

**Operator:**

Good morning, ladies and gentlemen. Welcome to C&A's earnings call to announce the results of 3Q25. Today, we have with us Mr. Paulo Correa, CEO; and Laurence Beltrão Gomes, CFO and IRO.

This presentation and the earnings release are available on our IR website results center. We would like to inform that this call is being recorded and simultaneously translated into English. To access the English version, click on the button 'interpretation'. The replay will also be available on our IR website.

After the Company's remarks, we will open the floor for questions. To ask a question, press the button 'raise hand' to join the waiting line. Or, if you prefer, send your question directly through the Q&A icon on the bottom bar.

Before proceeding, let me mention that any forward-looking statements that may be made during this earnings call relative to the Company's business prospects, projections, operating targets, and financial targets are based on beliefs and assumptions of the Company's management, as well as information currently available to C&A. These forward-looking statements are no guarantee of performance. They involve risks, uncertainties, and assumptions since they refer to future events and therefore, depend on circumstances that may or may not occur. Investors and analysts should be aware that general conditions, industry conditions, and other operating factors may affect future results of C&A and may lead to results that differ materially from those expressed in such forward-looking statements.

Now, I would like to hand the call to Mr. Correa to start his presentation.

**Paulo Correa:**

Good morning, everyone. Before we start talking about the 3Q results, I would like to start by highlighting our apparel growth over the past 2 years, which reached nearly 30%. And this was accompanied by a 1.3 p.p. increase in our gross margin. And I wanted to start with this point because I think this result clearly points to the Company's progress during the period.

Looking at 3Q specifically, our apparel net revenue grew 8.9%, and our same-store sales reached 8.1% in the period. At the same time, we grew nearly 2 p.p. in our merchandise gross margin versus the same period last year. This was partly due to a higher share from the beauty category and also due to a 0.3 p.p. increase in our apparel gross margin. This performance also translated into a higher EBITDA margin pre-IFRS 16, reaching 10.9%, up 0.9 p.p. year-over-year.

I would also like to highlight the significant increase of 41.7% in the Company's adjusted net income, reaching a total of R\$73.6 million. Meanwhile, we had a cash generation that totaled nearly R\$243 million in the quarter, a 9-day improvement in the cash conversion cycle, which also allowed us to deliver another quarter of net debt reduction and deleveraging, reaching 0.1x the net debt-to-EBITDA ratio.

I believe all these indicators result from our customers' growing preference for our brand, which translated into an 8 p.p. increase in our NPS this quarter. Finally, we would like to highlight our ROIC, which reached 21.7% this quarter.

We continue to consistently execute our Energia strategy. Let's start with the product pillar. We advanced the rollout of our initiatives focusing on key product categories. And this quarter, we give highlight to kids, beauty, and footwear. All these categories continue to gain relevance in our portfolio. We also expanded the implementation of our dynamic assortment project, adding 4 new categories this period.

We also continue to integrate the beauty category into our customers' fashion journey, a strategy that has actually proven very assertive because it's driving our customer base expansion with a 50.9% increase in this quarter. We also made progress in our ongoing product testing efforts, surpassing 1,000 tests this year alone. And this all contributes to an increase in the attractiveness of our products and makes the customer experience even more engaging.

Also, we were one of the pioneering companies in our industry to train our creative teams to use artificial intelligence in the creation of new collections, reinforcing not just our commitment to innovation, but also helping us move toward an increasingly granular and accurate assortment. I believe all this work strengthens our product pillar, whose ultimate goal is to create value in our customers' perception through raw material quality, a cost-benefit perception, a better in-store experience and a more and more accurate assortment.

Looking at our omnichannel pillar, this quarter, we completed another 7 renovations, totaling 14 renovated stores this year. We also carried out the fifth wave of our Dispersão project across 22 more stores, totaling 43 stores in 2025. Both these initiatives continue to outperform the consolidated average of the Company, reinforcing the effectiveness of the improvements rolled out.

As for new openings, we already begun construction of 7 new stores planned still for this year. One of them, in Americana, was opened last week, and the remaining stores are expected to begin operations still in 4Q.

Another important highlight is for our online channel. We continue to focus on enhancing our digital experience. Our net online revenue increase this quarter was 18.6%. We implemented new payment methods and social media login, making our customers' shopping journey even easier and more streamlined.

