Earnings

2Q23

2Q23 highlights

Growth across all key operating metrics

+1.7%

Net Revenue from Apparel

0.8% growth in total Net Revenue

56.4%

Gross Margin from Apparel

+0.5 p.p. increase
Total gross margin of 53.5%, +2.2 p.p. compared to 2Q22

+11.5%

Adjusted EBITDA

(after IFRS16) vs. 2Q22, and Adjusted EBITDA of 16.7%.

R$ 76 Mn

Free cash flow

-26.9%

Drop in gross debt in 2Q23

C&A Pay accounted for

20%

of sales

Results reflecting our key strategic drivers

1

Efficient and disciplined cash management

2

Constant operational improvement

3

Connection to the customer

1 Efficient and disciplined cash management

Disciplined management of costs and expenses to enhance **operating leverage**

Free cash flow of **R$ 76 million** in 2Q23

Inventory levels broadly unchanged compared to **2Q22**

Bank debt in the amount of R$ 639 million paid on the due date

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26.9% drop in **gross debt**

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2 Constant operational improvement

The **6th** consecutive quarter with better **gross margin from apparel: 56.4%, +3.5 p.**p. over 2Q19

35% of our apparel goods are distributed using **Push Pull,** driving reduced inventory and improved service levels

Dynamic pricing and **management of the purchase and supply** of our main products supported by **technology and AI-based algorithms**

C&A Pay increased its penetration of our sales

Paying with a smile. Active facial biometrics for C&A Pay payments in all stores

3 Connection to the customer

Value perception remains important – Apparel as an Investment

More versatile fall/winter collection, connected to the current scenario

Campaigns **on commemorative dates** reinforcing **the value perception without impacting gross margin**

