1Q25 Results

RIACHUELO guararapes Midway

Video Conference Call

May 8, 2025

01:00 p.m. (Brasília time), **12:00 p.m.** (New York time)

Conference held in **Portuguese, with simultaneous translation into English.** To access the event, click here

Highlights

Record consolidated EBITDA for a 1st quarter:
R$258 million, 22.0% higher than 1Q24

Solid performance on Retail in the quarter with the highest EBITDA margin in the last 9 years (7.0%)

1Q25

+12.8%
Apparel SSS

53.7%
Apparel Gross Margin
+2.2 p.p. vs. 1Q24

7.0%
Retail EBITDA Margin
+0.9 p.p. vs. 1Q24

R$126 MM
Financial Services EBITDA
+20.3% vs. 1Q24

R$258 MM
Adjusted Consolidated EBITDA
+22.0% vs. 1Q24

R$1.1 billion (-36%)
Gross Debt Reduction vs. 1Q24

We begin 2025 evolving on our transformation journey and confident in the strength of our integrated business model and our value proposition. In 1Q25, we presented **another quarter of consistent growth in retail net revenue**, with same-store sales **(SSS) growth of 10.7%, 12.8% of which was in apparel**. We achieved solid results **in the retail segment, which had the highest EBITDA margin (7.0%) in the last 9 years for a first quarter**, as a result of the execution of our strategies. Retail gross margin grew by 2.5 p.p. and reached 50.5%, the highest level in the last 7 years for the period, with emphasis on the expansion of apparel gross margin YoY for the sixth consecutive quarter: 53.7% in 1Q25 vs. 51.5% in 1Q24. Our Financial Services operation also recorded a solid EBITDA of R$126 million, **a growth of 20.3% compared to 1Q24**. Hence, we delivered a **consolidated EBITDA of R$258 million, the highest level of all times** for a first quarter, and **reduced the net loss by 77.2%** compared to 1Q24.

For this new cycle, we have clear and well-defined strategies, based on the pillars of Experience, Efficiency and Return on Capital.

01 EXPERIENCE

- Continuation of our investment in Fashion and Product
  - Focus on key categories
  - Greater chain responsiveness
- Brand revitalization
- Evolution of the channel experience: stores and e-commerce

Consistent growth in sales per m²

02 EFFICIENCY

- Fashion strengthening in our own industrial plant
- Store clustering acceleration
- Midway's growth and profitability
- Pricing and demarcation management intelligence