We are also progressing towards integration of the shopping cart across channels, allowing customers to start or complete their purchase whatever they prefer, whether on the website, on our app or in our stores. Also, we are developing our new website designed to offer a richer experience in content and creatorship with a focus on a more inspiring fashion journey, reinforcing the digital channels role as a source of discovery, inspiration, and brand connection.

We are also advancing with the use of AI in the customer journey. The personal shopper already available on our website will soon be available on our app as well, offering personalized recommendations based on contextual searches and customer preferences.

Let's talk about our brand. A year ago, we launched our new brand positioning: We find you at C&A, we meet you at C&A, which translate the brand's role as a point of connection with customers. And since then, we have been consistently investing in building this identity, which reinforces our relevance and our closeness to our consumers.

To deepen this understanding even more, we conducted a survey in partnership with Box 1824, which showed the emotional impact of the moment when a customer finds the perfect outfit, an experience that goes beyond just clothing and becomes an expression of who they are and how they want to present themselves to the world.

This concept came to life through the denim campaign, one of the Company's most strategic categories. And we use scallop-shaped mirrors, an iconic soundtrack, and the motto "When you find the outfit, you feel it," which you saw at the beginning of this presentation, which invited our customers to find themselves in their jeans. This campaign premiered in prime time on national television with strong digital media presence, which amplified our message.

When we look at Energia, Energia is a strategy that has already achieved nearly 60% of the target impact that was established in the beginning when we started this journey. And this was through the rollout of countless initiatives. We have a long list. I won't go into details, but assortment

expansion, smartphone phaseout, beauty category expansion, focusing on CRM, C&A Pay, sourcing, among others. And this has reinforced our discipline and consistency in executing this strategy, capturing value in line with the goals and targets that we set for ourselves in the beginning.

On this next slide, I would like to highlight a very iconic moment of this strategy. In August, we opened our first store under the new Energia model at Shopping Center Norte in São Paulo. This model brings to life all the lessons learned from the C&A Energia strategy, and was designed with a clear purpose to value our customers' time, offering a smoother, more intuitive shopping journey.

And the best part is that after just 2 months of operation, we are confident that we are on the right track. The store model has exceeded all our initial expectation, and is consolidating as our new store model, which will serve as a reference for future openings and renovations. Based on this concept, we are planning to open another 2 stores later this year with slight differences where we will test the key attributes that will define this new store standard for the Company in 2026.

Before handing the call to Laurence, I would like to show a video that showcases this new store model in detail for those who have not seen it. And I also invite you to visit our new store, which will be a reference for C&A in the future.

### ***Video***

#### **Laurence Beltrão Gomes:**

Good morning, everyone. Thank you for attending our call today. I will now go over the numbers in more detail, starting with this quarter's net revenue. In apparel, our same-store sales reached 8.1%, even on top of a very strong comparison base of 18.9%, with highlight to our year-round collections, our nonseasonal products, which continue to perform very consistently, including denim, ACE, our sports brand and intimates.

In beauty, for the sixth consecutive quarter, we recorded a revenue increase above 50%, which reinforces our conviction that this category is increasingly becoming a part of our customer shopping journey in women's. Also, we completed the phaseout of our smartphone category, closing 47 kiosks. As a result, our same-store sales for merchandise grew 4.8%.

On the next page, I would like to highlight the evolution of our gross margin. We continue to increase our sales, while at the same time we had an expansion in our gross margin. In apparel, our gross margin increased 0.3 p.p. compared to the same period last year, driven by lower markdowns. And this resulted from specific commercial planning for the quarter and dynamic pricing strategies.

In electronics and beauty, we achieved a 13.3 p.p. expansion in our gross margin due to a higher share of beauty products in the category mix. The accelerated phaseout of the smartphone category also contributed to this improvement. And as a result, our merchandise gross margin grew by 1.9 p.p. in the quarter, reaching 54.6%.

Looking at C&A's evolution from 2022 to date, we saw a sequential margin expansion across all categories. In apparel, we had a 3.6 p.p. increase, while in electronics and beauty, there was an increase of 19.1 p.p.. This led to a total 6.8 p.p. increase in our total merchandise gross margin over the same comparison base. So, we have grown across all channels and all categories.

Now here on the next chart, we have some details about our operating expense management. And we will take a closer look on the next chart about our expense dilution dynamics. But we remain very focused on executing the Energia strategy investments while also maintaining strict expense control.

