Interim Financial Statements 2Q24

Interim Financial Statement

C&A Modas S.A.

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

C&A Modas S.A.

Interim Financial Statement

June 30, 2024 and 2023

Content

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

Independent auditor's review report on quarterly information

To 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 June 30, 2024, comprising the statement of financial position as at June 30, 2024 and the related statements of profit or loss and of comprehensive income (loss), for the three and six-month periods then ended, and the statements of changes in equity and cash flows for the six-month period then ended including the explanatory notes, including material accounting policies and other instructive information.

Responsibilities of management for Interim Accounting Information

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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

Other matters

Statements of value added

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

São Paulo, August 07, 2024

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

Flávio Serpejante Peppe
Partner

C&A Modas S.A.

Statements of Financial Position
On June 30, 2024 and December 31, 2023
(in thousand Reals)

	Note	Parent Company		Consolidated	
	Note	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Assets					
Current					
Cash and cash equivalents	6	**552,623**	1,130,245	**610,129**	1,155,588
Bonds and securities	7	**-**	-	**204,970**	191,587
Trade receivables	8	**781,747**	1,054,599	**1,482,585**	1,778,421
Inventory	11	**1,088,716**	875,238	**1,088,716**	875,155
Taxes recoverable	12	**442,979**	379,126	**445,630**	388,451
Derivatives	32.4	**7,052**	721	**7,052**	721
Related parties	9	**368**	323	**89**	92
Other Assets	13	**68,428**	51,785	**68,538**	51,827
Total current assets		**2,941,913**	3,492,037	**3,907,709**	4,441,842
Non-current assets					
Long-term assets					
Bonds and securities - FIDC	7	**797,940**	791,352	**-**	-
Deferred taxes	14	**523,300**	535,488	**517,252**	535,959
Related parties	9	**-**	19	**-**	19
Taxes recoverable	12	**1,164,970**	1,197,839	**1,164,970**	1,197,839
Judicial deposits	25.3	**39,225**	47,641	**39,237**	47,668
Other Assets	13	**2,354**	3,219	**2,354**	3,219
Total long-term assets		**2,527,789**	2,575,558	**1,723,813**	1,784,704
Investments	15	**131,199**	118,249	**-**	-
Property and Equipment	16	**717,524**	763,401	**717,524**	763,401
Right-of-use assets - leases	19	**1,343,280**	1,462,945	**1,343,280**	1,462,945
Intangible assets	17	**920,248**	964,493	**920,472**	964,764
Total non-current assets		**5,640,040**	5,884,646	**4,705,089**	4,975,814
Total assets		**8,581,953**	9,376,683	**8,612,798**	9,417,656

C&A Modas S.A.

Statements of Financial Position
On June 30, 2024 and December 31, 2023
(in thousand Reals)

	Note	Parent Company		Consolidated	
	Note	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Net liabilities and equity					
Current					
Labor liabilities	23	**208,455**	230,098	**210,437**	231,364
Suppliers	20	**1,022,310**	1,172,988	**1,038,748**	1,189,225
Obligations - Forfait	21	**286,474**	364,709	**286,474**	364,709
Taxes payable	24	**107,824**	277,772	**109,315**	287,249
Loans and debentures	22	**560,554**	511,427	**560,554**	511,427
Related parties	9	**86,097**	79,760	**68,969**	71,661
Derivatives	32.4	**-**	1,392	**-**	1,392
Leases	19	**532,835**	501,642	**532,835**	501,642
Other liabilities		**22,157**	20,571	**48,115**	41,462
Total current liabilities		**2,826,706**	3,160,359	**2,855,447**	3,200,131
Non-current assets					
Labor liabilities	23	**17,077**	18,740	**17,077**	18,740
Suppliers	20	**573,102**	551,248	**573,102**	551,248
Taxes payable	24	**15,638**	12,410	**15,638**	12,410
Loans and debentures	22	**759,868**	1,176,427	**759,868**	1,176,427
Leases	19	**1,067,874**	1,209,781	**1,067,874**	1,209,781
Provisions for tax, civil, and labor risks	25	**125,456**	183,791	**127,556**	184,989
Other liabilities		**53,898**	51,211	**53,898**	51,211
Total non-current liabilities		**2,612,913**	3,203,608	**2,615,013**	3,204,806
Total liabilities		**5,439,619**	6,363,967	**5,470,460**	6,404,937
Shareholder's Equity					
Capital stock	26	**1,847,177**	1,847,177	**1,847,177**	1,847,177
Shares in Treasury		**(31,301)**	(8,498)	**(31,301)**	(8,498)
Capital reserve		**42,836**	49,879	**42,836**	49,879
Profit reserve		**1,124,744**	1,124,744	**1,124,744**	1,124,744
Other comprehensive income		**4,165**	(586)	**4,165**	(586)
Accumulated profits		**154,713**	-	**154,713**	-
Total controlling shareholders		**3,142,334**	3,012,716	**3,142,334**	3,012,716
Total non-controlling shareholders		**-**	-	**4**	3
Total shareholder's equity		**3,142,334**	3,012,716	**3,142,338**	3,012,719
Total liabilities and shareholder's equity		**8,581,953**	9,376,683	**8,612,798**	9,417,656

See accompanying notes.

C&A Modas S.A.

Statements of earnings
Quarters and six-month periods ended June 30, 2024 and 2023
(In thousand Reals - R$, except earnings per share)

		Parent Company			
		Quarter ended		Half-year ended	
	Note	04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Net Revenue	28	**1,748,221**	1,586,747	**3,111,086**	2,774,256
Sales of goods and services		**1,716,772**	1,554,987	**3,051,148**	2,716,395
Financial Products and Services		**31,449**	31,760	**59,938**	57,861
Cost of goods sold and services rendered	29	**(805,700)**	(763,479)	**(1,488,390)**	(1,379,430)
Sales of goods and services		**(805,628)**	(763,374)	**(1,488,242)**	(1,379,209)
Financial Products and Services		**(72)**	(105)	**(148)**	(221)
Gross profit		**942,521**	823,268	**1,622,696**	1,394,826
Operating revenue (expenses):					
Sales expenses	29	**(565,009)**	(503,910)	**(1,086,711)**	(985,748)
General and administrative	29	**(203,197)**	(195,451)	**(406,593)**	(364,228)
Share of profit of subsidiaries	15	**8,769**	(8,708)	**13,295**	(28,523)
Other net operating income (expenses)	29	**39,460**	5,902	**103,773**	11,517
Profit/(Loss) before financial results		**222,544**	121,101	**246,460**	27,844
Exchange variation		**(9,051)**	2,282	**(10,982)**	1,599
Finance expenses		**(139,135)**	(158,507)	**(292,489)**	(326,552)
Finance income		**31,523**	40,730	**170,994**	108,532
FIDC C&A Pay Earnings		**8,507**	(6,756)	**50,089**	(6,756)
Finance results	30	**(108,156)**	(122,251)	**(82,388)**	(223,177)
Profit/(loss) before income taxes		**114,388**	(1,150)	**164,072**	(195,333)
Income taxes	14	**(30,529)**	5,374	**(9,359)**	73,212
Net income (loss) for the period		**83,859**	4,224	**154,713**	(122,121)

See accompanying notes.

C&A Modas S.A.

Statements of earnings
Quarters and six-month periods ended June 30, 2024 and 2023
(In thousand Reals - R$, except earnings per share)

	Note	Consolidated			
		Quarter ended		Half-year ended	
		04/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2024 to 06/30/2024	01/01/2023 to 06/30/2023
Net Revenue	28	**1,831,609**	1,642,961	**3,284,617**	2,883,538
Sales of goods and services		**1,714,042**	1,554,987	**3,053,182**	2,716,394
Financial Products and Services		**117,567**	87,974	**231,435**	167,144
Cost of goods sold and services rendered	29	**(805,792)**	(763,621)	**(1,488,451)**	(1,379,677)
Sales of goods and services		**(805,627)**	(763,374)	**(1,488,158)**	(1,379,101)
Financial Products and Services		**(165)**	(247)	**(293)**	(576)
Gross profit		**1,025,817**	879,340	**1,796,166**	1,503,861
Operating revenue (expenses):					
Sales	29	**(572,192)**	(528,003)	**(1,106,205)**	(1,037,026)
General and administrative	29	**(203,526)**	(196,113)	**(407,293)**	(366,273)
Net credit losses	8.5	**(69,052)**	(58,962)	**(110,056)**	(103,086)
Other net operating income (expenses)	29	**39,462**	5,669	**103,779**	11,260
Profit/(Loss) before financial results		**220,509**	101,931	**276,391**	8,736
Exchange variation		**(9,051)**	2,282	**(10,982)**	1,599
Finance expenses		**(128,146)**	(151,690)	**(272,883)**	(320,613)
Finance income		**33,738**	43,652	**175,554**	112,278
Earnings from Bonds and Securities		**1,950**	1,157	**2,903**	1,157
Finance results	30	**(101,509)**	(104,599)	**(105,408)**	(205,579)
Profit/(loss) before income taxes		**119,000**	(2,668)	**170,983**	(196,843)
Income taxes	14	**(35,140)**	6,892	**(16,269)**	74,720
Net income (loss) for the period		**83,860**	4,224	**154,714**	(122,123)
Attributable to the shareholders:					
Non-controlling		**1**	-	1	(2)
Controlling		**83,859**	4,224	**154,713**	(122,121)
Basic Profit/(Loss) per share – in R$	35	**0.2750**	0.0138	**0.5074**	(0.3996)
Diluted Profit/(Loss) per share – in R$	35	**0.2675**	0.0138	**0.4992**	(0.3996)

See accompanying notes.

C&A Modas S.A.

Statement of comprehensive income (loss)
Quarters and six-month periods ended June 30, 2024 and 2023
(in thousand Reals - R$)

	Parent Company			
	Quarter ended		Half-year ended	
	04/01/2024 to 06/30/2024	**04/01/2023 to 06/30/2023**	**01/01/2024 to 06/30/2024**	**01/01/2023 to 06/30/2023**
Net income (loss) for the period	**83,859**	4,224	**154,713**	(122,121)
Other comprehensive results:				
Gains (losses) from derivatives	**6,311**	728	**7,722**	(3,901)
Other comprehensive results (*)	**(397)**	-	**(345)**	-
Tax effects	**(2,146)**	(247)	**(2,626)**	1,326
Total comprehensive results to be reclassified to results for the period in subsequent periods, net of taxes	**3,768**	481	**4,751**	(2,575)
Total comprehensive results	**87,627**	4,705	**159,464**	(124,696)

(*) The result of the mark-to-market adjustment of C&A Pay SCD LFTs

	Consolidated			
	Quarter ended		Half-year ended	
	04/01/2024 to 06/30/2024	**04/01/2023 to 06/30/2023**	**01/01/2024 to 06/30/2024**	**01/01/2023 to 06/30/2023**
Net income (loss) for the period	**83,860**	4,224	**154,714**	(122,123)
Other comprehensive results:				
Gains (losses) from derivatives	**6,311**	728	**7,722**	(3,901)
Other comprehensive results (*)	**(397)**	-	**(345)**	-
Tax effects	**(2,146)**	(247)	**(2,626)**	1,326
Total comprehensive results to be reclassified to results for the period in subsequent periods, net of taxes	**3,768**	481	**4,751**	(2,575)
Total comprehensive results Attributable to the shareholders:				
Non-controlling	**1**	-	**1**	(2)
Controlling	**87,627**	4,705	**159,464**	(124,696)
	87,628	4,705	**159,465**	(124,698)

(*) The result of the mark-to-market adjustment of C&A Pay SCD LFTs (Financial Treasury Bills)

See accompanying notes.

C&A Modas S.A.

Statements of changes in equity
Six-month period ended June 30 2024 and 2023
(in thousand Reals - R$)

	Note	Capital stock	Shares in Treasury	Capital reserve		Profit reserve				Other comprehensive income	Accumulated profits (losses)	Total controlling interests	Non-controlling interests	Total shareholder's equity
				Capital reserve	Other capital reserves	Legal reserve	Reserves for unrealized gains	Reserve for tax incentives	Reserve for investments	Equity valuation adjustments				
Balance on December 31, 2022		1,847,177	(6,778)	10,516	27,125	65,092	75,720	12,341	969,256	(254)	-	3,000,195	1	3,000,196
Equity instruments granted - share-based compensation	10	-	-	-	4,423	-	-	-	-	-	-	4,423	-	4,423
Share buy-back		-	(1,720)	-	-	-	-	-	-	-	-	(1,720)	-	(1,720)
Destination of earnings:														
Net income (loss) for the period		-	-	-	-	-	-	-	-	-	(122,121)	(122,121)	(2)	(122,123)
Other comprehensive income		-	-	-	-	-	-	-	-	(2,575)	-	(2,575)	-	(2,575)
Balance on June 30 2023		1,847,177	(8,498)	10,516	31,548	65,092	75,720	12,341	969,256	(2,829)	(122,121)	2,878,202	(1)	2,878,201
Balance on December 31, 2023		**1,847,177**	**(8,498)**	**10,516**	**39,363**	**65,208**	**75,720**	**14,560**	**969,256**	**(586)**	**-**	**3,012,716**	**3**	**3,012,719**
Equity instruments granted - share-based compensation	10	**-**	**-**	**-**	**6,907**	**-**	**-**	**-**	**-**	**-**	**-**	**6,907**		**6,907**
Share buy-back		**-**	**(29,300)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(29,300)**		**(29,300)**
Exercised stock options (i)		**-**	**6,497**	**-**	**(13,950)**	**-**	**-**	**-**	**-**	**-**	**-**	**(7,453)**		**(7,453)**
Destination of earnings:		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Net income for the period		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**154,713**	**154,713**	**1**	**154,714**
Other comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,751**	**-**	**4,751**		**4,751**
Balance on June 30 2024		**1,847,177**	**(31,301)**	**10,516**	**32,320**	**65,208**	**75,720**	**14,560**	**969,256**	**4,165**	**154,713**	**3,142,334**	**4**	**3,142,338**

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

See accompanying notes.

C&A Modas S.A.