Higher turnover and increased gross margin

03 RETURN ON CAPITAL

- Capital structure evolution
- ROIC acceleration

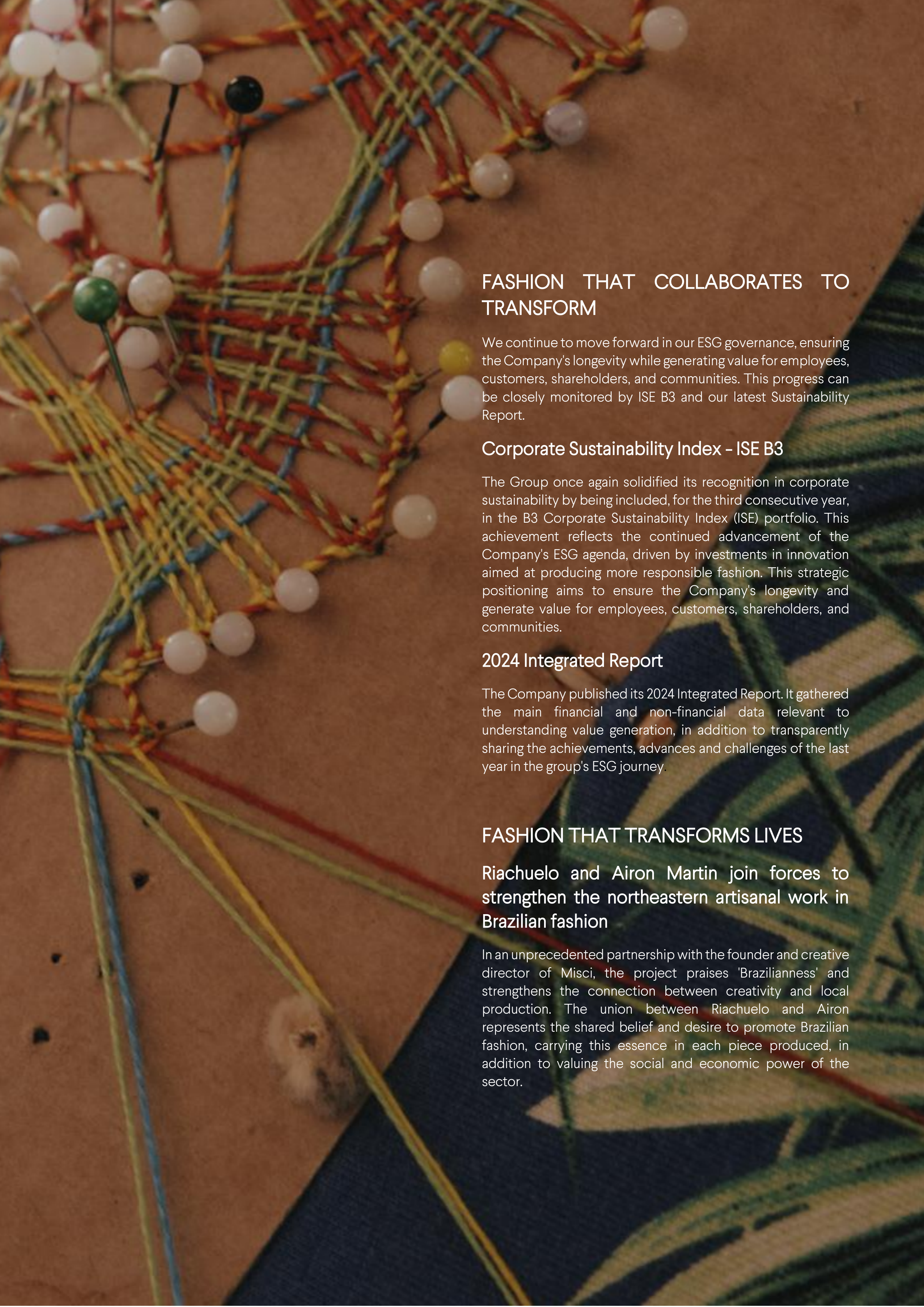
Financial strength and increased returns

1Q25 INDICATORS

Operational Performance (R$ '000)	1Q25	1Q24	25 vs 24
Consolidated net revenue	2,204,997	1,993,536	10.6%
Operating expenses	(861,247)	(777,934)	10.7%
% consolidated net revenue	*39.1%*	*39.0%*	*0.1 p.p.*
Adjusted consolidated EBITDA	258,443	211,770	22.0%
Adjusted EBITDA margin	*11.7%*	*10.6%*	*1.1 p.p.*
Net income (loss)	(26,650)	(116,994)	-77.2%
Net margin	*-1.2%*	*-5.9%*	*4.7 p.p.*

Retail (R$ '000)	1Q25	1Q24	25 vs 24
SSS	*10.7%*	*9.6%*	*1.1 p.p.*
Apparel SSS	*12.8%*	*10.5%*	*2.3 p.p.*
Retail Net Revenue	1,559,106	1,395,598	11.7%
Retail Gross Profit	787,750	669,402	17.7%
Retail gross margin	*50.5%*	*48.0%*	*2.5 p.p.*
Apparel gross margin	*53.7%*	*51.5%*	*2.2 p.p.*
Adjusted EBITDA for Retail	108,851	85,388	27.5%
Adjusted EBITDA Margin for Retail	*7.0%*	*6.1%*	*0.9 p.p.*

Financial Services (R$ '000)	1Q25	1Q24	25 vs 24
Net Financial Services Revenue	617,227	571,436	8.0%
Financial Services EBITDA	125,802	104,616	20.3%
Net Revenue on Portfolio (up to 360 days)	11.7%	11.1%	*0.6 p.p.*
Delinquency Rate (over 90 days)	*16.5%*	*23.1%*	*-6.6 p.p.*



FASHION THAT COLLABORATES TO TRANSFORM

We continue to move forward in our ESG governance, ensuring the Company's longevity while generating value for employees, customers, shareholders, and communities. This progress can be closely monitored by ISE B3 and our latest Sustainability Report.