As you heard from Paulo, we continue to advance across our product brand and relationship pillars, and we also continue to reinforce our structures and to invest in our people, in our teams. As a result of these investments, our expenses totaled R\$783 million, a 4.4% increase year-over-year, representing a 0.8 p.p. increase as a percentage of our net revenue under the pre-IFRS 16 view. On the post-IFRS 16 basis, the expenses totaled R\$659 million, up 0.6 p.p. as a percentage of our net revenue.

Here, on this page, I want to stress that we accelerated our kiosk closure process, which led to a 26.1% reduction in our fashiontronics revenue, even with the strong expansion in the beauty revenue. At the end of 2Q25, we also completed the termination of our partnership with Bradescard. We completed the repurchase of the rights to offer financial products and services. So starting in 3Q, the joint venture results are no longer part of our consolidated results.

At the same time, our C&A Pay strategy and our very assertive and selective approach to credit granting also contributed to a lower revenue from financial services. The combination of the termination of the Bradescard partnership and the lower revenue from C&A Pay resulted in a 41.5% decrease in our revenue from financial services. It is, however, worth noting that this decline in our fashiontronics revenue as well as the drop in our financial services revenue were the main drivers behind the lack of expense dilution in this quarter.

Now, a little bit more about our smartphone category phaseout and its main impacts. As we mentioned on the previous page, we had a 26% decrease in our fashiontronics net revenue on one side, and on the other hand, we had a 13 p.p. increase in our gross margin in the category for the quarter, resulting in a 6% higher nominal gross profit for the category.

Also, due to the higher average price of the smartphone category, the shutdown of the kiosks also had a negative impact on our SG&A expense dilution. However, this move, on the other hand, improved the Company's cash conversion cycle with a shorter average receivable term now since most of the smartphone category was sold in up to 10 installments.

About the C&A Pay highlights for the quarter, our strategy is still focused on improving the fashion retail experience, with a conservative and cautious credit granting policy based on predictive models. This approach has allowed us to increase both our customer recurrence and spending while also raising the LTV of our customer base. This approach has proven efficient. As a result, C&A Pay sales share reached 28.8% in the quarter, 3.5 p.p. above the same period last year.

At the same time, we saw improvements in our delinquency indicators, driven by a better portfolio rollover, new cohorts, and also higher efficiency in our collection strategy and credit recovery. Our NPL 90 reached 16.4%, a 3.3 p.p. decrease versus the same period last year. And our net losses over the total portfolio reached 3.2%, 1.6 p.p. improvement versus last year.

As for our expenses, the flexible C&A Pay structure also contributed to a significant reduction of 20.2% in the quarter. As a result, we closed the quarter with nearly R\$8 million in results for C&A Pay.

On the next page, I would just like to stress that, thanks to our ongoing efforts to strengthen our active customer base, customer recurrence, and our credit approach, our delinquency indicators remain very healthy. However, the coverage ratio for balances passed to more than 90 days ended the quarter at 107.1%, which is 3.3 p.p. higher than 3Q24.

Now here on this page, we show the evolution of our pre-IFRS adjusted EBITDA, which reached R\$209 million, up 4.5% year-over-year and a 0.2 p.p. expansion in our EBITDA margin for the period. It's important to note that our retail operation posted a 0.9 p.p. increase in our EBITDA margin, reaching 11%, driven by the expansion of our margin in both apparel and electronics and beauty, like I mentioned earlier.

This next slide shows the evolution of our adjusted net income, which reached R\$73.6 million, 42% higher year-over-year with a 1.1 p.p. increase in our net margin compared to 3Q24.

In terms of our investments, in 3Q, we recorded CAPEX of R\$146 million, a nearly 80% increase year-over-year, of which 81.7% were allocated to the C&A Energia projects. Most of these investments were steered towards store renovations and on the technology front, to sustain the development and advancements in our commercial intelligence hub.

I would also like to highlight our cash conversion cycle, which improved by 9 days, mainly due to a 7-day improvement in inventory turnover. And this resulted from dedicated commercial planning to ensure a smooth transition and an assertive reaction heading into the 4Q, our most important quarter of the year.

This quarter's cash generation reflects our diligent capital allocation, supported by our strong governance, our agile management model, and most importantly, our clarity in executing the initiatives driven by the C&A Energia strategy.

Here, we show the Company's deleveraging. We closed the quarter with a strong cash position of nearly R\$1 billion, an 89.6% decrease in our net debt. As a result, our leverage reached its lowest level since our IPO, 0.1x the net debt-to-EBITDA ratio.

And finally, I would like to share some of our highlights and recognitions for the quarter. We relaunched our iconic trainee program in 2025, and we already welcomed our new group who we believe will help develop the next generation of C&A leaders.