Statements of cash flow
Six-month periods ended June 30 2024 and 2023
(in thousand Reals - R$)

	Note	Parent Company		Consolidated	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023
Operating activities					
Income (loss) before income tax		**164,072**	(195,333)	**170,983**	(196,843)
Adjustments to reconcile income before income taxes to net cash flows:					
Allowance (reversal) for expected credit losses	8.5	**209**	1,776	**110,505**	104,654
Adjustment to present value of accounts receivables and suppliers		**86**	(7,793)	**86**	(7,793)
Expenses with stock-based compensation	10	**6,907**	4,423	**6,907**	4,423
Provisions for inventory losses	11.3	**41,125**	34,305	**41,125**	34,305
Gains/Recognition of tax claims, including monetary correction	12.2.1.4	**(178,908)**	(39,406)	**(178,908)**	(39,406)
Share of profit of subsidiaries	15.2	**(13,295)**	28,523	**-**	-
Depreciation and amortization	16.3 and 17.3	**175,368**	178,181	**175,414**	178,226
Impairment (Reversal) of provisions for property and equipment, intangibles, and right-of-use assets	18.2	**15,750**	(2,226)	**15,750**	(2,226)
Losses from the sale or disposal of property and equipment and intangible assets		**310**	5,269	**310**	5,269
Right-of-use amortization	19.4	**181,138**	188,395	**181,138**	188,395
Lease liabilities	19.4	**(4,448)**	(2,581)	**(4,448)**	(2,581)
Interest on leases	19.4	**81,442**	83,942	**81,442**	83,942
Interest on loans	22.4	**100,617**	132,915	**100,617**	132,915
Amortization of the transaction costs on loans	22.4	**2,468**	1,968	**2,468**	2,767
Provisions (reversal) for tax, civil, and labor risks		**(36,893)**	24,424	**(34,771)**	25,142
Update of judicial deposits		**5,265**	(4,888)	**5,265**	(4,888)
Yield from investments in bonds and securities		**-**	(375)	**(7,871)**	(375)
Variations in assets and liabilities:					
Trade receivables		**277,840**	386,077	**190,528**	90,380
Related parties		**6,656**	17,925	**(2,670)**	(12,844)
Inventory		**(253,861)**	(151,538)	**(253,944)**	(151,646)
Taxes recoverable		**147,924**	130,281	**154,598**	129,262
Other credits		**(15,778)**	(27,582)	**(15,846)**	(27,546)
Investment fund		**-**	(575,244)	**-**	-
Bonds and securities		**(6,588)**	4,459	**(5,512)**	4,459
Judicial deposits		**530**	10,757	**545**	10,740
Suppliers		**(126,014)**	(35,292)	**(125,813)**	(31,327)
Drawee risk liabilities		**(78,235)**	(73,874)	**(78,235)**	(73,874)
Labor liabilities		**(29,545)**	(15,440)	**(28,829)**	(14,111)
Other liabilities		**749**	(6,053)	**5,814**	(18,114)
Provisions for tax, civil and labor risks		**(18,821)**	(8,771)	**(20,041)**	(8,771)
Taxes payable		**(115,552)**	(128,536)	**(123,746)**	(129,092)
Income Tax and Social Contribution paid		**(52,181)**	(20,694)	**(52,362)**	(21,248)
Net cash flow from operating activities		**278,337**	(62,006)	**310,499**	252,194
Investment activities					
Purchase of property and equipment		**(31,367)**	(37,949)	**(31,367)**	(37,949)
Purchase of intangible assets		**(68,377)**	(92,047)	**(68,376)**	(92,047)
Subsidiary capital increases		**-**	(47,682)	**-**	-
Receivables from the sale of property and equipment		**52**	369	**52**	369
Cash flow used in investment activities		**(99,692)**	(177,309)	**(99,691)**	(129,627)
Financing activities					
New loans and debentures issued		**-**	250,000	**-**	381,372
Loan/debenture transaction costs		**(434)**	(3,950)	**(434)**	(4,750)
Repayment of loan principals		**(360,000)**	(432,500)	**(360,000)**	(725,429)
Interest paid on loans		**(110,083)**	(225,048)	**(110,083)**	(226,947)
Payment of the principal and interest on leases		**(256,450)**	(258,340)	**(256,450)**	(258,340)
Share buy-back		**(29,300)**	(1,720)	**(29,300)**	(1,720)
Net cash flows originating from (used by) financing activities		**(756,267)**	(671,558)	**(756,267)**	(835,814)
Net increase (decrease) in cash and cash equivalents		**(577,622)**	(910,873)	**(545,459)**	(713,247)
Cash and cash equivalents at the start of the period		**1,130,245**	1,627,977	**1,155,588**	1,674,091
Cash and cash equivalents at the end of the period		**552,623**	717,104	**610,129**	960,844

See accompanying notes.

C&A Modas S.A.

Statements of value added
Six-month periods ended June 30 2024 and 2023
(in thousand Reals - R$)

	Parent Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Revenue				
Sales of goods and services	**4,110,026**	3,626,124	**4,285,734**	3,745,011
Other operating revenue	**93,039**	9,997	**93,043**	9,997
Provision for/reversal of expected credit losses	**171**	79	**(109,885)**	(103,007)
	4,203,236	3,636,200	**4,268,892**	3,652,001
Inputs acquired from third parties				
Cost of goods and services sold	**(1,456,816)**	(1,363,887)	**(1,456,733)**	(1,363,779)
Materials, energy, third party services, and others	**(441,053)**	(424,903)	**(453,308)**	(454,947)
Impairment of assets	**(40,695)**	(12,478)	**(40,695)**	(12,478)
	(1,938,564)	(1,801,268)	**(1,950,736)**	(1,831,204)
Gross Value Added	**2,264,672**	1,834,932	**2,318,156**	1,820,797
Depreciation and amortization	**(175,368)**	(178,180)	**(175,414)**	(178,226)
Depreciation of right-of-use	**(181,138)**	(188,396)	**(181,138)**	(188,396)
Withholdings	**(356,506)**	(366,576)	**(356,552)**	(366,622)
Net value added generated	**1,908,166**	1,468,356	**1,961,604**	1,454,175
Value added received through transfer				
Share of profit of subsidiaries	**13,295**	(28,523)	**-**	-
Finance income	**242,816**	114,030	**201,369**	125,965
	256,111	85,507	**201,369**	125,965
Total value added for distribution	**2,164,277**	1,553,863	**2,162,973**	1,580,140
Distribution of value added				
Personnel and payroll charges	**470,005**	405,474	**476,948**	428,972
Direct compensation	**348,379**	299,790	**353,983**	319,426
Benefits	**75,634**	68,259	**75,954**	68,321
F.G.T.S.	**31,344**	27,540	**31,565**	27,620
Other	**14,648**	9,885	**15,446**	13,605
Taxes and Contributions	**1,094,597**	842,951	**1,105,953**	851,705
Federal	**371,253**	242,889	**382,177**	250,000
State	**691,191**	567,573	**691,191**	567,573
Municipal	**32,153**	32,489	**32,585**	34,132
Debt remuneration	**444,962**	427,559	**425,358**	421,586
Rentals	**114,716**	98,481	**114,716**	98,481
Finance expenses	**330,246**	329,078	**310,642**	323,105
Compensation on equity	**154,713**	(122,121)	**154,714**	(122,123)
Profit/(Loss) for the period	**154,713**	(122,121)	**154,713**	(122,123)
Share of withheld profits of non-controlling shareholders	**-**	-	**1**	-
Distribution of value added	**2,164,277**	1,553,863	**2,162,973**	1,580,140

See accompanying notes.

1. Operating Context

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

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

<u>Marketing & Sales:</u>
. 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.

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

The Group sells its merchandise in 331 stores (334 stores On December 31, 2023), supplied by 6 logistics operations and 3 distribution centers in the states of São Paulo, Rio de Janeiro, and Santa Catarina. The Group also sells its goods through e-commerce services.

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

2. Basis of Preparation

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

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

On August 06, 2024 the Board of Directors authorized the issuing of the individual and consolidated interim financial statements for the period ending June 30, 2024.

2.1. Basis of measurement and presumption of continuity

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

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

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)

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

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

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

2.4.1. - Statements of cash flow

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

(in thousand Reals unless otherwise stated)

	Parent Company			Consolidated		
	As previously reported on 06/30/2023	Reclassification	Balance on 06/30/2023 (Resubmitted)	As previously reported on 06/30/2023	Reclassification	Balance on 06/30/2023 (Resubmitted)
Operating activities						
Income before income tax	(195,333)	-	(195,333)	(196,843)	-	(195,333)
Inventory	(146,086)	(5,452)	(151,538)	(146,194)	(5,452)	(151,646)
Taxes recoverable	124,829	5,452	130,281	123,810	5,452	129,262
Net cash flow from operating activities	(62,006)	-	(62,006)	252,194	-	252,194
Cash flow used in investment activities	(177,309)	-	(177,309)	(129,627)	-	(129,627)
Cash flow originating from (applied in) finance activities	(671,558)	-	(671,558)	(835,814)	-	(835,814)
Increase (decrease) in cash and cash equivalents	(910,873)	-	(910,873)	(713,247)	-	(713,247)
Cash and cash equivalents at the start of the period	1,627,977	-	1,627,977	1,674,091	-	1,674,091
Cash and cash equivalents at the end of the period	717,104	-	717,104	960,844	-	960,844

2.5. Impact of the floods in Rio Grande do Sul

In early May 2024, the state of Rio Grande do Sul experienced a major climate catastrophe, with unusually heavy rainfall causing significant losses to the population, the state's infrastructure as well as impacted economic activities due to the suspension of some industrial and commercial activities.

In light of this, the Group mobilized to support its employees and the community.

The impact on the Group was only minor, only one of the 12 stores in the region was damaged by the floods, the the Company is in the process of filing a claim to replace its assets and for stopped profits with the insurer. On June 30, 2024, the Company recognized a loss in inventories of R$522 thousand, which will be reimbursed by the insurer, and a provision for loss of fixed assets amounting to R$176 thousand.

Business continued as usual in all non-affected stores. The Group continues monitoring earnings and future projects of the fair value measured for these assets in the interim financial statements for the quarter ending June 30, 2024.

3. Basis for Consolidation

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

A change in equity in the subsidiary without loss of control is booked as an equity transaction.

In the individual interim financial statements, the Company’s investments in its subsidiaries are recorded using the equity approach.

(in thousand Reals unless otherwise stated)

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

	Shareholding	
Direct Subsidiaries	**06/30/2024**	**12/31/2023**
Orion Instituição de Pagamento S.A.	99.99%	99.99%
Moda Lab LTDA	99.00%	99.00%
C&A Pay Holding Financeira Ltda	99.99%	99.99%
Indirect Subsidiary		
C&A Pay Sociedade de Crédito Direto S.A.	99.99%	99.99%
Investment Fund		
C&A Pay Fundo de Investimento em Direitos Creditórios	100.00%	100.00%

3.1. Orion Instituição de Pagamento S.A.

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

3.2. Moda Lab LTDA

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

3.3. C&A Pay Holding Financeira Ltda

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

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

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

3.5. C&A Pay Fundo de Investimento em Direitos Creditórios não padronizados [non-standardized credit rights investment fund]

FIDC (C&A Pay non-standardized receivables investment funds), of which C&A is the sole quota holder, started operations on May 2, 2023. The FIDC initially purchased C&A Pay's legacy portfolio, which had been in the hands of Orion Instituição de Pagamento. In May 2023, credit management and concession were transferred to the C&A Pay SCD, which now originates the assets and assigns them to the FIDC.

4. Accounting policies

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

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

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

a) Changes in IFRS 16: Sale and Leaseback Lase Liabilities

In September 2022 the IASB amended IFRS 16 (equivalent to CPC 06 - Lases) to specify the requirements that a seller-lessor uses to measure the lase liability resulting from a sale and leaseback transaction to ensure that the seller-lessor does not recognize any gain or loss related to the right-of-use kept.

These amendments are in effect for annual financial statements as of January 1 2024, and shall be applied retroactively to sale and leaseback transactions entered into the initial date of application of IFRS 16 (CPC 06). Early application is allowed and must be disclosed.

The new standard is not expected to impact the Group's Consolidated Financial Statements.

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

In January 2020 and October, 2022 the IASB amended paragraphs 69 through 76 of IAS 1, which corresponds to CPC 26 (R1) - Presentation of Financial Statements) to specify the requirements for classifying liabilities as current or non-current. These amendments clarify:
• What constitutes the right to defer settlement.
• That the right to defer must exist at the end of the financial reporting period.
• That this classification is not affected by the likelihood that an entity will exercise is right to defer;

• The terms of a liability would not impact its classification only if that derivative is embedded into a convertible liability is itself an
equity instrument.

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

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

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

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

In May 2023, the IASB amended IAS 7 (the standard that is equivalent to CPC 03 (R2) cash flow) and IFRS 7 (equivalent to CPC 40 (R1) - Financial instruments: evidence) to explain the characteristics of supplier financial agreements and require additional disclosures regarding such agreements. The disclosure requirements in the amendment are intended to help those using the financial statements to understand the impact of supplier loan agreements on liabilities, cash flow, and liquidity risk exposure of an entity.
These amendments are in effect for the annual financial reporting periods starting as of January 1, 2024. Early adoption is allowed if disclosed.

The Company is looking into the possibility of moving up the adoption of this pronouncement. This change would impact the Group's disclosure, but not the measurement or recognition of items in its financial statements.

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

On October 20, 2023 the CVM, the Brazilian equivalent to the SEC, issued Resolution 193, which set the guidelines that will be used to define how sustainability-related climate information will be disclosed in Brazil.

IFRS S1 requires that companies disclose material information on all sustainability-related risks and opportunities. IFRS S2 sets the requirements for disclosing climate-related information. The Company is evaluating the impact of early adoption of this standard.

5. Significant accounting judgments, estimates, and premises

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

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

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

(in thousand Reals unless otherwise stated)

6. Cash and cash equivalents

6.1. Accounting policy

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

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

6.2. Composition of cash and cash equivalents

	Compensation	Parent Company		Consolidated	
		06/30/2024	**12/31/2023**	**06/30/2024**	**12/31/2023**
Cash		**4,702**	5,040	**4,702**	5,040
Banks		**36,167**	65,943	**74,745**	72,713
Cash equivalents:					
Interest yielding account	**2% to 10% of the CDI**	**28,074**	51,758	**28,075**	52,697
Bank Certificates of Deposit(*)	**96% to 103.75% of the CDI**	**483,680**	1,007,504	**502,607**	1,025,138
		552,623	1,130,245	**610,129**	1,155,588

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

7. Bonds and securities

7.1. Accounting policy

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

(in thousand Reals unless otherwise stated)

7.2. Breakdown of bonds and securities

	Index	Rate	Parent Company		Consolidated	
			06/30/2024	12/31/2023	06/30/2024	12/31/2023
Treasury Bonds (*)	**SELIC**	**100%**	**-**	-	**92,412**	145,068
FIDC C&A Pay		**100%**	**797,940**	791,352	**-**	-
Fixed Yield Investment Fund			**-**	-	**112,558**	46,519
			797,940	791,352	**204,970**	191,587
Current assets			**-**	-	**204,970**	191,587
Non-current assets			**797,940**	791,352	**-**	-

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

7.3. FIDC C&A Pay

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

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

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

Single serie	% Fund SE	Number	Value of each quota	Amount
06/30/2024	100%	986,342	0.8633	851,468
12/31/2023	100%	978,706	0.8452	827,251

(in thousand Reals unless otherwise stated)

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

	06/30/2024	12/31/2023
Assets		
Cash and cash equivalents	34,541	4,817
Financial investments	114,233	54,102
Trade receivables	760,531	805,156
Other credits	13,113	50
Total assets	**922,418**	**864,125**
Net liabilities and equity		
Accounts payable	70,950	36,874
Shareholder's Equity	851,468	827,251
Total liabilities and shareholder's equity	**922,418**	**864,125**

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

	06/30/2024	12/31/2023
FIDC Shareholder's Equity	**851,468**	**827,251**
Expected credit losses CPC48/IFRS 9	(26,304)	(21,097)
Present value adjustment	(11,974)	(14,008)
Consolidation adjustments (*)	(15,249)	(794)
FIDC Shareholder's Equity - Consolidated	**797,940**	**791,352**

(*) The FIDC result is booked according to ICVM 489 of January 14, 2011, which applies to direct credit risk investment funds. For interim account purposes credit revenue and losses are calculated using IFRS/CPC rules and the Group's accounting policies.