C&A VC evolves constantly and now includes **26.4 Mn** customers

The C&A Pay and C&A apps are now fully integrated

Revenue from merchandise sales

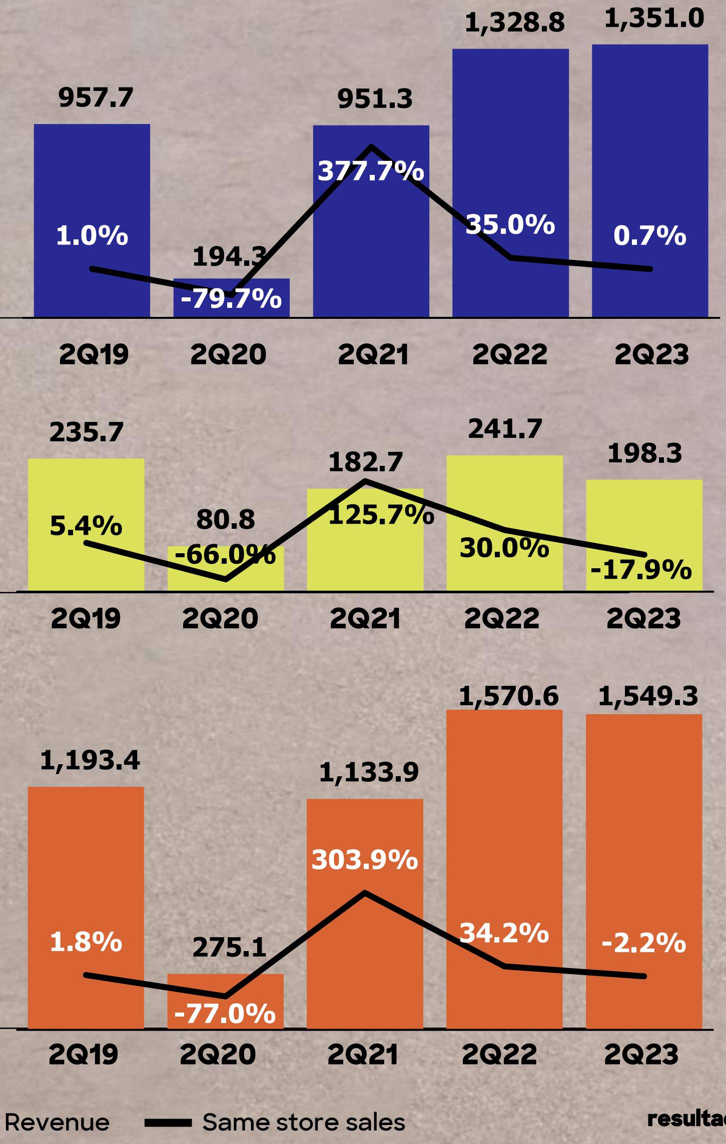
*R$ million and %

Apparel revenue increased despite the strong 2Q22 comparable base

Apparel
+1.7% vs. 2Q22

Fashiontronics and beauty
-18.0% vs. 2Q22