For the second time, we were recognized in the GPTW ranking, which means we ranked among the best companies to work in where people feel valued, engaged, and proud to belong. This is the result of our strong collaborative culture.

We also ranked among the top 5 retail companies in the Valor Inovação ranking, recognized as one of the most innovative companies in Brazil by Valor Econômico. And finally, we will be present at COP 30, reaffirming our commitment to leading fashion with a positive impact, integrating sustainability into our business, and anticipating trends that create value.

So I stop here, and we can open for questions now.

**João Soares, Citi:**

Good morning, and thank you for taking my question. Congratulations on your results. I have 2 questions. First, we are looking at the IDV index your Company is included, and the members are seeing now a slowdown in apparel sales for December, so 9% to 3% in December. So, without giving any guidance, can you share with us what you think is happening? If this makes sense for you, if there's something about December that will increase the level of challenge?

And also, the gross margin for your beauty category looks much better now than what we imagined. We calculated 50% margin for this operation, which sounds like a big improvement. Can you give us more details?

**Paulo Correa:**

João, good morning, and thank you for your question. On your first question, about the indicators, of course, indicators have 2 sides. When you look at that, both indicators will share the numbers they achieved and the prospects and expectations can change a lot.

So, what I can tell you specifically about C&A is that we are moving at a similar pace than that of 3Q in this first month of 4Q. And this first month accounts for 20% to 25% of the whole quarter. So,

it's a smaller share. December, particularly the weeks close to the end of the year, have a much higher weight on this equation. So this is point number 1.

Point number 2. We have seen some erratic temperatures. The weather is erratic compared to previous years. And this brings me back to my old quote, which is "We have to look at the motion picture, not just the spring shot." Summer is coming. And when summer is finally here, we will see our sales transforming.

So, we truly respect the macroeconomic environment, but it is totally out of our control. What we can control is the evolution of our Energia initiatives, which are aimed to counterposing or fighting the headwinds. So we are creating accelerators and drivers for our proposition, and the results we have been posting clearly show that this is working.

The third element, looking at our performance from the state of Rio de Janeiro up, particularly for full-year categories, clearly show that numbers will be different from the numbers that you mentioned in your question in terms of the possibilities for these indicators. So, once again, where temperatures are warmer, these full-year products have been showing very robust performance.

And last but not least, I think we are well prepared and structurally prepared for the end of the year. First, after the closure of 3Q, we have clean and very fresh inventory. So fresh inventories in retail are a synonym of competitiveness, which gives us the possibility of receiving a lot of new items for 4Q. So, we truly believe that in this agile model that we work on, this will be yet another driver for us as we see this motion picture showing in the next coming months. So, we continue to develop in a very responsible, agile, disciplined way, but also very positive and optimistic about the prospects for the next 2 months.

As for the gross margin, I do not know if Laurence would like to answer that part of your question, but it has precisely to do with the transition between fashiontronics and beauty. So, as we phase out FT, beauty starts to show the potential for its margin. And we have a specific strength in makeup. So makeup is an important part of this story for us, and it has better margins when compared with fragrances, for example.

So, this is the concept. I do not know if Laurence has anything to add.

**Laurence Beltrão Gomes:**

Along the same lines, I would just like to add something, but this is also part of the product pillar and the strengthening of the category. So everything we said about strengthening our areas, strengthening our teams, increasing their level of expertise. As we gain more space and as we acquire more talents and we have more talents dedicated to the category, we will start seeing increasing value from this category. So it's very clearer, and becoming clearer that the beauty category has a lot of synergy with the fashion category. So this was just to add to Paulo's comments.

**Rodrigo Gastim, Itaú BBA:**

Good morning. My first question is about your gross margin, but focusing more on apparel. It's striking to see the 30 bps of evolution, and you have been showing constant evolution quarter after quarter. But could you expand on the components of this improvement in apparel? What benefited you the most this quarter? And looking forward, how far can this apparel margin reach with all the initiatives that you already rolled out? So this is my first question.

And my second question, Laurence, is about the working capital, which was a relevant highlight this quarter with the cash generation. What's most striking to us is your accounts receivable, the 11-day improvement year-over-year. And how much of this improvement came from the mix due to the phaseout of fashiontronics? Is there any other component other than the mix helping this accounts receivable and your working capital? These are my 2 questions.