(in thousand Reals unless otherwise stated)

8. Trade receivables

8.1. Accounting policy

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

Installment sales are brought to their present value on the date of the transaction using rates associated with the customer's credit profile. The mean rate used on June 30, 2024 was 0.84% per month (0.93% on 31 December, 2023). Realization is booked as sales revenue. Provisions for expected credit losses have been made in amounts Management considers sufficient to cover expected credit losses.

8.2. Breakdown of trade receivables

	Parent Company		Consolidated	
	06/30/2024	**12/31/2023**	**06/30/2024**	**12/31/2023**
Card operators	**722,878**	958,344	**722,878**	958,344
C&A Pay Card - related parties	**24,989**	60,511	**-**	-
C&A Pay Card - third parties	**-**	-	**1,020,259**	963,020
Present value adjustment	**(8,738)**	(13,935)	**(20,712)**	(27,944)
Expected credit losses	**(2,783)**	(2,955)	**(297,458)**	(187,334)
Customer accounts receivable	**736,346**	1,001,965	**1,424,967**	1,706,086
Trade receivables - business partners	**57,497**	64,730	**69,714**	84,431
Expected credit losses	**(12,096)**	(12,096)	**(12,096)**	(12,096)
Other trade receivables	**45,401**	52,634	**57,618**	72,335
Total trade receivables	**781,747**	1,054,599	**1,482,585**	1,778,421

8.3. Receivables pre-payment

Third-Party

In June 2023 the C&A Group advanced R$251,817 to the acquirers for its credit card receivables. This had a transaction cost R$3,105 over six months, equivalent to a monthly rate of 1.06% to 1.2%, entered as finance expenses - receivables pre-payment (see note 30).
In 2024 the Group did not advance any third-party credit card receivables.

Intragroup

During the first six months of 2024 C&A Modas advanced receivables with its C&A pay SCD subsidiary in the amount of R$ 1,051,022 at a cost of R$19,628 (R$343.988 in the same period of 2023, at a cost of R$6,902). These transaction cost 0.91% monthly, and were booked as finance expenses for C&A Modas and as finance revenue for C&A pay SCD. These transactions were eliminated in the Group consolidation (see note 30).

(in thousand Reals unless otherwise stated)

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

	FIDC C&A Pay	
	06/30/2024	**12/31/2023**
Coming due:		
Up to 30 days	**219,891**	236,208
31 – 60 days	**146,928**	158,185
61 – 90 days	**103,750**	117,484
91 - 180 days	**140,383**	158,440
181 - 360 days	**47,700**	54,595
Over 360 days	**1,433**	1,642
	660,085	726,554
Past due:		
Up to 30 days	**26,673**	18,514
31 – 60 days	**19,585**	15,665
61 – 90 days	**29,129**	21,336
91 - 180 days	**79,053**	66,173
181 - 360 days	**99,942**	113,904
Over 360 days	**105,792**	874
	360,174	236,466
Total	**1,020,259**	963,020

8.5. Expected losses in credit transactions

Financial Services – C&A Pay

In late 2021, to improve the customer buying experience and support retail sales, the Group launched C&A Pay, a digital card. This private label card is currently only accepted at C&A stores. To support this operation, a strict credit approval system was developed using tools and analyses to more accurately determine the credit limit to be granted to customers. Estimating the losses from these credits requires continuously assessing risk based on past data, current data, and future projections. At this point, assets greater than 720 days past due are considered a loss.

On June 30, 2024, the Group had 94.35% provisions for assets between 360 and 720 days past due.

8.5.1 Accounting policy

The C&A Group uses IFRS-9/CPC-48 methodology, and a simplified approach to calculate expected credit losses. This approach is based on expected losses using variables such as past risk behavior and the macroeconomic scenario. The model is constantly used and revised, thus capturing changes in intrinsic and external factors that would justify a change in provisions. Credit transactions include on-balance sheet balances (active portfolio), and off-balance sheet balances (limits granted but not used). These transactions are entered as a loss (written off) when there is no longer any expectation that past due amounts will be recovered, in which case the associated provisions for expected losses are reversed.

By the end of 2023, as C&A Pay operations matured and it had a more robust basis for calculating customer behavior, the Company retained a specialized consulting firm and refined its model for expected losses. Based on the past history recovering assets 360 to 720 days past due it classified its credit transactions into loss (write-off), and assets more than 721 past due. This change brings our loss estimate closer to reality.

(in thousand Reals unless otherwise stated)

Main components of the expected loss model:

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

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

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

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

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

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

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

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

8.5.2 Portfolio breakdown and loss estimates per stage

	C&A Pay				
	06/30/2024				
	Portfolio				
C&A Pay Credit Card (Private Label)	Coming due	Past due	Total	Estimated Losses	% Coverage
Stage 1	**634,035**	**22,449**	**656,484**	**19,967**	**3.04%**
Compliant	593,442	-	**593,442**	16,769	
Up to 30 days	40,593	22,449	**63,042**	3,198	
Stage 2	**15,241**	**44,901**	**60,142**	**7,652**	**12.72%**
31 – 60 days	9,832	15,710	**25,542**	3,136	
61 – 90 days	5,409	29,191	**34,600**	4,516	
Stage 3 - up to 360 days past due	**10,808**	**187,033**	**197,841**	**167,138**	**84.48%**
91 - 120 days	3,078	24,557	**27,635**	20,279	

(in thousand Reals unless otherwise stated)

121 - 150 days	1,840	27,377	**29,217**	22,770	
151 - 180 days	1,079	28,962	**30,041**	24,458	
181 - 360 days	4,811	106,137	**110,948**	99,631	
Stage 3 - over 360 days past due	**-**	**105,792**	**105,792**	**99,816**	**94.35%**
Over 360 days	**-**	**105,792**	**105,792**	**99,816**	
On-balance portfolio	**660,084**	**360,175**	**1,020,259**	**294,573**	**28.87%**
Credit limit available (off-balance)			**519,082**	**102**	**0.020%**
Grand Total			**1,539,341**	**294,675**	**19.14%**
Coverage over credit portfolio					**28,9%**

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

(in thousand Reals unless otherwise stated)

8.5.3 Estimated changes in credit losses

	Parent Company	Consolidated
Balance on December 31, 2022	(16,937)	(81,375)
Composition	(2,155)	(233,482)
Write off	4,041	115,427
Balance on December 31, 2023	(15,051)	(199,430)
Composition	(209)	(110,505)
Write off	381	381
Balance on June 30, 2024	(14,879)	**(309,554)**
Loss estimate, C&A pay	-	*(294,675)*
Estimate of other losses	*(14,879)*	*(14,879)*

8.5.4 Credit risk loss management

The Group uses a strict and robust policy to approve credit, which is in line with its governance and portfolio management guidelines determined by Management. There is also 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.

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

Related party transactions are entered into to support the Group's operations as follows:
. according to specific prices agreed by the parties, bearing in mind the transfer price rules.
. at market prices.

During the six month period ended June 30, 2024 and 2023 there was no need to recognize provisions for expected credit losses in related party accounts receivable.

The relationship between the Group and related parties is the following:

Direct Parent Company	**Associate, with no significant influence**
COFRA Investments	C&A Services
Incas SARL	C&A Sourcing
Indirect Final Parent Company	COFRA Latin America

COFRA AG	Instituto C&A
Direct subsidiary	
Orion Instituição de Pagamento S.A.	**Associate under direct influence**
Moda Lab LTDA	Cyamprev Soc. Previd. Privada
C&A Pay Holding Financeira Ltda	
Investment Fund Shareholders	**Indirect Subsidiary**
C&A Pay Fundo de Investimento em Direitos Creditórios	C&A Pay Sociedade de Crédito Direto S.A.

On June 30, 2024 and December 31, 2023 the outstanding balances in related party transactions were as follows:

9.1. On-balance-sheet transactions

Assets		**Parent Company**		**Consolidated**	
	Nature of the balance	**06/30/2024**	**12/31/2023**	**06/30/2024**	**12/31/2023**
Trade receivables					
Instituto C&A de Desenvolvimento Social	Shared expenses	**29**	27	**29**	27
COFRA Latin America	Shared expenses	**7**	8	**7**	8
Orion Inst. Pagamento	Shared expenses	**6**	6	**-**	-
C&A Pay Sociedade de Crédito Direto	Card transactions	**273**	187	**-**	-
Holding Company		**-**	38	**-**	-
Cyamprev Soc. Previd. Privada		**6**	-	**6**	-
		321	266	**42**	35
Prepaid expenses					
C&A Services	Licenses	**47**	76	**47**	76
Total related party assets		**368**	342	**89**	111
Related party assets - current		**368**	323	**89**	92
Related party assets - non current		**-**	19	**-**	19

Liabilities		**Parent Company**		**Consolidated**	
	Nature of the balance	**06/30/2024**	**12/31/2023**	**06/30/2024**	**12/31/2023**
Accounts payable					
C&A Sourcing	Revenue from Merchandise Sales	**68,056**	69,638	**68,056**	69,638
Cyamprev Soc. Previd. Privada	Pension fund contributions	**886**	1,974	**906**	2,021
Instituto C&A de Desenvolvimento Social		**7**	2	**7**	2
FIDC C&A Pay	Amounts to pass along for invoice receiving	**16,968**	4,355	**-**	-
C&A Pay Sociedade de Crédito Direto	Expense reimbursement	**180**	3,791	**-**	-
Related party liabilities - current		**86,097**	79,760	**68,969**	71,661

(in thousand Reals unless otherwise stated)

9.2. Transactions in the statement of earnings for the period

	Parent Company		Consolidated	
	06/30/2024	**06/30/2023**	**06/30/2024**	**06/30/2023**
Reimbursement of shared expenses				
Cyamprev Soc. Prev. Privada	**33**	191	**33**	191
Instituto C&A de Desenvolvimento Social	**72**	-	**72**	-
COFRA Latin America	**38**	44	**38**	44
Orion Inst. Pagamento	**36**	11,636	**-**	-
C&A Pay Sociedade de Crédito Direto	**592**	-	**-**	-
	771	11,871	**143**	235
Financial Service Expenses				
C&A Pay Sociedade de Crédito Direto (1)	**(21,605)**	(125)	**-**	-
	(21,605)	(125)	**-**	-
Receivables pre-payment				
C&A Pay Sociedade de Crédito Direto	**(19,628)**	(2,775)	**-**	-
Orion Inst. Pagamento	**-**	(4,127)	**-**	-
	(19,628)	(6,902)	**-**	-
Merchandise purchased				
C&A Sourcing	**(252,280)**	(175,275)	**(252,280)**	(175,275)
	(252,280)	(175,275)	**(252,280)**	(175,275)
Services purchased				
C&A Services	**(1,125)**	(904)	**(1,125)**	(904)
COFRA Latin America	**(120)**	(115)	**(120)**	(115)
	(1,245)	(1,019)	**(1,245)**	(1,019)
Pension fund contributions				
Cyamprev Soc. Prev. Privada (2)	**(2,007)**	(2,978)	**(2,061)**	(2,988)
	(2,007)	(2,978)	**(2,061)**	(2,988)

(1) Commissioning expense of transactions made using the C&A Pay card.

(2) This amount includes the company's share and the share owed by the employee, which is 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 six-month periods ended June 30, 2024 and 2023 were as follows:

	Parent Company and Consolidated	
	06/30/2024	06/30/2023
Fixed Compensation	**7,594**	6,773
Variable Compensation	**2,279**	3,679
Contributions to post-employment plans	**48**	46
Long-Term Incentives	**2,970**	2,858
Total excluding charges	**12,891**	13,356
Estimated charges	**8,432**	4,636
Total including charges	**21,323**	17,992

Social charges on share-based compensation are calculated based on the value of the share on the reporting date and, for this reason, is subject to fluctuations.

Global annual compensation of the Board of Directors and Board of Executive Officers for 2024, in the amount of up to R$ 36,331 (R$ 35,457 in 2023) was approved at the Ordinary and Extraordinary Shareholder's Meeting of March 26, 2024.

10. Stock-based compensation plan

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

<u>2019 Grants</u>

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 June 30, 2024 was 1.31 years. The weighted average fair value of the options granted during the six months of 2024 is R$9.08 in the original program, and R$1.70 incremental fair value for the options posts-substitution, according to the calculation method established in CPC 10. The exercise price shall be adjusted whenever dividends are paid or stock is grouped or split.

2021 Grants

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

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

2022 Grants

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

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

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

The contractual term for the stock options remaining on June 30, 2024 was 0.73 years. The fair value of the options granted is R$2,66.

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

2023 Grants

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

(in thousand Reals unless otherwise stated)

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 contractual term for the stock options remaining on June 30, 2024 was 1.86 years. The fair value of the options granted is R$ 5.36.

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

<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 contractual term for the stock options remaining on June 30, 2024 was 2.8 years. The fair value of the options granted is R$10.20.