Merchandise
-1.4% vs. 2Q22



Gross margin
from merchandise

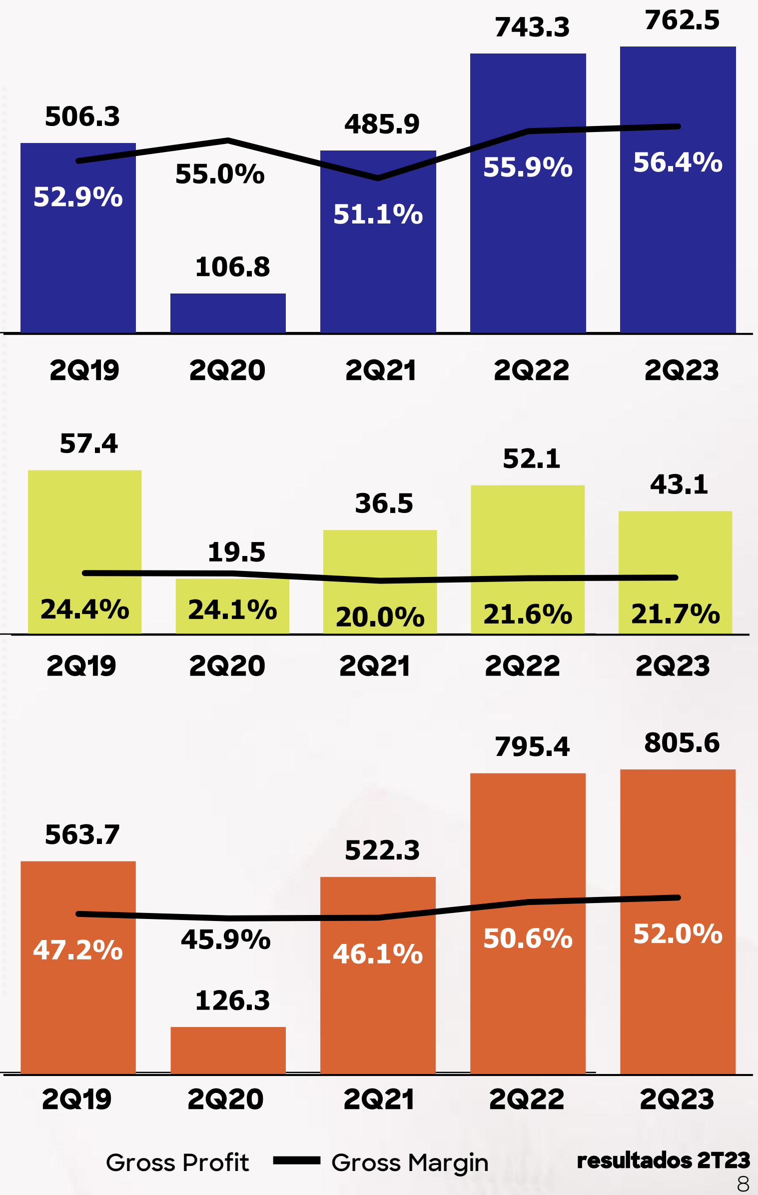
*R$ million and %

Six consecutive quarters of increasing gross margin from apparel

Apparel
+0.5 p.p. vs 2Q22

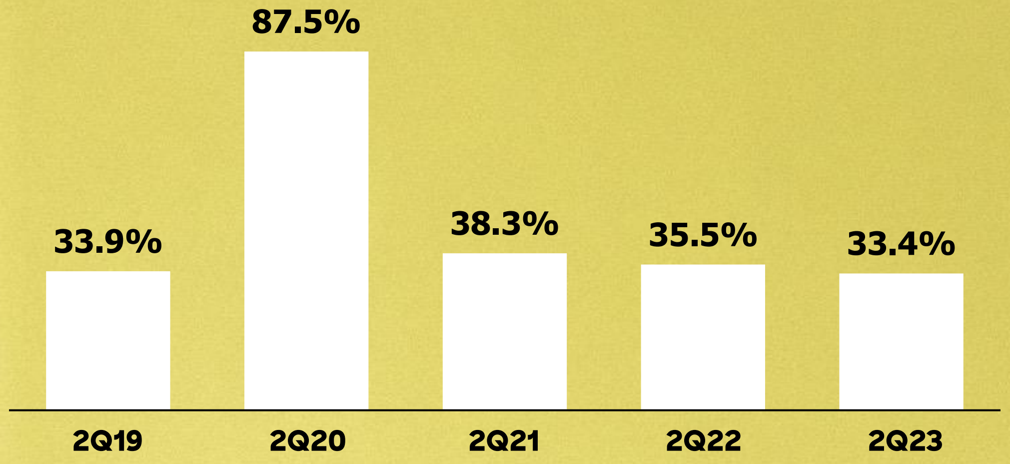
Fashiontronics and beauty
+0.1 p.p. vs 2Q22

Merchandise
+1.4p.p. vs 2Q22



Operating expenses[1]