**Paulo Correa:**

Thank you, Gastim, for your questions. Let me start with the gross margin. The gross margin has been a consequence of countless initiatives that we have been rolling out very consistently. Our dynamic pricing models continue to evolve, and they are now more and more giving more assertive suggestions and recommendations to our customers, and this is really helpful.

Also, winter this year, we had a major winter impact on 2Q, which in terms of pressures of markdowns, the pressure was lower this year, and this also helped improve the 3Q margin. Third, everything that I said about this stock and this agility that we achieved, this agility gives us much more room for maneuvering and much less pressure in the execution of discounts or promotions. So this combination of actions ended up driving this improvement in terms of the growth of this gross margin, very consistent growth.

We are also working on other initiatives in the same direction, seeking to evolve after all the lessons we learned with C&A Energia. These 3 elements that I shared with you will continue, except for the winter sales that we do not have much control over, but the assortment, the stock level management, more assertive distribution, this is all being further improved by the commercial intelligence hub that we implemented. And this will make decisions more and more assertive over time, which proportionately gives us more conditions to increase our gross margin.

As for the potential, we cannot really say how far we can reach, but we have ambitious goals, and we want to continue this journey of evolving our numbers.

**Laurence Beltrão Gomes:**

Gastim, the second part of your question, you are right when you say that the phasing out of the smartphone category had an impact. As I said, this was a category where we used to sell in installment payments up to 10 installments. So this was one of the major contributions.

And also, another contribution, another factor is the smaller share of interest-bearing payments, so the 8 installment plans. That was a portion of our portfolio with higher risk, where we always identified higher levels of risk. And this new policy, conservative credit granting policy, our modeling and this cautious execution, considering the high interest rates, we also had an adjustment here in the offer of this type of payment plan and the appetite for this type of plan.

So, the reduction of our interest-bearing plan, the 0+8 and C&A Pay, and also the reduction of the smartphone sales installments were the main reasons for this improvement in our numbers.

**Daniela Eiger, XP:**

Good morning. Thank you for taking my questions. I have 2 questions. My first question, you shared some details about the main contributors for the growth considering the climate challenge. So you talked about your sports brand, intimates and jeans. Can you share with us the relevance of these more permanent categories, less climate-sensitive categories? So your sales and the marginal growth.

And also a provocation about the ACE spin-off. You tried the double door in the past. Maybe it was too early, you started with this in 2021, 2022. Are you planning to resume this project in order to boost this category? Because we see a gap in your fitness wear and more premium brands? So I want you to give more details about these categories specifically.

And my second question, it was great to see how you navigated really well the construction of C&A Pay. We had doubts in the past about how you were going to go about building this product. It was a very challenging moment and how this would impact the quality metrics of your portfolio. But you have been consistently showing a healthy progress. Now that you shared with us that you are not

yet seeing any decrease in demand in places where the climate is favorable, and also the expectation that we have for next year to see some positive income dynamics or interest rates decrease, so what is still lacking until you become a little more constructive in the C&A Pay dynamics?

**Paulo Correa:**

Thank you, Danni, for your questions. Let's start with the category dynamics that you asked about. Our road map to increase productivity in our stores was based on a deep analysis of the categories that we believe were more inclined to boost the sales per square meter in our stores.

We talked about intimates and beauty to categories that are growing at a very fast pace. But there are also other categories that we mentioned that have been contributing relevantly such as denim and knitwear and kids. So the combination of these categories is strengthening the Company's assortment as a whole because it helps improve conversion rates, it helps our flow, it helps increase the average ticket of our customers.

So, if I were to compile these categories, it is the strength of this compilation of categories that is helping boost our sales. And as the NPS increases, this shows the willingness and the approval from our customer base and how they want to improve their recurrence to go back to our stores. So the shopping dynamics has also been improving, and this is also helped by the C&A Pay share, which is also evolving over time.

So this combination of all these factors is what explains the Company's progress as a whole. This is still a work in progress. We still see a lot of opportunities in each of these elements that I just described in each of these categories and each of these possibilities for new businesses because we still see very important steps that we need to take until we can reach the level of productivity that we understand would be consistent with the brand potential and the store portfolio that we have today.

You talked about our sports category, ACE and our double door experiments. These experiments are being carried out not just in formats, like we mentioned, but also regarding the assortment itself. We are trying new fabrics, new product structures, and we are expanding and generating specific environments in our stores.

For example, in the Energia store, if you go visit the ACE area, you see that we have rubber floor, which resembles a fitness center. The assortment is really strong. So, we are showing the strength this category has in customer perception right now. So, this is what we are doing to respond to all these possibilities.