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

<u>Changes:</u>

Program	**2019 Grants 2nd subst.**	**2021 Grants**	**2022 Grants**	**2023 Grants**	**2024 Grants**	**Total**
Balance on 12/31/2022	86,111	2,416,712	3,419,789	-	-	5,922,612
Granted	-	-	-	4,712,639	-	4,712,639
Cancelled	(28,709)	(160,787)	(542,946)	(142,959)	-	(875,401)
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	**-**	**(19,032)**	**(2,605)**	**-**	**-**	**(21,637)**
Exercised	**-**	**(2,236,893)**	**-**	**-**	**-**	**(2,236,893)**
Balance on 06/30/2024	**57,402**	**-**	**2,874,238**	**4,569,680**	**2,068,636**	**9,569,956**

(in thousand Reals unless otherwise stated)

Premises:

	2019 Grants (substitution add-ons)		2019 Grants (December 2021 substitution)	2021 Grants	2022 Grants	2023 Grants	2024 Grants
	Batch 2	Batch 3	Single batch	Single batch	Single batch	Single batch	Single batch
Pricing model	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free rate	5.95%	6.20%	10.92%	6.395%	12.785%	11.00%	11.00%
Share price considered	16.89	16.89	6.59	11.63	2.51	9.50	9.50
Expected lifetime of the options	10/21/2024	10/21/2025	02/24/2024	02/24/2024	03/23/2025	04/18/2027	04/18/2027
Fair value on the date measured	3.11	1.37	4.39	12.45	2.66	10.20	10.20
Expected annual volatility	37.79%	37.10%	58.69%	53.92%	57.58%	65.04%	65.04%

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 were recorded during the six months of 2024 and 2023:

Expenses recognized

In the period:	2021 Grants	2022 Grants	2023 Grants	2024 Grants	Total
06/30/2024	857	1,466	3,950	634	**6,907**
06/30/2023	2,793	1,273	357	-	4,423

Expenses to be recognized

Year	2022 Grants	2023 Grants	2024 Grants	Total
2024	1,419	3,761	3,151	**8,331**
2025	633	7,460	6,250	**14,343**
2026	-	2,657	6,250	**8,907**
2027	-	-	1,849	**1,849**
	2,052	**13,878**	**17,500**	**33,430**

(in thousand Reals unless otherwise stated)

11. Inventory

11.1. Accounting policy

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

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

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

11.2. Inventory breakdown

	Parent Company		Consolidated	
	06/30/2024	**12/31/2023**	**06/30/2024**	**12/31/2023**
Goods for resale	**1,115,597**	881,760	**1,115,597**	881,677
Merchandise sold and in transit for delivery to customers	**1,342**	1,195	**1,342**	1,195
Advances to raw material suppliers	**301**	387	**301**	387
Present value adjustment	**(21,437)**	(22,179)	**(21,437)**	(22,179)
Provisions for losses	**(69,071)**	(41,768)	**(69,071)**	(41,768)
	1,026,732	819,395	**1,026,732**	819,312
Imports in transit	**61,984**	55,843	**61,984**	55,843
	1,088,716	875,238	**1,088,716**	875,155

(in thousand Reals unless otherwise stated)

11.3. Changes in provisions for losses

Changes in the period:

	Parent Company and Consolidated
Balance on December 31, 2022	37,258
Provisions	78,027
Reversal due to use	(73,517)
Balance on December 31, 2023	41,768
Provisions	41,125
Reversal due to use	(13,822)
Balance on June 30, 2024	**69,071**

Changes in the quarter

	Parent Company and Consolidated
Balance on March 31, 2024	**45,445**
Provisions	**24,452**
Reversal due to use	**(826)**
Balance on June 30, 2024	**69,071**

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".

During the first half of 2024, 6 stores and 2 distribution centers were fully inventoried (3 stores and 1 distribution center in in the first half of 2023).

(in thousand Reals unless otherwise stated)

12. Taxes recoverable

12.1. Accounting policy

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

12.2. Breakdown of taxes recoverable

	Parent Company		Consolidated	
	06/30/2024	**12/31/2023**	**06/30/2024**	**12/31/2023**
Previously unused PIS / COFINS credit (12.2.1)	**736,368**	664,919	**736,368**	664,919
PIS/COFINS	**593,038**	654,855	**593,047**	654,864
ICMS	**205,551**	182,440	**205,555**	182,444
IT/CSLL	**44,844**	33,052	**45,472**	40,503
IRRF (withholding taxes)	**13,979**	31,349	**15,988**	33,205
IPI (excise tax)	**1**	366	**1**	366
Other	**14,168**	9,984	**14,169**	9,989
	1,607,949	1,576,965	**1,610,600**	1,586,290
Current assets	**442,979**	379,126	**445,630**	388,451
Non-current assets	**1,164,970**	1,197,839	**1,164,970**	1,197,839

<u>12.2.1</u> <u>Previously unused PIS / COFINS credit</u>

12.2.1.1. <u>ICMS on the basis for calculating PIS and COFINS</u>

The Company is involved in two lawsuits on this theme, both of these received final rulings in favor of the company, one on 02/28/2019, and the other on 02/23/2022. On June 30, 2024. the updated amount of credit was R$ 414,489 (R$ 352,397 on December 31, 2023).

12.2.1.2 <u>Credit for the Manaus Free Trade Zone (FTZ) Lawsuit</u>

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 June 30, 2024 the updated credits amounted to R$ 163,218 (R$ 158,925 on December 31, 2023).

12.2.1.3 <u>Credit Related to the Lei do Bem Lawsuit</u>

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 June 30, 2024 the updated balance of tax credits was R$ 158,662 (R$ 153,597 on December 31, 2023).

(in thousand Reals unless otherwise stated)

12.2.1.4 Changes in unused PIS and COFINS credits in the six-month periods ended June 30 2024 and 2023:

	06/30/2024	06/30/2023
Balance on December 31	**664,919**	1,363,664
Compensations	**(107,459)**	(388,749)
Principal Recognition	**59,252**	-
Interest and adjustments recognition	**119,656**	39,789
Balance on June 30	**736,368**	1,014,704

For the period ended July 30 2024 the Company recognized additional PIS and COFINS tax credits in the amount of R$ 178,908 (Notes 29 and 30). which includes amounts for interest and adjustments, primarily related to the exclusion of ICMS from the calculation base of PIS and COFINS.

12.2.2 ICMS Credits

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

In December 2021 the Federal Supreme Court (STF) published its understanding with general repercussion (Extraordinary Appeal 714.139/SC) that the general rate should apply, and not the higher rate, as the effective rate for ICMS on electricity and telecommunication services. Thus, although the final unappealable ruling for the claims filed between 2015 and 2016 has yet to be issued, The Company booked its best estimate as it believe the economic benefits are almost a certainty, as per the requirements of CPC 25. The updated balance on June 30, 2024 was R$ 84,456 (R$ 81,794 on December 31, 2023).

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

On 03/30/2022 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 is issued on this theme. 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$ 16,827 (R$ 16,198 on December 31 2023).

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

(in thousand Reals unless otherwise stated)

13. Other assets

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Prepaid expenses	**37,998**	40,182	**38,043**	40,183
Prepaid advertising expenses	**12,008**	3,634	**12,008**	3,634
Employee loans and advances	**6,008**	1,634	**6,073**	1,675
I.P.T.U. (property tax)	**5,035**	-	**5,035**	-
Insurance to appropriate	**8,850**	4,963	**8,850**	4,963
Other credits	**883**	4,591	**883**	4,591
	70,782	55,004	**70,892**	55,046
Current assets	**68,428**	51,785	**68,538**	51,827
Non-current assets	**2,354**	3,219	**2,354**	3,219

14. Income Tax and Social Contribution

14.1. Accounting policy

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

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

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

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

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

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

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

(in thousand Reals unless otherwise stated)

14.2. Breakdown and changes in deferred taxes

In the period:

		Parent Company		
		Increase/(Reduction)		
	Balance on 12/31/2023	in earnings	in shareholder's equity	Balance on 06/30/2024
Tax losses carryforward	382,412	**21,817**	**-**	**404,229**
Temporary differences:		**-**	**-**	**-**
Provisions for tax, civil, and labor risks	97,764	**(18,942)**	**-**	**78,822**
Provisions for losses in inventories and trade receivables	21,360	**8,744**	**-**	**30,104**
Provisions for loss of property and equipment and right-of-use assets	5,113	**3,503**	**-**	**8,616**
Provisions for profit sharing	22,038	**(14,342)**	**-**	**7,696**
Leases CPC 06 (R2)/IFRS16	87,627	**4,019**	**-**	**91,646**
Expected FIDC credit losses	7,173	**1,770**	**-**	**8,943**
FIDC Present value adjustment	4,763	**(692)**	**-**	**4,071**
Other	77,229	**6,935**	**(2,626)**	**81,538**
Deferred tax assets	705,479	**12,812**	**(2,626)**	**715,665**
Previously unused credits	(157,603)	**(9,909)**	**-**	**(167,512)**
Present value adjustment	(12,388)	**(12,465)**	**-**	**(24,853)**
Deferred tax liabilities	(169,991)	**(22,374)**	**-**	**(192,365)**
Balance net of deferred tax assets	535,488	**(9,562)**	**(2,626)**	**523,300**

		Consolidated		
		Increase/(Reduction)		
	Balance on 12/31/2023	in earnings	in shareholder's equity	Balance on 06/30/2024
Tax losses carryforward	381,567	**14,870**	**-**	**396,437**
Temporary differences:				
Provisions for tax, civil, and labor risks	98,171	**(18,636)**	**-**	**79,535**
Provisions for losses in inventories and trade receivables	22,269	**8,687**	**-**	**30,956**
Provisions for loss of property and equipment and right-of-use assets	5,113	**3,503**	**-**	**8,616**
Provisions for profit sharing	22,038	**(14,163)**	**-**	**7,875**
Leases CPC 06 (R2)/IFRS16	87,627	**4,019**	**-**	**91,646**
Expected FIDC credit losses	7,173	**1,770**	**-**	**8,943**
FIDC Present value adjustment	4,763	**(692)**	**-**	**4,071**
Other	77,229	**6,935**	**(2,626)**	**81,538**
Deferred tax assets	705,950	**6,293**	**(2,626)**	**709,617**
Previously unused credits	(157,603)	**(9,909)**	**-**	**(167,512)**
Present value adjustment	(12,388)	**(12,465)**	**-**	**(24,853)**
Deferred tax liabilities	(169,991)	**(22,374)**	**-**	**(192,365)**
Balance net of deferred tax assets	535,959	**(16,081)**	**(2,626)**	**517,252**

(in thousand Reals unless otherwise stated)

		Parent Company		
		Increase/(Reduction)		
	Balance on 12/31/2022	in earnings	in shareholder's equity	Balance on 06/30/2023
Tax losses carryforward	412,633	39,777	-	452,410
Temporary differences:			-	
Provisions for tax, civil, and labor risks	94,806	5,322	-	100,128
Provisions for losses in inventories and trade receivables	20,160	10,082	-	30,242
Provisions for loss of property and equipment and right-of-use assets	6,411	(758)	-	5,653
Provisions for profit sharing	22,401	(13,433)	-	8,968
Leases CPC 06 (R2)/IFRS16	80,613	3,567	-	84,180
Other	73,086	(9,076)	1,326	65,336
Deferred tax assets	710,110	35,481	1,326	746,917
Previously unused credits	(276,650)	61,293	-	(215,357)
Present value adjustment	(10,411)	(23,562)	-	(33,973)
Deferred tax liabilities	(287,061)	37,731	-	(249,330)
Balance of deferred tax assets (liabilities)	423,049	73,212	1,326	497,587

		Consolidated		
		Increase/(Reduction)		
	Balance on 12/31/2022	in earnings	in shareholder's equity	Balance on 06/30/2023
Tax losses carryforward	412,633	39,777	-	452,410
Temporary differences:			-	
Provisions for tax, civil, and labor risks	94,806	5,599	-	100,405
Provisions for losses in inventories and trade receivables	20,160	11,680	-	31,840
Provisions for loss of property and equipment and right-of-use assets	6,411	(758)	-	5,653
Provisions for profit sharing	22,401	(13,433)	-	8,968
Leases CPC 06 (R2)/IFRS16	80,613	3,567	-	84,180
Other	73,086	(9,075)	1,326	65,337
Deferred tax assets	710,110	37,357	1,326	748,793
Previously unused credits	(276,650)	61,293	-	(215,357)
Present value adjustment	(10,411)	(23,562)	-	(33,973)
Deferred tax liabilities	(287,061)	37,731	-	(249,330)
Balance of deferred tax assets (liabilities)	423,049	75,088	1,326	499,463

(in thousand Reals unless otherwise stated)

In the quarter:

	Parent Company			
		Increase/(Reduction)		
	Balance on 03/31/2024	in earnings	in shareholder's equity	Balance on 06/30/2024
Tax losses carryforward	418,224	**(13,995)**	**-**	**404,229**
Temporary differences:				
Provisions for tax, civil, and labor risks	90,075	**(11,253)**	**-**	**78,822**
Provisions for losses in inventories and trade receivables	22,646	**7,458**	**-**	**30,104**
Provisions for loss of property and equipment and right-of-use assets	7,358	**1,258**	**-**	**8,616**
Provisions for profit sharing	26,885	**(19,189)**	**-**	**7,696**
Leases CPC 06 (R2)/IFRS16	91,159	**487**	**-**	**91,646**
Expected FIDC credit losses	5,556	**3,387**	**-**	**8,943**
FIDC Present value adjustment	3,143	**928**	**-**	**4,071**
Other	56,113	**27,569**	**(2,144)**	**81,538**
Deferred tax assets	721,159	**(3,350)**	**(2,144)**	**715,665**
Previously unused credits	(146,205)	**(21,307)**	**-**	**(167,512)**
Present value adjustment	(19,992)	**(4,861)**	**-**	**(24,853)**
Deferred tax liabilities	(166,197)	**(26,168)**	**-**	**(192,365)**
Balance net of deferred tax assets	554,962	**(29,518)**	**(2,144)**	**523,300**

	Consolidated			
		Increase/(Reduction)		
	Balance on 03/31/2024	in earnings	in shareholder's equity	Balance on 06/30/2024
Tax losses carryforward	418,224	**(21,787)**	**-**	**396,437**
Temporary differences:				
Provisions for tax, civil, and labor risks	90,590	**(11,055)**	**-**	**79,535**
Provisions for losses in inventories and trade receivables	23,902	**7,054**	**-**	**30,956**
Provisions for loss of property and equipment and right-of-use assets	7,358	**1,258**	**-**	**8,616**
Provisions for profit sharing	27,484	**(19,609)**	**-**	**7,875**
Leases CPC 06 (R2)/IFRS16	91,159	**487**	**-**	**91,646**
Expected FIDC credit losses	5,556	**3,387**	**-**	**8,943**
FIDC Present value adjustment	3,143	**928**	**-**	**4,071**
Other	52,270	**31,412**	**(2,144)**	**81,538**
Deferred tax assets	719,686	**(7,925)**	**(2,144)**	**709,617**
Previously unused credits	(146,205)	**(21,307)**	**-**	**(167,512)**
Present value adjustment	(19,992)	**(4,861)**	**-**	**(24,853)**
Deferred tax liabilities	(166,197)	**(26,168)**	**-**	**(192,365)**
Balance net of deferred tax assets	553,489	**(34,093)**	**(2,144)**	**517,252**

(in thousand Reals unless otherwise stated)

	Parent Company			
		Increase/(Reduction)		
	Balance on 03/31/2023	in earnings	in shareholder's equity	Balance on 06/30/2023
Tax losses carryforward	458,564	(6,154)	-	452,410
Temporary differences:				
Provisions for tax, civil, and labor risks	97,864	2,264	-	100,128
Provisions for losses in inventories and trade receivables	24,394	5,848	-	30,242
Provisions for loss of property and equipment and right-of-use assets	5,950	(297)	-	5,653
Provisions for profit sharing	20,524	(11,556)	-	8,968
Leases CPC 06 (R2)/IFRS16	82,737	1,443	-	84,180
Other	71,310	(5,726)	(248)	65,336
Deferred tax assets	761,343	(14,178)	(248)	746,917
Previously unused credits	(243,861)	28,504	-	(215,357)
Present value adjustment	(25,021)	(8,952)	-	(33,973)
Deferred tax liabilities	(268,882)	19,552	-	(249,330)
Balance net of deferred tax assets	492,461	5,374	(248)	497,587

