use agreements	(21,091)	109,321
New lease liability agreements	21,091	(109,321)
Remeasurements of right-of-use agreements	63,567	107,303
Remeasurement of lease liabilities	(63,567)	(107,303)
Closed/terminated lease agreements	(7,335)	(14,730)