This category is growing worldwide, gaining relevance. And of course, C&A, in trying to make itself more and more relevant to its customers, of course, we will also improve our assortment in these categories.

**Laurence Beltrão Gomes:**

I would like to add something, Danni. I think it's always good to recap. We are also very happy with C&A Pay with Pay's evolution. Pay was created in a flexible structure, in a smart structure with all the services that it brings with it. And this gives us very good feeling about the market, our customers' behavior. And this is also supported by a modeling infrastructure in credit granting. Our credit granting policy resulted from a very robust analysis, a data analysis that was based on these models.

So, how are these variables impacting? So first, the interest rate. I think the interest rate needs to start decreasing before anything can change significantly. But from what we read in the market, based on the focus report, we are still expecting high interest rates for next year. On one hand,

salaries are increasing. The unemployment rates are lower. But on the other hand, we know that the debt level of families is higher.

We are also seeing a lot of fuel in the economy. Next year, we have the elections. We know that public spending can intensify in an election year. That could be a mitigation for these headwinds that we see. But considering the high interest rates and how much of the income of the population is committed to paying debt, we are not really expecting this to have a very quick or sudden comeback in terms of our credit granting strategy.

But I think most importantly, it's the quality of our portfolio, the predictability, and the effect that C&A Pay has on the shopping journey and the contribution that it brings in terms of convenience and customer experience as a payment method, boosting recurrence, boosting spending, and also contributing to increase the lifetime value of C&A customers.

**Luiz Guanais, BTG Pactual:**

Good morning. I have 2 questions. How do you see the capital structure, Laurence, based on the last chart that you showed in your presentation, considering the work that has been done already with C&A Energia and the effect this has on the cash generation, which was a positive point for your results? So how do you see the capital structure evolution?

And another question along the same lines. Can we expect any increase in your payout in the coming quarters, and also in a mid- to long-term horizon?

**Laurence Beltrão Gomes:**

I can answer this one. Our priority continues to be preserving a very strong balance with a low level of debt and preserving our investment capacity. Although our Energia investment agenda for next year, we expect also, and our forecast show that this will be supported by our own cash generation. It is very important to see, considering the still high interest rates, real and nominal interest rates, we will continue to avoid financial expenses and preserve our bottom line. So this is the main point.

The Energia C&A strategy and the capture of our investments, as you heard from Paulo, there's a maturation in progress, 60% of Energia, but we still see a lot of opportunities. We still have many opportunities to keep strengthening the Company internally so that we can continue to gain share in the market.

And having said this, I think starting next year, starting in 2026, then it will be possible to increase our payout. I think it is possible to see changes in our payout starting in 2026. It will depend on our investment agenda, the economic scenario, and consumption scenario because, of course, our top priority is to have a sound balance and preserve our investment capacity.

**Pedro Pinto, Bradesco:**

Good morning. I have 2 questions. Going back to the beauty category, you keep showing strong growth in this category, which points to a maturity that has not yet been achieved in this category. So considering this pillar and the strengthening of this category, what do you plan to do to better work in this segment looking forward? What is the level of share that this could reach in your sales? What is the benchmark? What are the initiatives planned? And also, still about beauty, is the cash cycle similar to that of apparel, particularly in terms of the stock levels and receivables?

My second question, in your last answer, Laurence, you talked about a sound balance and preserving your investment capacity. I think you have reached a very balanced capital structure and also level of store execution. So, what is the plan in terms of new openings starting in 2026? Have you mapped any potential points, locations? Paulo talked about the 7 stores, the 7 new

openings. Do you have any contracts signed for 2026? Can you give us more details? Because I think at this point in time, this discussion is relevant.

**Paulo Correa:**

Thank you, Pedro, for your questions. Let me start with the beauty category. We have a lot of clarity about the importance and the good fit of this category with the fashion category as a whole. So that's why we have been working on this. And the increase that we are seeing is a consequence of the products that we are offering, the assortment that we built in beauty. We are expanding this assortment over time. In the past few quarters, if you visit our stores, you will see that every quarter, we are expanding this assortment and improving this assortment.

Another important piece of this dynamic is that the beauty segment is very connected to fashion. So it's not by chance that we are paying close attention to the details in the makeup segment, which is a very interesting story. It is faster in terms of product turnover, and we are advancing greatly in all these categories. So, the prospect is, like you said, we are very far from calling this category mature. We are far from having an optimum assortment. We are far from maturing in terms of the conversion of our customers to this category. So we still have a lot of efforts ongoing.