	Consolidated			
		Increase/(Reduction)		
	Balance on 03/31/2023	in earnings	in shareholder's equity	Balance on 06/30/2023
Tax losses carryforward	458,564	(6,154)	-	452,410
Temporary differences:				
Provisions for tax, civil, and labor risks	97,864	2,541	-	100,405
Provisions for losses in inventories and trade receivables	24,394	7,446	-	31,840
Provisions for loss of property and equipment and right-of-use assets	5,950	(297)	-	5,653
Provisions for profit sharing	20,524	(11,556)	-	8,968
Leases CPC 06 (R2)/IFRS16	82,737	1,443	-	84,180
Other	71,310	(5,725)	(248)	65,337
Deferred tax assets	761,343	(12,302)	(248)	748,793
Previously unused credits	(243,861)	28,504	-	(215,357)
Present value adjustment	(25,021)	(8,952)	-	(33,973)
Deferred tax liabilities	(268,882)	19,552	-	(249,330)
Balance net of deferred tax assets	492,461	7,250	(248)	499,463

(in thousand Reals unless otherwise stated)

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

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

Year	Parent Company	Consolidated
2024	**114,182**	**107,777**
2025	**105,113**	**105,469**
2026	**103,015**	**103,015**
2027	**136,642**	**136,642**
2028 to 2030	**219,711**	**219,711**
2031 to 2033	**30,059**	**30,059**
After 2033	**6,943**	**6,944**
	715,665	**709,617**

14.4. Reconciliation of effective rate

	Parent Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Pre-tax profit/(loss)	**164,072**	(195,333)	**170,983**	(196,843)
Income tax and social contribution expenses at statutory rates - 34%	**(55,784)**	66,413	**(58,134)**	66,927
Adjustments to reflect the effective rate				
Share of profit of subsidiaries	**4,492**	(9,735)	**-**	-
Non-deductible donations	**(940)**	(1,274)	**(940)**	(1,274)
PAT (worker meal program) and the culture incentive law	**40**	-	**42**	-
Adjustments in transfer pricing	**-**	(769)	**-**	(769)
Corporate gifts and non-deductible fines	**(466)**	(276)	**(466)**	(414)
Investment Subsidies	**-**	2,298	**-**	2,298
IT and SC from previous periods	**(251)**	(101)	**(218)**	(101)
Undue Taxes	**43,538**	16,511	**43,549**	16,511
Operating Losses	**-**	-	**(263)**	(1,068)
Deferred taxes on temporary differences not constituted (*)	**-**	-	**112**	(7,550)
Other permanent additions and exclusions	**-**	145	**0**	153
Taxes calculated on that portion exempt from the additional 10%	**12**	-	**49**	8
Income Tax and Social Contribution on profits	**(9,359)**	73,212	**(16,269)**	74,720
Current	**(1,013)**	-	**(1,403)**	(368)
Deferred	**(8,346)**	73,212	**(14,866)**	75,088
	(9,359)	73,212	**(16,269)**	74,720
Effective rate	**6%**	37%	**10%**	38%

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

(in thousand Reals unless otherwise stated)

15. Investments

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

15.3 Information on investments in the subsidiary

Affiliates	06/30/2024								
	Shareholding	Assets	Liabilities	Net Collection	Gross Revenue.	Profit Losses	Book value of the investment	Share of profit of subsidiaries	
Direct									
Orion	99.99%	14,035	(3,743)	10,292	740	825	10,290	825	
C&A Pay Holding	99.999%	170,976	(50,080)	120,896	21,605	12,413	120,895	12,413	*
Moda Lab	99.00%	22	(8)	14	-	(26)	14	(26)	
Total							**131,199**	**13,212**	
Indirect									
C&A pay SCD	100.00%	162,268	(50,170)	112,098	21,605	12,137	112,098	12,137	

* The difference between Moda Lab losses and the equity approach refers to unrealized profit from inventories

Affiliates	12/31/2023							
	Shareholding	Assets	Liabilities	Net Collection	Gross Revenue.	Profit/(Loss)	Book value of the investment	Share of profit of subsidiaries
Direct								
Orion	99.99%	13,240	(3,774)	9,466	81,329	(18,831)	9,465	(18,833)
C&A Pay Holding	99.999%	211,276	(102,448)	108,828	10,040	13,189	108,827	13,188*
Moda Lab	99.00%	40	-	40	-	(53)	(43)	(53)
Total							118,249	(5,698)
Indirect								
C&A pay SCD	100%	183,749	(83,443)	100,306	10,040	12,983	100,306	12,983

* The difference between Moda Lab losses and the equity approach refers to unrealized profit from inventories

(in thousand Reals unless otherwise stated)

15.4 Changes in investment

	Orion	C&A Pay Holding	Moda Lab	Total
Balance of investments on December 31, 2022	48,798	-	(143)	48,655
Share of profit of subsidiaries	(25,324)	(3,291)	(16)	(28,631)
Capital increases	40,000	7,682	-	47,682
Unrealized profits from inventories	-	-	108	108
Balance of investments on June 30, 2023	63,474	4,391	(51)	67,814
Balance of investments on December 31, 2023	**9,465**	**108,827**	**(43)**	**118,249**
Share of profit of subsidiaries	**825**	**12,413**	**(26)**	**13,212**
Other comprehensive income	**-**	**(345)**	**-**	**(345)**
Unrealized profits from inventories	**-**	**-**	**83**	**83**
Balance of investments on June 30, 2024	**10,290**	**120,895**	**14**	**131,199**

16. Property and Equipment

16.1. Accounting policy

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

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

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

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

(in thousand Reals unless otherwise stated)

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

Property and Equipment	Cost	Accumulated Depreciation	Provision for impairment	June 30, 2024
Machinery and equipment	**188,153**	**(109,164)**	**(1,343)**	**77,646**
Furniture and fixtures	**547,048**	**(358,864)**	**(1,710)**	**186,474**
IT Equipment IT Equipment	**268,936**	**(219,957)**	**(535)**	**48,444**
Vehicles	**20**	**(20)**	**-**	**-**
Leasehold improvements	**1,428,074**	**(1,010,797)**	**(16,199)**	**401,078**
Land	**126**	**-**	**-**	**126**
Construction in progress	**2,313**	**-**	**-**	**2,313**
Estimated cost of returning stores	**2,970**	**(1,527)**	**-**	**1,443**
	2,437,640	**(1,700,329)**	**(19,787)**	**717,524**

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

The Group has no property or equipment pledged as guarantee.

(in thousand Reals unless otherwise stated)

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

	Average annual depreciation rate	Balance on December 31, 2023	Additions (iii)	Depreciation	Write-offs	Transfers	Reversals (provisions) impairment	Balance on June 30, 2024
Machinery and equipment	7%	80,483	-	(3,128)	(10)	372	(71)	77,646
Furniture and fixtures	11%	197,672	7,096	(18,805)	(116)	731	(104)	186,474
IT Equipment	20%	60,237	1,771	(13,315)	(11)	23	(261)	48,444
Vehicles	20%	-	-	-	-	-	-	-
Leasehold improvements (i)	9%	418,591	94	(38,912)	(215)	25,835	(4,315)	401,078
Land	-	126	-	-	-	-	-	126
Construction in progress	-	4,728	24,546	-	-	(26,961)	-	2,313
Estimated cost of returning stores (ii)	-	1.564	-	(121)	-	-	-	1,443
Total		763,401	33,507	(74,281)	(352)	-	(4,751)	717,524

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

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

(iii) During the first half of 2024 the Group purchased R$ 33,507 in property and equipment, R$ 15,464 of which are entered as supplier accounts payable (R$ 12,986 in during the first half of 2023) and R$ 13,324 were paid out in 2024 for purchases made prior to December 31, 2023 (during the first half of 2023, R$ 19,364 were disbursed related to previous years).

(in thousand Reals unless otherwise stated)

17. Intangible assets

17.1. Accounting policy

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. Amortization is calculated using the straight-line approach and takes into consideration the estimated lifetime of the asset.

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

Currently, the Group has an intangible asset with an indefinite useful life: the right to provide financial services. This right was acquired on December 1, 2021, according to the contract, and there is no specified term for its utilization. The transaction was recorded at the acquisition cost of R$415,000. There was no goodwill in the transaction, but due to the nature of the asset, a recoverability test is conducted annually.

17.2. Breakdown of intangibles:

	June 30, 2024				December 31, 2023		
Parent Company	**Cost**	**Accumulated amortization**	**Impairment of recoverable value**	**Accounting Balance**	**Cost**	**Accumulated amortization**	**Accounting Balance**
IT systems	**1,342,165**	**(876,563)**	**-**	**465,602**	1,289,459	(778,548)	510,911
Goodwill	**77,413**	**(52,710)**	**(550)**	**24,153**	71,107	(51,028)	20,079
Right to explore financial services	**415,000**	**-**	**-**	**415,000**	415,000	-	415,000
Intangibles in process	**15,493**	**-**	**-**	**15,493**	18,503	-	18,503
Total	**1,850,071**	**(929,273)**	**(550)**	**920,248**	1,794,069	(829,576)	964,493

Consolidated	**Cost**	**Accumulated amortization**		**Accounting Balance**	**Cost**	**Accumulated amortization**	**Accounting Balance**
IT systems	**1,342,628**	**(876,803)**	**-**	**465,825**	1,289,921	(778,741)	511,180
Goodwill	**77,413**	**(52,710)**	**(550)**	**24,153**	71,107	(51,028)	20,079
Right to explore financial services	**415,000**	**-**	**-**	**415,000**	415,000	-	415,000
Intangibles in process	**15,494**	**-**	**-**	**15,494**	18,505	-	18,505
Total	**1,850,535**	**(929,513)**	**(550)**	**920,472**	1,794,533	(829,769)	964,764

(in thousand Reals unless otherwise stated)

17.3. Changes in intangibles

Parent Company

	Average annual amortization rate (% p.y.)	Balance on December 31, 2023	Additions (i)	Amortization	Write-offs	Transfers	Reversals (provisions) impairment	Balance on June 30, 2024
IT systems	18.5%	510,911	-	(99,348)	(10)	54,049	-	465,602
Goodwill	10.0%	20,079	-	(1,739)	-	6,363	(550)	24,153
Right to explore financial services	indefinite	415,000	-	-	-	-	-	415,000
Intangibles in process		18,503	57,402	-	-	(60,412)	-	15,493
Total		964,493	57,402	(101,087)	(10)	-	(550)	920,248

	Average annual amortization rate (% p.y.)	Balance on December 31, 2022	Additions (i)	Amortization	Write-offs	Transfers	Property and equipment transfers	Reversals (provisions) impairment	Balance on June 30, 2023
IT systems	18.5%	558,152	-	(97,651)	(154)	68,591	640	55	529,633
Goodwill	10.0%	20,484	-	(1,419)	(1,750)	1,060	-	750	19,125
Right to explore financial services	indefinite	415,000	-	-	-	-	-	-	415,000
Intangibles in process	-	27,066	74,045	-	-	(69,651)	-	-	31,460
Total		1,020,702	74,045	(99,070)	(1,904)	-	640	805	995,218

Consolidated

	Average annual amortization rate (% p.y.)	Balance on December 31, 2023	Additions (i)	Amortization	Write-offs	Transfers	Reversals (provisions) impairment	Balance on June 30, 2024
IT systems	18.5%	511,180	-	(99,394)	(10)	54,049	-	465,825
Goodwill	10.0%	20,079	-	(1,739)	-	6,363	(550)	24,153
Right to explore financial services	indefinite	415,000	-	-	-	-	-	415,000
Intangibles in process	-	18,505	57,401	-	-	(60,412)	-	15,494
Total		964,764	57,401	(101,133)	(10)	-	(550)	920,472

	Average annual amortization rate (%)	Balance on December 31, 2022	Additions	Amortization	Write-offs	Transfers	Property and equipment transfers	Reversals (provisions) Impairment	Balance on June 30, 2023
Software	18.5%	558,515	-	(97,696)	(154)	68,591	640	55	529,951
Goodwill	10.0%	20,484	-	(1,419)	(1,750)	1,060	-	750	19,125
Right to explore financial services	indefinite	415,000	-	-	-	-	-	-	415,000
Intangibles in process	-	27,066	74,045	-	-	(69,651)	-	-	31,460
Total		1,021,065	74,045	(99,115)	(1,904)	-	640	805	995,536

(i) During the first half of 2024, the Group added R$ 57,402 related to trade fund systems to the intangibles line, of which R$ 12,396 were booked as supplier accounts receivable, and R$ 23,371 were spent in 2024 for purchases made prior to December 31, 2023.

18. Impairment

18.1. Accounting policy

At the end of each fiscal period, Management reviews the net book value of its assets to assess events or changes in economic or operating circumstances, or in technology, which 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 value in use and the net sales value, whichever is largest. Each store is considered a cash generating unit. The Company considers it to be an indication of impairment if, at the end of the period, a given store's EBITDA is negative, and/or stores with impairment in the previous year. Stores must be three years or older, which is the age at which the Company considers a store to be mature.

The Company bases its assessment of impairment 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.

In the estimate of the value of the asset in use, estimated future cash flows are discounted at present value, using an after-tax discount rate that reflects the weighted average cost of capital for the industry in which the cash generating unit operates.

Losses due to asset devaluation are recognized in a manner consistent with the function of the asset subject to loss.

A loss due to impairment of a previously recognized asset is reversed only if there have been changes in the estimates used to determine the impairment of the asset since the most recent recognized loss due to impairment. Reversal is limited so that the book value of the asset does not exceed the book asset that would have been determined (net of depreciation and amortization) had no loss for devaluation been recognized for the asset in previous years. This reversal is booked in earnings.

The Company also records provisions for assets when Management decides to close a store or distribution center, and The provision is made in the estimated amount of the assets to be written off, and reversed when the actual write-off is taken.

(in thousand Reals unless otherwise stated)

18.2. Premises:

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

In the second quarter the Company booked provisions in the amount of R$ 3,318 regarding a logistics unit where the lease will be terminated, however the actual unit will remain in operation.

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

Nature	**Impairment test**		**Store revamps and closures**		**Total**	
	06/30/2024	**12/31/2023**	**06/30/2024**	**12/31/2023**	**06/30/2024**	**12/31/2023**
Property and Equipment	**(19,314)**	(15,038)	**(473)**	-	**(19,787)**	(15,038)
Intangible	**(550)**	-			**(550)**	-
Total	**(19,864)**	(15,038)	**(473)**	-	**(20,337)**	(15,038)

19. Leases

19.1. Accounting policy

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

(in thousand Reals unless otherwise stated)

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

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

Effects of adopting the Guidelines of regulator instruction CVM/SNC/SEP 01/2020

Following the guidelines in the Memo above, and the explanation of some of the controversial points regarding adopting the new standard, the Group reviewed its premises for calculating right-of-use assets and lease liabilities, and now considers the cash flows of future payments without deducting potential PIS and Cofins credits, discounting them using a nominal incremental interest rate. This approach is in line with CPC06 (R2)/IFRS16. The impact of this change was prospectively considered by remeasuring the changes in lease balances.