under control



% Sales and G&A expenses as a percentage of Total Net Revenue

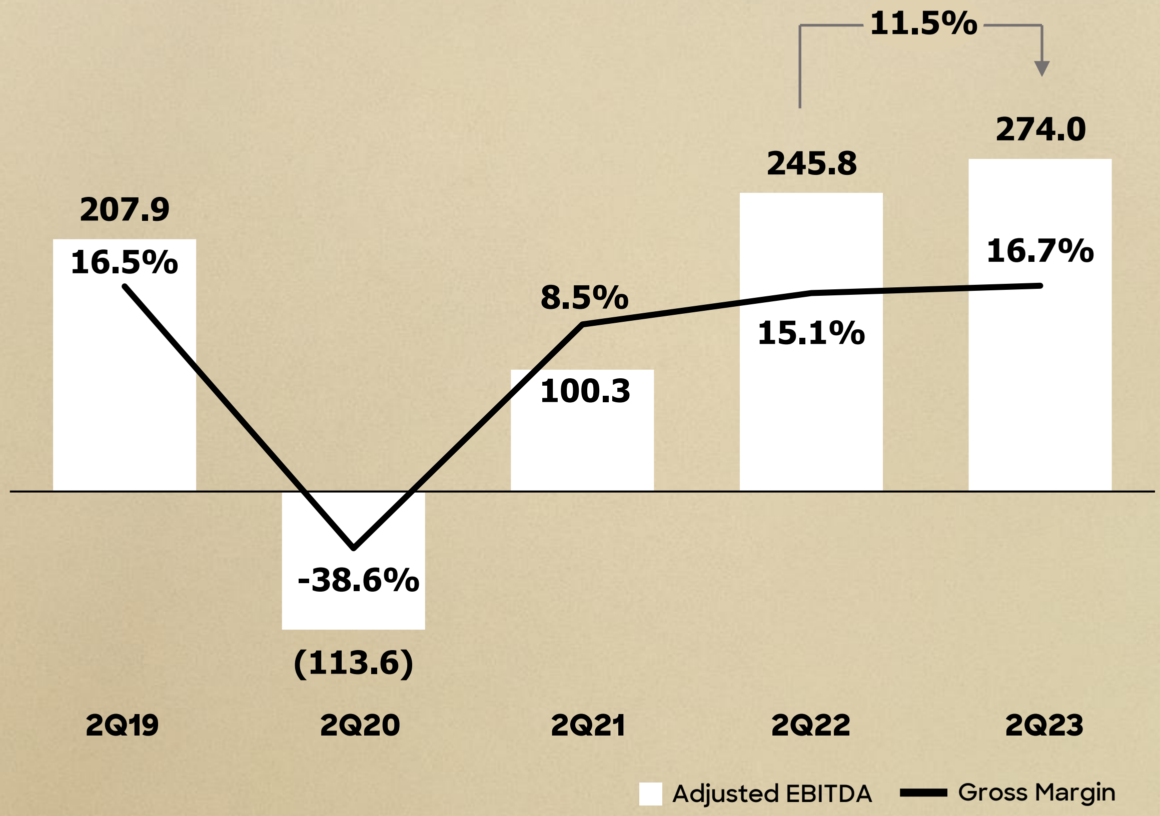
Improvement in our operating leverage

*R$ million	2Q19	2Q20	2Q21	2Q22	2Q23	2Q23 x2Q22
Selling Expenses	(333.0)	(172.8)	(348.5)	(464.9)	(413.8)	-11.0%
G&A Expenses	(94.6)	(84.9)	(101.9)	(114.4)	(134.9)	+17.9%
Total	**(427.6)**	**(257.7)**	**(450.5)**	**(579.3)**	**(548.7)**	**-5.3%**

1- Expenses include the payment of leases, as per accounting standard IFRS16. However, they exclude Depreciation, Amortization, and Right of Use (lease) Depreciation, as well as net credit loss expenses

Improvement in adjusted EBITDA[1] post-IFRS16

*R$ million and %



Operational recovery resulting in improved Adjusted EBITDA

1- EBITDA considers the impact of the payment of leases, as per accounting standard IFRS16, and is adjusted for: (i) for other net operating revenue (expenses); (ii) supplier financial revenue; and (iii) recovered tax credits 2 – EBITDA margin over total net revenue

C&A Pay

+153%

Increase in C&A Pay revenue[1] to R$71.8M

R$702Mn

portfolio by the end of 2Q23

3.6Mn

issued by late 2Q23

R$773

Average limit

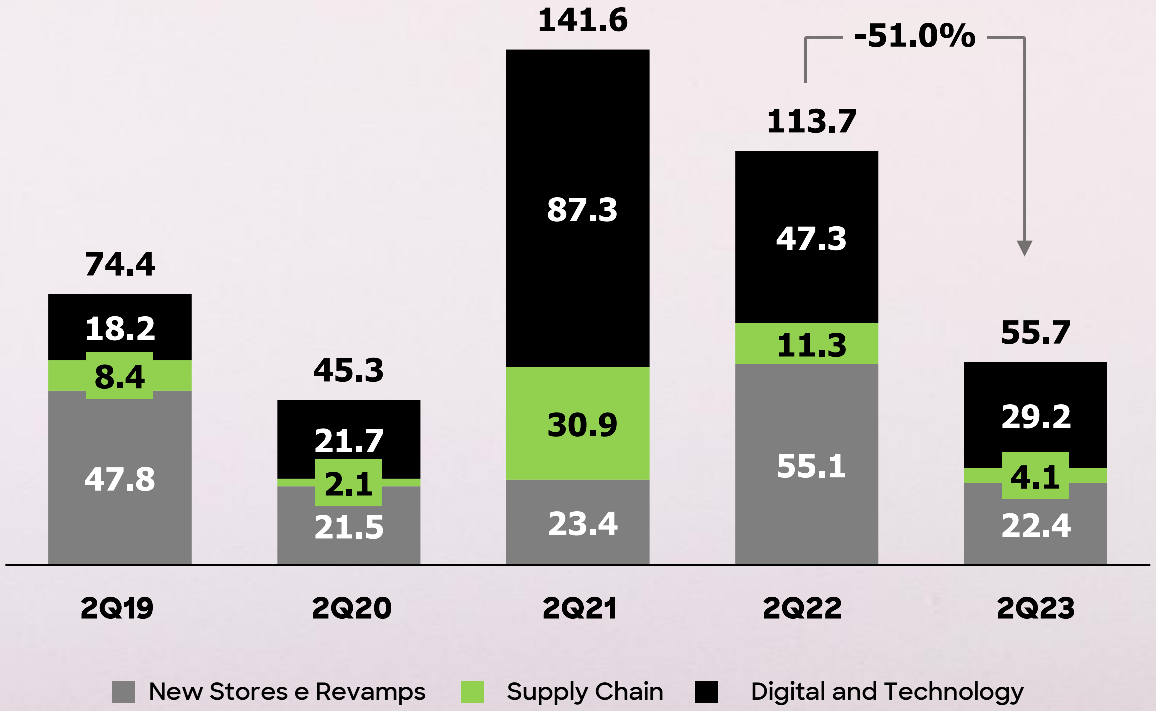
>90 past due accounts stand at **21.4%** with **74.1%** coverage