We still have a lot of opportunities in terms of increasing awareness of our customers so that they can be aware we sell beauty products. So we are working on all these opportunities because that's where this growth will come from, and we tend to continue to see this level of growth looking forward because the expectations and the opportunities are very large in this category.

You talked about the cash cycle compared with apparel. I would say it is in the middle of the way. It is not like fashiontronics or smartphones, which was very harsh in terms of the cash cycle, but it is not exactly the same as apparel. I would say it is in the middle, it is right in the middle, but it's very interesting.

And in terms of the investment capacity for next year, store openings is a very important point that we are discussing in our budget meetings with the Board, and the consensus is that we have room to further accelerate new openings. This is the ambition that we have. Our expansion team is working towards that.

We haven't really found the locations. We have to find locations between 1,500 and 2,000 m<sup>2</sup> in the shopping malls that exist today. We are being very attractive for any entrepreneur right now, and this is what has led these discussions to have started for our expansion plan in 2026. And everything points to an even more ambitious plan next year than in 2025.

**Felipe Rached, Goldman Sachs:**

Good morning. Thank you for taking my question. I want to start with a follow-up question to João's first question. Can you please size the delta in same-store sales between the stores to the north of Rio de Janeiro and to the south of Rio de Janeiro, any details you can give us?

And also, about a different topic, how should we think of the SG&A evolution in the short term? In the midterm, you do not have a lot of investments in strengthening of your structure, the returns are very clear and attractive. But is there any concentration of strategic projects in 4Q? In 3Q, you had a specific impact in your marketing line because of the past projects. But is there anything that we should expect for this year?

**Paulo Correa:**

Felipe, thank you for your questions. So let's start from your first question, what the difference is between the warmer stores and cooler stores, like we call them. We cannot really share the numbers, but what I can tell you is that it is a significant difference considering the current situation.

What's important about these stores is the full-year product category performance. This category is making a lot of difference, particularly in warmer regions. In cooler regions, we are now going through lower temperatures, but we do not have the winter collection in store anymore. So the level of attractiveness and particularly the level of interest for high summer products is still low considering the climate in these regions.

So I think it's just natural to see these differences between different locations, and we have a clear expectation for this to start changing in the coming weeks. We should see a reversion of the situation over the course of 4Q.

**Laurence Beltrão Gomes:**

About the SG&A expenses. We will continue to pay attention to both sides of expense control because on one hand, we are structuring and prioritizing projects and reinforcing areas, but also we are looking for opportunities internally to improve our productivity, our efficiency, to reduce contracts, and to find a way to finance the new by dropping some old projects or doing them differently. So our expectation is to continue to have good control of our expenses in 4Q.

It's important to recap the effect of dilution. So we do not expect to see any dilution due to the decrease in our revenue from fashiontronics and financial services due to the reasons that I mentioned in our presentation, in that chart about our expense dilution.

But yes, we are very comfortable that we will be able to maintain good expense control even with this effort to strengthen the Company, this effort to further specialize our teams, our areas to build new capabilities that, looking forward, will be very important. They will become structural for the Company, and we are addressing these structural points now.

So, we continue to expect 2026 to be the last year of the Energia strategy, and we will be quite focused on executing and implementing the strategic initiatives of Energia.

**Vinicius Strano, UBS:**

Good morning. I have 2 questions. Paulo, one is about the logistic model that you are striving to implement. So, what are your thoughts? Because this logistic model looks more decentralized when we compare it with your competitors. So, can you please comment on the drivers and the decision-making process that led you to decide for this model?

And my other question is, can you please share with us the performance levels of this new wave of the Dispersão project and the new stores? And what is the performance of the renovated stores throughout the year? What is the gap in performance compared to the other stores?

**Paulo Correa:**

Vinicius, thank you for your questions. About the logistic model, we always say that the logistic model has to meet the strategic objectives of each business and the strategic positioning of each business. We conducted a very deep analysis to understand the benchmarks in the world and trying to bring solutions adjusted to our strategy and our marketing positioning.

And I am saying this because it's important to note that our work is based on this agility, this ability to serve and meet the needs of our customers with assortment in each of our stores all over Brazil. That's why we are doing dynamic assortment, dynamic pricing. There's an analytics intelligence that we are building in the Company to be increasingly relevant and assertive in each of our stores. And logistics is a part of this, and it has to be in the same process.