19.2 Incremental interest rate

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

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

	06/30/2024		12/31/2023	
Contractual terms	Actual rate (% per year)	Nominal rate (% per year)	Actual rate (% per year)	Nominal rate (% per year)
0 to 3 years	**5.3**	**12.3**	6.1	12.3
3 to 5 years	**2.1 – 6.7**	**6.6 – 13.9**	6.5 – 8.0	12.1 – 14.5
5 to 6 years	**-**	**-**	3.5 – 5.9	7.9 – 12.3
6 to 10 (or more) years	**5.7 – 7.1**	**11.6 – 13.2**	3.2 – 7.7	6.8 – 14.8

(in thousand Reals unless otherwise stated)

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

	Right-of-use assets			
	Real Estate	**Equipment**	**Total**	**Lease liabilities**
Balance on December 31, 2023	**1,440,055**	**22,890**	**1,462,945**	**(1,711,423)**
Amortization (i)	**(179,048)**	**(2,090)**	**(181,138)**	**-**
Financial charges	**-**	**-**	**-**	**(81,442)**
Payments made	**-**	**-**	**-**	**256,450**
Prepayments	**3,000**	**-**	**3,000**	**-**
Provisions for dismantling costs	**180**	**-**	**180**	**-**
Impairment	**(10,449)**	**-**	**(10,449)**	**-**
New/renewed/closed Agreements (ii)	**31,176**	**(199)**	**30,977**	**(26,529)**
Re-measurements (iii)	**37,765**	**-**	**37,765**	**(37,765)**
Balance on June 30, 2024	**1,322,679**	**20,601**	**1,343,280**	**(1,600,709)**
Current liabilities				**532,835**
Non-current liabilities				**1,067,874**

(i) The amounts in this table include the PIS/COFINS credits on lease payments in the amount of R$ 22,906 and on interest, in the amount of R$ 6,760, booked directly in earnings to reduce amortization and interest expenses.
(ii) This refers to 4 new store agreements, 8 agreements renewed, and 1 terminated.
(iii) Refers to the annual re-measurement of inflation adjustments on minimal lease payments as per the respective agreements and lease renewals;

a) Comparison of lease projections in the different scenarios

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

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

(in thousand Reals unless otherwise stated)

The Group decided to adopt scenario 2 for the period ended June 30, 2024, as per CPC06(R2) / IFRS16. The comparative balances of lease assets and liabilities are shown below:

	06/30/2024	12/31/2023
Lease liabilities		
Scenario 1	1,659,085	1,814,047
Scenario 2 (book value)	**1,600,708**	**1,711,423**
Financial Charges		
Scenario 1	85,792	178,564
Scenario 2 (book value)	**81,442**	**173,079**
Depreciation Expenses		
Scenario 1	173,595	356,700
Scenario 2 (book value)	**181,138**	**373,419**
Total Expenses		
Scenario 1	259,387	535,264
Scenario 2 (book value)	**262,580**	**546,498**

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

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

	06/30/2024		12/31/2023	
Coming due in	**Payments**	**Potential PIS/COFINS Rights**	**Payments**	**Potential PIS/COFINS Rights**
Less than 1 year	**490,674**	**(44,044)**	500,406	(44,693)
One to five years	**1,205,612**	**(107,791)**	1,308,062	(116,387)
Over five years	**454,572**	**(39,890)**	497,441	(43,441)
Total minimum payments	**2,150,858**	**(191,725)**	2,305,909	(204,521)
Minimum payments discounted to present value	**(550,149)**	**48,798**	(594,486)	52,731
Present value of the minimum payments	**1,600,709**	**(142,927)**	1,711,423	(151,790)
Current Liabilities	**532,835**		501,642	
Non-current Liabilities	**1,067,874**		1,209,781	

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

During the first half of 2024, the expense associated with the 18 variable lease agreements was R$ 2,704 (19 agreements in the period in 2023, or R$ 2,560). Expenses associated with short-term leases and low-value assets totaled R$ 7,639 (R$ 7,317 in the same period in 2023), and refer to leasing printers and forklifts. Because of limited relevance, future commitments with minimum lease payments of low-value assets and short-term contracts are not presented, nor is any sensitivity analysis of variable expenses with leases and the factors that impact this variation.

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

(in thousand Reals unless otherwise stated)

c) Impairment

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

20. Suppliers

20.1 Accounting policy

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

20.2 Breakdown of the balance

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Merchandise suppliers	**701,045**	829,269	**701,045**	829,270
Bradescard Supplier	**572,681**	539,898	**572,681**	539,898
Materials, asset, and service suppliers	**337,150**	376,558	**353,588**	392,794
Present value adjustment	**(15,464)**	(21,489)	**(15,464)**	(21,489)
	1,595,412	1,724,236	**1,611,850**	1,740,473
Current liabilities	**1,022,310**	1,172,988	**1,038,748**	1,189,225
Non-current liabilities	**573,102**	551,248	**573,102**	551,248

Bradescard Supplier
In November, 2021 the Group purchased Balcão Bradesco for R$ 415 million, recorded under long-term suppliers. This amount is updated monthly, and monetary correction is booked against financial expenses in the sub-group “supplier interest” (note 30). On June 30, 2024 the corrected value was R$ 573 million.

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

(in thousand Reals unless otherwise stated)

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. Monthly interest rates used to bring open trade receivables to present value were 0.84% and 0.93% on June 30, 2024 and December 31, 2023, respectively. The matching entry to the present value adjustment is made on inventories, and the interest is recognized on a pro rata die basis in financial expenses.

21. Obligations - Forfait

21.1. Accounting policy

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

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

21.2. Breakdown of the balance

	Parent Company and Consolidated	
	06/30/2024	**12/31/2023**
Obligations - Forfait	**286,474**	364,709
Current liabilities	**286,474**	364,709

As a result, the C&A Group received a commission in the amount of R$ 7,950 for the six months period ended June 30, 2024 (R$4,596 during the same period in 2023). During the first half of 2024, the discount rate ranged from 1.57% to 1.89% a month (compared to 1.23% and 1.87% in the same period in 2023).

During the first half of 2024 the Company made no advances directly to suppliers, thus there was no income recognized as financial income (in the same period of 2023 R$ 39,400 were advanced, yielding R$ 178 in revenue).

(in thousand Reals unless otherwise stated)

22. Loans and debentures

22.1. Accounting policy

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

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

22.2. Breakdown of loans and debentures (Parent company and Consolidated)

Description	Annual rates	Maturity	06/30/2024	12/31/2023
CCB (i)	100% CDI+ 2.79%	2024	**42,185**	63,746
Debentures - single series, issue 1 (ii)	100% CDI+ 2.15%	2025	**253,362**	507,519
Book-entry Commercial Notes - single series, issue 1 (iii)	100% CDI + 2.45%	2026 to 2027	**258,924**	259,947
Debentures - 1st series, issue 2 (iv)	100% CDI + 2.10%	2025	**251,411**	251,749
Debentures - 2nd series, issue 2 (iv)	100% CDI + 2.40%	2025 to 2028	**358,208**	358,685
Book-entry Commercial Notes - single series, issue 2 (v)	100% CDI+ 2.10%	2024	**-**	51,193
Book-entry Commercial Notes - single series, issue 3 (vi)	100% CDI+ 2.70%	2024 to 2025	**161,844**	202,560
(-) Transaction costs to appropriate			**(5,512)**	(7,545)
Total			**1,320,422**	1,687,854
Current liabilities			**560,554**	511,427
Non-current liabilities			**759,868**	1,176,427

i. On June 30, 2020 the Company issued two CCBs, the first one was settled in June 2023. The second, in the amount of R$ 120,000 pays the equivalent to 100% of the accumulated variation in the average daily DI rate, plus an annual surcharge of 2.90% and half-yearly interest payments in 6 installments of R$ 20,000. The first of these came due in January 2022 and the last in July 2024. The Company renegotiated the contract on January 31, 2022. The maturity of the installment originally coming due in January 2022 was postponed to July 2024, and compensation changed to the equivalent of 100% of the accumulated variation in the average daily DI rate, plus an annual surcharge of 2.79%.

   During the first half of 2024, there were no costs associated with the first and second CCBs issued, including taxes, commissions and other costs; these were recorded as deductions from liabilities and added to results monthly during the course of 2023 (R$ 232).

ii. On May 20, 2021 the Company issued its first series of simple, non-secured, non-convertible debentures for public distribution with limited effort (CVM n. 476), in the amount of R$ 500,000 with a yield of 100% of the DI, plus an annual surcharge of 2.15% effective for 4 (four) years and amortized annually in 2 (two) installments as of year 3 from the date of issue of the debentures. The first installment, equivalent to 50% of the nominal unit amount due on May 20, 2024 and the last on the maturity date of May 20, 2025. The costs associated with the first issue of debentures, including taxes, commissions and other costs totaled R$ 3,619 and are being recorded as deductions from liabilities and added to results monthly during the debt term. In the six-month period ended June 30 2024. R$ 452 were appropriated (R$ 452 in 2023).

iii. On March 18, 2022 the Company issued its first Commercial Notes ("Commercial Notes" and "Issue") for public distribution with limited effort as per law 14,195 of August 26, 2021, as amended ("Law 14,195") and CVM Instruction n. 476, in the amount of R$ 250,000 with a yield of 100% of the DI, plus an annual surcharge of 2.45% for settlement on March 18, 2027. The net funds captured through this Issue shall be used to reinforce the Company's cash position and extend the Issuer's average payment term. The costs associated with the first issue of promissory notes, including taxes, commissions and other costs totaled R$ 1,528 and are being recorded as deductions from liabilities and added to results monthly during the debt term. In the six-month period ended June 30, 2024. R$ 153 were appropriated (R$ 153 in 2023).

iv. On April 8 2022 the Company issued its second series of simple, non-secured, non-convertible debentures for public distribution with limited effort in two series, in the amount of R$ 600,000 (six hundred million), R$ 247,500 (two hundred and forty-seven, five hundred thousand Reals) refer to debentures int he first series, and R$ 352,500 (three hundred and fifty-two million, six hundred thousand Reals) refer to the second series. The first series will have a yield of 100% of the DI, plus an annual surcharge of 2.10%, while the second will have a yield of 100% of the DI, plus an annual surcharge of 2.40%. The first series debentures will mature in 42 (forty-two) months from the date of issue, or November 13 2025 ("maturity date of the first series debentures), while the second series debentures shall mature in 72 (seventy-two) months from the date of issue, or May 13 2028 ("maturity date of the second series debentures). The costs incurred, including fees, commissions, and other costs totaled R$ 4,521 and are entered as deductions to liabilities and appropriated in earnings monthly during the debt period. In the six-month period ended June 30 2024. R$ 481 were appropriated (R$ 481 in 2023).

v. On April 25, 2023 the Group issued its second Commercial Notes for public distribution with automatic registration according to the Securities Law, law 14,195, and CVM Instruction n. 160, in the amount of R$ 50,000 with a yield of 100% of the CDI, plus an annual surcharge of 2.10% for settlement on April 25, 2024. The net funds captured through this Issue shall be used to reinforce the Group's cash position and extend the Issuer's average payment term. The costs associated with the first issue of promissory notes, including taxes, commissions and other costs totaled R$ 536 and are being recorded as deductions from liabilities and added to results monthly during the debt term. In the six-month period ended June 30, 2024, R$ 134 were appropriated.

vi. On May 22, 2023 the Group issued its third Book-entry Commercial Notes in a single series, for public distribution and automatic registration (“Issue Term”, “Commercial Notes”, and “Issue”) respectively, as per article 45 and subsequent articles of law 14,195 of August 26, 2021 (“Law 14,195”) and CVM Instruction n. 160 of July 13, 2022 as amended (“CVM Resolution 160”), in the amount of R$ 200,000 with a yield of 100% of the CDI, plus an annual surcharge of 2.70% for settlement on May 25, 2025. The net funds captured through this Issue shall be used to reinforce the issuer’s working capital. The costs associated with the first issue of promissory notes, including taxes, commissions and other costs totaled R$ 3,331 and are being recorded as deductions from liabilities and added to results monthly during the debt term. In the six-month period ended June 30, 2024, R$ 839 were appropriated.

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

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

(in thousand Reals unless otherwise stated)

22.3. Payment Forecast

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

Maturity	Parent Company and Consolidated
2024	**144,001**
2025	**663,502**
2026	**212,359**
2027	**212,588**
2028	**87,972**
	1,320,422

22.4. Changes in loans

	Parent Company		Consolidated	
	06/30/2024	**06/30/2023**	**06/30/2024**	**06/30/2023**
Balance on December 31	**1,687,854**	**1,987,375**	**1,687,854**	**2,150,832**
New loans/debentures	**-**	250,000	**-**	381,372
Interest	**100,617**	132,915	**100,617**	132,915
Interest passed along and to pass along (*)	**-**	-	-	(1,899)
Funding cost	**(434)**	(3,950)	**(434)**	(4,750)
Cost amortization	**2,468**	1,968	**2,468**	2,767
Payment of the principal	**(360,000)**	(432,500)	**(360,000)**	(725,429)
Interest payment	**(110,083)**	(225,048)	**(110,083)**	(225,048)
Balance on June 30	**1,320,422**	1,710,760	**1,320,422**	1,710,760

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

22.5. Restrictive covenants

Based on the clauses of current agreements, the Group must fulfill the following financial and non-financial covenants. Financial covenants are measured annually on December 31, and are:

- 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)

The non-financial covenants are, substantially:

- Publish and keep available its audited consolidated financial statements.
- Comply with all obligations to CVM, ANBIMA, and B3.
- Maintain contracts with service providers essential to the debentures.
- Fulfill all other obligations specified in the issuance deed and current legislation.

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 June 30, 2024 the Company was meeting all of its covenant clauses.