C&A Pay growth with financial indicators under control

1- Net revenue from funding and taxes

Disciplined investment plan

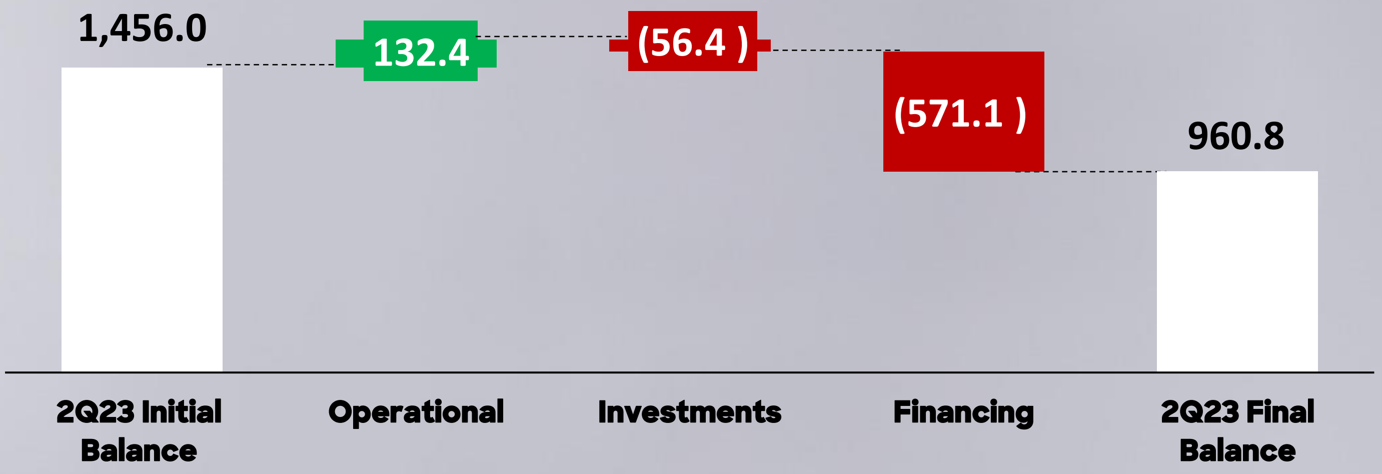
*R$ million



Lower investments reflect cash protection program

Operating cash generation

*R$ million



Our operating cash generation was R$ 132.4 million and payment of bank debts

Questions and Answers

If you want to **ask a live question via audio, please raise your hand to join the queue**. Once you are announced, a request to activate your mike will appear on your screen. Activate the mike to ask your question. Please ask all your questions at the same time.

If you would prefer, **write your question directly into the Q&A icon** on the lower part of your screen.

Raise Hand

Q&A

Earnings 2Q23

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The information contained in this document and related to business outlook, projections of operating and financial results and any information related to the growth outlook for C&A Modas are based excursively on Management expectations on future business. Said expectations depend substantially on market conditions, the performance of the Brazilian economy, the industry and international markets, and are subject to change without notice.
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