When you have different assortments, different speeds, different performance levels, different sales forecast for each of your stores, you need to have a distribution capacity that is individualized to each of these stores. And this is the strategy behind all this. And the best way to do this is to

have better closeness and agility in your distribution model. Brazil, differently from Europe, has very long distances between different locations. Sometimes we are talking about a delivery in a city that receives from the São Paulo DC. Sending products to the northeast, this can take up to 14 days and a lot can change in terms of demand in 14 days. It is too long of a response time, and you are losing in terms of logistics.

So based on this, we built a hub model, and we are progressively implementing these hubs. We already implemented one in the Midwest, another one in the South of the country. We have one in the southeast in São Paulo. We have our DC in Rio de Janeiro. So, through these hubs, our objective is to be closer to our consumers and react quicker to the demands and needs of each of our stores.

This is the explanation behind our hub model. And just like we have a lot of discipline in our projects, we have clarity about all the phases and the impact that we want to achieve. We have clarity in the measurement of our results and building of the analytical capacity to be able to support this implementation.

And just like in Energia C&A, I think C&A has a strength, which is the execution of its strategic initiatives. We have a lot of discipline in our execution and capture of the synergies and impacts expected.

So we are very confident in our work, and we believe we will start seeing bigger impacts in 2026. But we are building all the foundations from adapting our systems and implementing technologies, implementing automation models in our different DCs. So, we have a very robust process that is taking place. And at the same time, we are gaining agility and gaining relevance in each of our individual stores in the country.

As for performance levels of the Dispersão stores, the renovated stores, the performance levels are very similar to our historical levels since the beginning of the project, double digit compared to the Company's consolidated results. So this has been really strengthening our performance, adding to our performance, the stores under this initiative.

But I must admit that what makes me the most hopeful and confident that we will be able to further boost our same-store sales is our new model, the Energia store model. This model, I believe, will surprise everyone in terms of its capacity to change the sales per square meter level of our stores.

**Renan Sartorio, Safra:**

Good afternoon. I want to ask about the new Energia store concept. Can you give us more details about the economics of these stores versus your other stores, both in terms of the top line and profitability?

And also, a follow-up question about new openings. You talked about looking for spaces, 1,500 to 2,000 m<sup>2</sup>. How does this new concept fit this older parameters?

**Paulo Correa:**

Thank you, Renan, for your questions. First, on Energia, we have a little over 2 months of data about performance in our stores, and we have a lot of parameters and indicators that we are using to measure each of the parts of the store and the different dynamics in the store. But we are not yet at a stage that we can truly tell what potential these stores have.

But it has a high potential in terms of sales per square meter. It is also a store with a higher level of flow. So the increase in the flow will be very interesting for our business, and this is also a very important element in this equation.

And what we want to see now is customer recurrence. Since the cycles in fashion retail can be slightly longer, we want to understand what the impact will be in terms of recurrence. So, these are the first insights that I can share with you about our new Energia store model.

In terms of the economic viability of these stores for 1,500, 2,000 m<sup>2</sup>, smaller stores, that's why I said in my presentation that we will open 2 more stores this year with the Energia philosophy, with some small adjustments to improve economic viability for smaller stores.

So this will be yet another trial, and this is C&A style. We do not have certainties. We have hypothesis, and we test them all extensively, and we will use them or not according to what we learn about these hypothesis. This is our modus operandi, and we will continue to work like this with the Energia stores.

So the 2 new stores will have some elements based on the lessons learned in the 2 first months of operation, and they will be supporting that thesis that will guide our renovations looking forward and also new openings.

**Operator:**

This question-and-answer session is now closed. I would now like to turn the conference to Mr. Correa for his final remarks.

**Paulo Correa:**

First of all, I would like to thank you all for your time and attention. Once again, I want to say we are very proud with all the achievements that we had and yet another quarter of very consistent results. These results are due to the deep transformation that we are carrying out with discipline, confidence, and a very high-level execution, and a clear focus on capturing the results of these initiatives. We are not doing them just for the sake of doing. We really want to capture the impact.

In the end of the day, this is all being done in favor and focusing completely on our customers. This was yet another outstanding quarter for our Company, and I cannot go without saying thank you to our team and telling you that this would never be possible without you. We will continue with our mission of impacting people through fashion. And I send out my heart to all of you.

Thank you so much. Have a great end of the year, and we will meet you at C&A. Thank you.

**Operator:**

For any pending questions, you can contact our IR team directly. This conference call is now over. Thank you all for attending. And have a great rest of your day.

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