23. Labor liabilities

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Wages payable	**33,628**	35,039	**33,826**	35,227
13th salary, vacation pay, and profit sharing	**144,029**	160,647	**145,537**	161,352
Social Charges	**47,875**	53,152	**48,151**	53,525
	225,532	248,838	**227,514**	250,104
Current liabilities	**208,455**	230,098	**210,437**	231,364
Non-current liabilities	**17,077**	18,740	**17,077**	18,740

24. Taxes payable

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
ICMS	**60,937**	154,009	**60,937**	154,009
PIS/COFINS	**51,512**	61,600	**51,839**	62,323
ISS	**2,044**	1,040	**2,129**	2,591
INSS	**1,699**	1,855	**1,699**	1,855
IT/CSLL	**3,900**	68,339	**4,324**	76,247
Other	**3,370**	3,339	**4,025**	2,634
	123,462	290,182	**124,953**	299,659
Current liabilities	**107,824**	277,772	**109,315**	287,249
Non-current liabilities	**15,638**	12,410	**15,638**	12,410

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

25.1. Accounting policy

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

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

(in thousand Reals unless otherwise stated)

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

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

	Parent Company				
	12/31/2023	Addition (reversal)	Payments	Update	06/30/2024
Tax (i)	253,499	(55,461)	(2,744)	6,275	201,569
Labor (ii)	31,155	6,696	(10,126)	1,292	29,017
Civil (ii)	2,888	3,992	(5,951)	313	1,242
Provisions for tax, civil, and labor risks	287,542	(44,773)	(18,821)	7,880	231,828
Judicial deposits with a corresponding liability	(103,751)	-	-	(2,621)	(106,372)
Net provisions for judicial deposits	183,791	(44,773)	(18,821)	5,259	125,456

	Consolidated				
	12/31/2023	Addition (reversal)	Payments	Update	06/30/2024
Tax (i)	253,499	(55,461)	(2,744)	6,275	201,569
Labor (ii)	31,155	6,696	(10,126)	1,292	29,017
Civil (ii)	4,086	6,114	(7,171)	313	3,342
Provisions for tax, civil, and labor risks	288,740	(42,651)	(20,041)	7,880	233,928
Judicial deposits with a corresponding liability	(103,751)	-	-	(2,621)	(106,372)
Net provisions for judicial deposits	184,989	(42,651)	(20,041)	5,259	127,556

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

(a) PIS/COFINS: Disallowed credits regarding PIS and COFINS on (i) inputs used in the end-activity and (ii) COFINS credits on Imports;

(b) ICMS: Disallowed ICMS credit rights for (i) charges linked to electric power transactions, and (ii) credit associated with suppliers considered disreputable;

(c) Other Taxes: discussions regarding the exclusion of ICMS and ISS from the basis for calculating CPRB - Social Security Contribution on Gross Revenue

On March 31, 2024 the Group regularized its PIS and Cofins credits on inputs, which led to a reversal of provisions.

In June, 2024 the Group reversed an amount of R$30,111 related to ICMS credits on costs levied on its electricity transactions due to the final Supreme Court (STJ) ruling on the theme 986 (REsp 1.163.020). During the quarter the Group subscribed to the incentivized installments program offered by the State of São Paulo, thus including its debits regarding ICMS collection in transactions involving non-reputable suppliers. During the quarter, due to fines issued by the State of Ceará, provisions related to ICMS were established. A provision for social security contributions was also made, following an unfavorable ruling for taxpayers on Topic 1079 (REsp 1.898.532 and REsp 1.905.870).

(in thousand Reals unless otherwise stated)

(ii) Civil and labor

Provisions for labor claims are obtained by applying the historical percent losses to the total value of the claim (which is the maximum exposure to which the Group is subject) for each claim, as informed by the Group's legal advisors. This measurement is reviewed every six months, most recently in September 2023. Measurement of the provisions for civil cases uses the overall average success and payment rates, with individual assessments made where the amounts are significant.

Judicial deposits with a corresponding liability

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

25.3. Judicial deposits

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

	Parent Company		Consolidated	
	06/30/2024	**12/31/2023**	**06/30/2024**	**12/31/2023**
Tax	**12,636**	20,522	**12,636**	20,522
Labor and Civil	**26,589**	27,119	**26,601**	27,146
Total	**39,225**	47,641	**39,237**	47,668

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

(in thousand Reals unless otherwise stated)

25.4. Non-provisioned contingencies

On June 30, 2024 the Group had an updated amount of R$ 401,380 (R$ 379,235 on December 31 2023) associated with judicial and/or administrative claims where it is considered possible that the Company will lose, and for this reason accounting provisions are not made, as per the relevant accounting standards. Below is a summary of the main claims, with the amount of the principal plus interest and fines that our legal advisors believe we may lose:

	Parent Company and Consolidated	
	06/30/2024	**12/31/2023**
Disallowed PIS/COFINS credits (a)	**151,808**	146,647
PIS/COFINS - Non-homologated offsets (b)	**60,421**	51,314
Import Taxes (c)	**33,430**	30,685
INSS - Non-homologated and other offsets (d)	**90,508**	85,928
ICMS - Disallowed credits and others (e)	**49,183**	47,850
Other demands (f)	**16,030**	16,811
	401,380	379,235

(a) Disallowed PIS/COFINS credits on expenses used as inputs.
(b) Administrative proceedings discussing the non-homologation of requests for compensation.
(c) Import taxes - Discussion on not including royalties paid for the use of licensed brands;
(d) INSS - Administrative proceedings discussing the non-homologation of requests for offsetting social security credits.
(e) ICMS - Disallowed ICMS credits
(f) Administrative proceedings discussing the non-homologation of requests for compensation.

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

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

(in thousand Reals unless otherwise stated)

26. Shareholder's Equity

26.1. Accounting policy

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

26.2. Capital stock

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

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

	06/30/2024		12/31/2023	
	Number of shares	**%**	**Number of shares**	**%**
COFRA Investment SARL	100,363,049	32.56%	100,363,049	32.56%
Incas SARL	100,939,166	32.75%	100,939,166	32.75%
COFRA Latin America	17,121	0.01%	17,121	0.01%
Officers	2,288,265	0.74%	899,686	0.29%
Treasury	3,324,126	1.08%	2,650,500	0.86%
Free Float	101,313,341	32.86%	103,375,546	33.53%
Total	308,245,068	100%	308,245,068	100%

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

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

26.3. Shares in Treasury

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

(in thousand Reals unless otherwise stated)

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 October 18 to enable exercising the buy option of the current share purchasing plans approved at the General Meetings of the Shareholders held on October 2, 2019 and April 28, 2023.

In March 2024 the company set aside 2,036 treasury shares at an average cost per share of R$ 3,21, totaling R$ 6,497 for the participants of share-based incentive plans, with no reduction in share capital.

	Number	Average cost per share	Book value	Market value
Balance on December 31, 2022	1,969,900	3.44	6,778	4,511
Share buy-back	680,600	2.53	1,720	1,720
Balance on December 31, 2023	2,650,500	3,21	8,498	20,753
Shares delivered in the 2021 Plan	(2,026,375)	3,21	(6,497)	
Share buy-back	2,700,000	10.85	29,300	29,300
Balance on June 30, 2024	**3,324,125**	**9.42**	**31,301**	**31,047**

26.4. Capital reserve – shares granted

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

26.5. Legal reserve

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

26.6. Reserve for unrealized profits

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

26.7. Reserve for investments

The purpose of this reserve is to reinforce the Group's working capital and activities. The balance of this reserve, plus the balance of other profit reserves with the exception of contingency reserves, reserves for tax incentives and reserves for future profits may not exceed 100% (one hundred percent) of the share capital. Once this threshold is reached, and pursuant to article 199 of Law 11,638/07, the General Meeting shall determine how to distribute any surplus and shall use it to pay in or increase the capital stock or distribute dividends. The balance of reserves investments on June 30, 2024 was R$ 969,256.

26.8. Reserve for tax incentives

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

26.9. Equity valuation adjustments

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

27. Dividends and interest on shareholder's equity payable

27.1. Accounting policy

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

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

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

28. Net revenue

28.1. Accounting policy

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

a) Sale of goods

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

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

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

b) Services provided

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

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

c) Net revenue from credit securitization

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

(in thousand Reals unless otherwise stated)

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

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

e) Revenue from financial products

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

28.2. Breakdown of net revenue

	Parent Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Sale of goods	**4,280,946**	3,750,787	**4,282,980**	3,750,787
Cancellations, exchanges and vouchers	**(264,422)**	(215,564)	**(264,422)**	(215,564)
Sales taxes	**(981,824)**	(828,629)	**(981,824)**	(828,629)
Net revenue from the sale of merchandise	**3,034,700**	2,706,594	**3,036,734**	2,706,594
Revenue from commission and financial services and products(*)	**86,947**	78,757	**260,943**	197,747
Taxes on commissions and services	**(10,561)**	(11,095)	**(13,060)**	(20,803)
Net revenue from services rendered	**76,386**	67,662	**247,883**	176,944
	3,111,086	2,774,256	**3,284,617**	2,883,538

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

(in thousand Reals unless otherwise stated)

29. Earnings by nature

29.1. Classified by function

	Parent Company		Consolidated	
	06/30/2024	**06/30/2023**	**06/30/2024**	**06/30/2023**
Cost of goods sold and services rendered	**(1,488,390)**	(1,379,430)	**(1,488,451)**	(1,379,677)
General and administrative	**(406,593)**	(364,228)	**(407,293)**	(366,273)
Sales	**(1,086,711)**	(985,748)	**(1,106,205)**	(1,037,026)
Net credit losses	**-**	-	**(110,056)**	(103,086)
Other net operating income (expenses)	**103,773**	11,517	**103,779**	11,260
	(2,877,921)	(2,717,889)	**(3,008,226)**	(2,874,802)

29.2. General and administrative expenses by nature

	Parent Company		Consolidated	
	06/30/2024	**06/30/2023**	**06/30/2024**	**06/30/2023**
Personnel	**(189,438)**	(144,366)	**(190,031)**	(146,181)
Third party materials/services	**(72,908)**	(66,938)	**(72,960)**	(67,098)
Depreciation and amortization	**(108,054)**	(107,464)	**(108,101)**	(107,511)
Depreciation of right-of-use	**(11,781)**	(12,392)	**(11,781)**	(12,392)
Occupancy	**(3,444)**	(7,522)	**(3,444)**	(7,522)
Other	**(20,968)**	(25,546)	**(20,976)**	(25,569)
	(406,593)	(364,228)	**(407,293)**	(366,273)

29.3. Selling expenses by nature

	Parent Company		Consolidated	
	06/30/2024	**06/30/2023**	**06/30/2024**	**06/30/2023**
Personnel	**(342,618)**	(324,754)	**(348,939)**	(342,993)
Third party materials/services	**(167,792)**	(132,100)	**(190,620)**	(153,547)
Depreciation of right-of-use	**(153,211)**	(159,207)	**(153,211)**	(159,207)
Depreciation and amortization	**(67,313)**	(70,715)	**(67,313)**	(70,715)
Occupancy	**(187,290)**	(167,951)	**(187,290)**	(167,951)
Advertising and promotions	**(66,986)**	(44,933)	**(66,986)**	(44,961)
Other	**(101,501)**	(86,088)	**(91,846)**	(97,652)
	(1,086,711)	(985,748)	**(1,106,205)**	(1,037,026)

29.4. Other net operating revenue (expenses) by nature

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

	Parent Company		Consolidated	
	06/30/2024	**06/30/2023**	**06/30/2024**	**06/30/2023**
Asset write-offs and store /DC closings (a)	**(20,202)**	1,759	**(20,202)**	1,714
Tax expenses and credits (b)	**67,772**	15,588	**67,772**	15,588
Reversal (provision) for tax contingencies (c)	**55,653**	(2,643)	**55,653**	(2,643)
Other	**550**	(3,187)	**556**	(3,399)
	103,773	11,517	**103,779**	11,260

(a) Includes asset write-offs, inventory, contractual fines, and labor terminations.
(b) Tax credit recovery is booked net of attorney and consulting fees, and was comprised substantially of PIS and COFINS extemporaneous credits in the amount of R$ 59,252 (R$ 9,942 in June 2023), social security credits in the amount of R$ 3,205 (R$ 3,334 in June 2023), and other lower value credits.
(c) In 2024, it substantially refers to the reversal of provisions for PIS and COFINS credits and charges on energy tariffs (TUST/TUSD) in the amount of R$30,111, previously recognized in the income statement.

(in thousand Reals unless otherwise stated)

30. Finance results

	Parent Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Exchange variation				
Exchange variation - Purchases	**(10,982)**	1,599	**(10,982)**	1,599
	(10,982)	1,599	**(10,982)**	1,599
Finance expenses				
Interest on loans	**(100,617)**	(132,915)	**(100,617)**	(132,915)
Interest on leases	**(74,682)**	(77,694)	**(74,682)**	(77,694)
Supplier financial expenses - PVA	**(51,563)**	(55,277)	**(51,563)**	(55,277)
Bradescard supplier interest	**(32,783)**	(35,182)	**(32,783)**	(35,182)
Interest on taxes and contingencies	**(10,594)**	(11,610)	**(10,595)**	(11,610)
Payroll Charges com receivable anticipation (note 8.3)	**(19,628)**	(10,007)	**-**	(3,105)
Other finance expenses	**(2,622)**	(3,867)	**(2,643)**	(4,830)
	(292,489)	(326,552)	**(272,883)**	(320,613)
Finance income				
Monetary correction of tax credits (a)	**123,150**	49,362	**123,155**	49,084
Interest on financial investments	**39,893**	55,633	**44,448**	59,658
Supplier financial income	**7,949**	3,533	**7,949**	3,533
Other	**2**	4	**2**	3
	170,994	108,532	**175,554**	112,278
FIDC C&A Pay Earnings (b)	**50,089**	(6,756)	**-**	-
	50,089	(6,756)	**-**	-
Earnings from Bonds and Securities	**-**	-	**2,903**	1,157
	-	-	**2,903**	1,157
Net financial results	**(82,388)**	(223,177)	**(105,408)**	(205,579)

(a) In June 2024 interest revenue included R$ 119,656 (R$ 39,789 in June 2023) related to monetary adjustment for previously unused PIS/COFINS credits, less PIS/COFINS taxes in the amount of R$ 5,564 (R$ 1,850 in June 2023). See Note 12.2.1.4.

(b) The FIDC C&A Pay operation, created as a credit rights investment funds with all quotas owned by C&A Modas, started up in May, 2023. This fund purchases and manages receivables generated by C&A Pay's private label card. Fund results are calculated based on the revenue and expenses of this operation, booked as per IFRS (*International Financial Reporting Standard*).

(in thousand Reals unless otherwise stated)

31. Information by segment

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

(i) Retail: sale of apparel, perfumery, cosmetics, watches, and cell phones in B&M stores and e-commerce.

(ii) Financial products and services: consumer credit operations and intermediation of insurance sales through our partners or own operations with the C&A Pay card

	Retail		Financial Services				Total Financial Services		Elimination		Consolidated	
			Bradescard Partnership		C&A pay							
	06/30/2024	06/30/2023	06/30/2024	06/30/2023	06/30/2024	06/30/2023	06/30/2024	06/30/2023	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Net Operating Revenue	**3,053,182**	2,716,270	**28,088**	18,145	224,952	149,266	253,040	167,411	(21,605)	(143)	3,284,617	2,883,538
Cost of goods sold and services rendered	**(1,488,158)**	(1,379,209)	**(293)**	(576)	(14,775)	-	(15,068)	(576)	14,775	108	(1,488,451)	(1,379,677)
Gross Profit	**1,565,024**	**1,337,061**	**27,795**	**17,569**	**210,177**	**149,266**	**237,972**	**166,835**	**(6,830)**	**(35)**	**1,796,166**	**1,503,861**
Sales	**(817,135)**	(710,184)	**(9,096)**	(27,412)	(81,055)	(69,772)	(90,151)	(97,184)	21,605	265	(885,681)	(807,105)
General and administrative	**(279,826)**	(237,885)	**3**	(136)	(7,588)	(8,350)	(7,585)	(8,486)	-	-	(287,411)	(246,370)
Net credit losses	**-**	-	**-**	-	(110,056)	(103,086)	(110,056)	(103,086)	-	-	(110,056)	(103,086)
Other net operating income (expenses)	**103,779**	11,513	**-**	-	-	(253)	-	(253)	-	-	103,779	11,260
Earnings by segment (excluding depreciation)	**571,842**	**400,505**	**18,702**	**(9,979)**	**11,478**	**(32,195)**	**30,180**	**(42,174)**	**14,775**	**230**	**616,797**	**358,560**
Depreciation and amortization	**(334,493)**	(342,606)	**(1,181)**	(341)	(4,732)	(6,877)	(5,913)	(7,218)	-	-	(340,406)	(349,824)
Finance results											(105,408)	(205,579)
Income taxes											(16,269)	74,720
Net income (loss) for the period											**154,714**	**(122,123)**

32. Financial instruments and capital management

32.1. Financial instruments - Accounting Policy

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

a) Classification of financial instruments

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

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

(i) Amortized cost

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

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

(ii) Fair value through profit and loss

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

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

Financial assets and liabilities in this category are derivative transactions to which hedge accounting applies. This category includes investments in bonds and securities (Treasury Bonds) held for trading. The Group uses hedge accounting and considers forward currency contracts (NDF) as cash flow hedges. The fair value of derivative financial instruments is determined based on the exchange rate and interest rate curves.

b) *Cash flow hedges*

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

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

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

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

(in thousand Reals unless otherwise stated)

32.2. Financial instruments - classification

On June 30, 2024 and December 31, 2023, financial documents broke down as follows:

Parent Company

	Cost Amortized	Fair value through profit and loss	Fair value through other comprehensive income	Total
Financial assets				
Cash and cash equivalents	**552,623**	**-**	**-**	**552,623**
Trade receivables	**781,747**	**-**	**-**	**781,747**
FIDC C&A Pay	**-**	**797,940**	**-**	**797,940**
Derivatives	**-**	**-**	**7,052**	**7,052**
Related parties	**368**	**-**	**-**	**368**
Judicial deposits	**39,225**	**-**	**-**	**39,225**
Financial liabilities				
Lease liabilities	**(1,600,709)**	**-**	**-**	**(1,600,709)**
Suppliers	**(1,881,886)**	**-**	**-**	**(1,881,886)**
Loans and debentures	**(1,320,422)**	**-**	**-**	**(1,320,422)**
Related parties	**(86,097)**	**-**	**-**	**(86,097)**
Total on June 30, 2024	**(3,515,151)**	**797,940**	**7,052**	**(2,710,159)**

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

(in thousand Reals unless otherwise stated)

Consolidated

	Cost Amortized	Fair value through profit and loss	Fair value through other comprehensive income	Total
Financial assets				
Cash and cash equivalents	**610,129**	**-**	**-**	**610,129**
Financial investments	**-**	**204,970**	**-**	**204,970**
Trade receivables	**1,482,585**	**-**	**-**	**1,482,585**
Derivatives	**-**	**-**	**7,052**	**7,052**
Related parties	**89**	**-**	**-**	**89**
Judicial deposits	**39,237**	**-**	**-**	**39,237**
Financial liabilities				
Lease liabilities	**(1,600,709)**	**-**	**-**	**(1,600,709)**
Suppliers	**(1,898,324)**	**-**	**-**	**(1,898,324)**
Loans and debentures	**(1,320,422)**	**-**	**-**	**(1,320,422)**
Related parties	**(68,969)**	**-**	**-**	**(68,969)**
Total on June 30, 2024	**(2,756,384)**	**204,970**	**7,052**	**(2,544,362)**

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

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

32.3. Financial risk management

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

a) Market Risk

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

Interest rate risk

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

The Group attempts to keep the interest rate indicators for its assets and liabilities equal to reduce the impact of a risk in a fluctuation in interest rates. Currently all our loans are fixed rate and indexed to the CDI. The Group is also exposed to the CDI in the payments to Bradesco for the purchase of Balcão.

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

The Group ran tests using scenarios for the next disclosure to demonstrate how fluctuations in this index impact results. Likely scenario interest rates come from the reference rates on the B3 website on June 28, 2024 (annualized CDI of 10.56%).

(in thousand Reals unless otherwise stated)

					Parent Company			
					Increasing interest		Decreasing interest	
	Risk	Balance on 06/30/2024	Rate	Likely scenario	Possible scenario + 25%	Remote scenario + 50%	Possible scenario - 25%	Remote scenario - 50%
Financial investments (i)	Lower CDI	511,754	CDI (i)	51,675	64,593	77,512	38,756	25,837
Loans and debentures	Higher CDI	(1,320,422)	CDI (i)	(139,437)	(174,296)	(209,155)	(104,577)	(69,718)
Bradescard Supplier	Higher CDI	(572,681)	CDI (i)	(60,475)	(75,594)	(90,713)	(45,356)	(30,238)
Net exposure/Impact on earnings prior to IT/SC		**(1,381,349)**		**(148,237)**	**(185,297)**	**(222,356)**	**(111,177)**	**(74,119)**
Impact on earnings, net of IT/SC				**(97,836)**	**(122,296)**	**(146,755)**	**(73,377)**	**(48,919)**

(i) Financial revenue stated net of 4.65% PIS and COFINS. For financial investments we considered an average yield of 100.27% of the CDI.

					Consolidated			
					Increasing interest		Decreasing interest	
	Risk	Balance on 06/30/2024	Rate	Likely scenario	Possible scenario + 25%	Remote scenario + 50%	Possible scenario - 25%	Remote scenario - 50%
Financial investments (i)	Lower CDI	735,652	CDI (i)	74,213	92,766	111,319	55,660	37,106
Loans and debentures	Higher CDI	(1,320,422)	CDI (i)	(139,437)	(174,296)	(209,155)	(104,577)	(69,718)
Bradescard Supplier	Higher CDI	(572,681)	CDI (i)	(60,475)	(75,594)	(90,713)	(45,356)	(30,238)
Net exposure/Impact on earnings prior to IT/SC		**(1,157,451)**		**(125,699)**	**(157,124)**	**(188,549)**	**(94,273)**	**(62,850)**
Impact on earnings, net of IT/SC				**(82,961)**	**(103,702)**	**(124,442)**	**(62,220)**	**(41,481)**

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

Exchange risk

Foreign currency exchange risk exists in future commercial transactions, primarily those associated with US-Dollar denominated imports. 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.

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.

(in thousand Reals unless otherwise stated)

The US Dollar exchange rate used in the sensitivity analysis was taken from the FOCUS report published by the Brazilian Central Bank on June 28, 2024. Scenario estimates were adopted according to CVM Instruction 475/08.

				Negative scenarios		
		Risk	Notional USD (Payables)/ Receivables	Likely Scenario USD 1 = R$ 5,20	Possible scenario +25% USD 1 = R$ 6,50	Remote scenario +50% USD 1 = R$ 7,80
Hedge object	Purchasing orders for imported goods and imports in transit	Increase in the USD exchange	(66,012)	23,692	(62,124)	(147,940)
Hedge instrument	NDF	Decrease in the USD exchange	22,522	(8,084)	21,195	50,474
	Net exposure of import orders		**(43,490)**	**15,608**	**(40,929)**	**(97,466)**
	Non-recoverable taxes (36%)		(23,764)	8,529	(22,365)	(53,258)
	Total net exposure		**(67,254)**	**24,137**	**(63,294)**	**(150,724)**
	Impact on earnings, net of IT/SC		**(44,388)**	**15,930**	**(41,774)**	**(99,478)**

USD exchange on June 28, 2024 = R$5,5589

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.

(in thousand Reals unless otherwise stated)

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 June 30, 2024:

Contract	Maturity	Reference (notional) value - USD	Amount receivable (payable)
NDF	July 24	6,928	3,245
NDF	August 24	2,950	1,096
NDF	September 24	2,460	807
NDF	October 24	4,594	1,244
NDF	November 24	2,695	320
NDF	December 24	2,895	340
		22,522	**7,052**
Current assets			**7,052**
Current Liabilities			**-**

b) Credit risk

i) Cash and Cash Equivalents

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

ii) Receivables

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

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

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

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

(in thousand Reals unless otherwise stated)

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

c) Liquidity risk

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

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

Management constantly monitors the expected demands on the liquidity of the Group and that of its subsidiary to ensure they have sufficient cash to meet their operational needs, investment plans and financial obligations.

The Group invests excess cash in financial assets with floating interest rates and daily liquidity (CDBs, repo transactions, and private credit investment funds that comply with the investment policy approved by Management). The Group also invests in LFTs (Treasury Bonds) (Note 7), that may or may not be kept until 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 June 30, 2024	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Lease liabilities	**532,835**	**693,453**	**374,421**	**1,600,709**
Loans	**560,554**	**759,868**	**-**	**1,320,422**
Suppliers	**1,038,748**	**573,102**	**-**	**1,611,850**
Drawee risk transactions	**286,474**	**-**	**-**	**286,474**
Total	**2,418,611**	**2,026,423**	**374,421**	**4,819,455**

(in thousand Reals unless otherwise stated)

32.4. Capital management

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

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

	Parent Company		Consolidated	
Net Debt excluding Lease Liabilities	**06/30/2024**	**3/12/2023**	**06/30/2024**	**12/31/2023**
Short and long-term loans and debentures	**1,320,422**	1,687,854	**1,320,422**	1,687,854
Cash and cash equivalents	**(552,623)**	(1,130,245)	**(610,129)**	(1,155,588)
Financial investments	**-**	-	**(204,970)**	(191,587)
Net debt (cash)	**767,799**	557,609	**505,323**	340,679
Non-controlling interests	**-**	-	**4**	3
Total shareholder's equity	**3,142,334**	3,012,716	**3,142,338**	3,012,719
Financial leverage index	**24%**	19%	**16%**	11%

On June 30, 2024, the balance of lease liabilities was R$ 1,600,709 (R$ 1,711,423 on December 31, 2023). If lease liabilities are included in the capital management calculations, leverage would be 75%, as follows:

	Parent Company		Consolidated	
Net Debt including Lease liabilities	**06/30/2024**	**12/31/2023**	**06/30/2024**	**12/31/2023**
Net debt (cash)	**767,799**	557,609	**505,323**	340,679
Lease liabilities	**1,600,709**	1,711,423	**1,600,709**	1,711,423
Adjusted net debt	**2,368,508**	2,269,032	**2,106,032**	2,052,102
Total shareholder's equity	**3,142,334**	3,012,716	**3,142,338**	3,012,719
Financial leverage index	**75%**	75%	**67%**	68%

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

	December 31, 2023	**Cash flows**	**Interest incurred**	**Re-measurements of lease liabilities**	**Other**	**June 30, 2024**
Leases (i)	**1,711,423**	(256,450)	81,442	37,765	26,529	**1,600,709**
Loans and debentures	**1,687,854**	**(470,517)**	**100,617**	**-**	**2,468**	**1,320,422**
Total	**3,399,277**	**(726,967)**	**182,059**	**37,765**	**28,997**	**2,921,131**

(i) Refers to the annual review of inflation adjustments on lease payments provided for in contracts and lease renewals;

(ii) The amount presented under "Others" regarding leases includes new, terminated, and renewed contracts.

(in thousand Reals unless otherwise stated)

33. Insurance Purchased

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

	Consolidated	
	06/30/2024	**12/31/2023**
Civil Liability and D&O	**315,366**	313,688
Property and Inventory	**538,520**	529,900
Shipping	**64,873**	66,270
Cyber Risk Insurance	**50,000**	50,000
	968,759	959,858

34. Retirement plan

34.1. Accounting policy

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

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

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

34.2. Retirement plan

On June 30, 30, the C&A Group contributed R$ 1,395 (R$ 1,713 on June 30, 2023) to the plans, booked as expenses in the period. The total number of participating employees on June 30, 2024 was 4,017 (4,500 on December 31, 2023), with 189 participants under care (192 on December 31, 2023).

On June 30, 2024 the fair value of the plan assets related to the minimum benefit described above exceeded the actuarial present value of the accumulated benefit obligations by approximately R$ 706 (R$ 303 on December 31, 2023).

(in thousand Reals unless otherwise stated)

35. Earnings per share

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

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

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

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

Basic earnings per share	**06/30/2024**	**06/30/2023**
Net Profit (Loss) for the Period	**154,714**	(122,123)
Weighted average of the number of common shares	**304,920,942**	305,594,568
Basic profit per share - R$	**0.5074**	(0.3996)

Diluted earnings per share	**06/30/2024**	**06/30/2023**
Net Profit (Loss) for the Period	**154,714**	(122,123)
Weighted average of the number of outstanding common shares	**304,920,942**	305,594,568
Weighted average of the options granted as part of the stock-based compensation plan	**5,017,277**	-
Weighted average of the diluted number of common shares	**309,938,219**	305,594,568
Diluted profit per share - R$	**0.4992**	(0.3996)

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

On June 30, 2024 and 2023, the share based compensation plan provided dilution (on March 31, 2023 it provided an anti-dilution effect, which is why it was not considered in the calculation shown above).

(in thousand Reals unless otherwise stated)

36. Non-cash transactions

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

(i) purchase of property and equipment, in the amount of R$ 2,140 (R$ 7,040 in 2023).
(ii) purchase of intangible assets, in the amount of R$ 10,975 (R$ 13,580 in 2023).
(iii) recognition of lease liabilities as a counter-entry to the right to use the asset, where new agreements amounted to R$ 26,529 (R$ 132,643 in 2023), remeasurements amounting to R$ 37,765 (R$ 135,513 in 2023), and terminated or closed agreements in the amount of R$ 4,448 (R$ 2,581).

	Parent Company and Consolidated	
	06/30/2024	**12/31/2023**
Purchase of property and equipment	**(2,140)**	7,040
Purchase of intangible assets	**10,975**	13,580
New right-of-use agreements	**26,529**	132,643
New lease liability agreements	**(26,529)**	(132,643)
Remeasurements of right-of-use agreements	**37,765**	135,513
Remeasurement of lease liabilities	**(37,765)**	(135,513)
Closed/terminated lease agreements	**(4,448)**	(2,581)

37. Subsequent events

37.1 Debenture Issues

On August 1, 2024, C&A Modas S.A. settled the third issuance of simple debentures, non-convertible into shares, of the unsecured type, in a single series, totaling 495.9 million reais. The nominal unit value of the debentures will bear interest of 100% of the DI rate plus 1.80% per year, with a term of 36 months. On August 7, 2024, the public offering of this issuance was completed.

The net proceeds obtained by the Company from the issuance will be fully used to extend the average maturity of the Company's debt (liability management) by means of the partial early redemption of outstanding debentures, in order to reduce the amounts maturing in 2025.