Corporate Sustainability Index - ISE B3

The Group once again solidified its recognition in corporate sustainability by being included, for the third consecutive year, in the B3 Corporate Sustainability Index (ISE) portfolio. This achievement reflects the continued advancement of the Company's ESG agenda, driven by investments in innovation aimed at producing more responsible fashion. This strategic positioning aims to ensure the Company's longevity and generate value for employees, customers, shareholders, and communities.

2024 Integrated Report

The Company published its 2024 Integrated Report. It gathered the main financial and non-financial data relevant to understanding value generation, in addition to transparently sharing the achievements, advances and challenges of the last year in the group's ESG journey.

FASHION THAT TRANSFORMS LIVES

Riachuelo and Airon Martin join forces to strengthen the northeastern artisanal work in Brazilian fashion

In an unprecedented partnership with the founder and creative director of Misci, the project praises 'Brazilianness' and strengthens the connection between creativity and local production. The union between Riachuelo and Airon represents the shared belief and desire to promote Brazilian fashion, carrying this essence in each piece produced, in addition to valuing the social and economic power of the sector.

Retail Performance

RETAIL PERFORMANCE

SALES: Apparel SSS grew 12.8% in 1Q25, reflecting the strength of the value proposition and the authenticity of our collections

Retail segment performance is presented from the store network perspective, which considers:

(i) Riachuelo: its own brands, Carter's products and Casa Riachuelo products sold in Riachuelo stores, in addition to the digital channel;

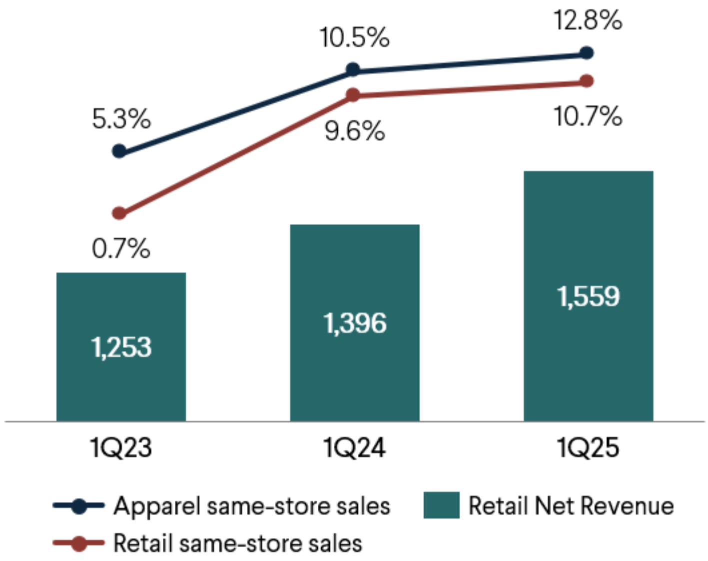
(ii) Casa Riachuelo and Carter's: it considers products sold in their respective physical stores (including SIS stores).

(R$ '000)	1Q25	1Q24	25 vs 24
Sales Performance			
Retail	1,559,106	1,395,598	11.7%
Riachuelo	1,471,808	1,315,061	11.9%
Casa Riachuelo	28,423	27,741	2.5%
CARTER'S	58,875	52,796	11.5%
SSS	*10.7%*	*9.6%*	*1.1 p.p.*
Apparel SSS	*12.8%*	*10.5%*	*2.3 p.p.*
Operating Data			
Number of stores	430	411	4.6%
Sales area in thousand sqm	705	702	0.4%
Net revenue per sqm (R$ per sqm)	2,212	1,988	11.3%
Total average ticket (R$)	188	189	-0.5%
Riachuelo card average ticket (R$)	237	237	0.0%

Retail net revenue totaled R$1.6 billion, **an increase of 11.7% in 1Q25** compared to 1Q24, and grew **10.7% in the same-store concept (SSS), with 12.8% being the SSS for apparel**. This performance reflects the authenticity of our collections, which are strongly accepted by our customers. We highlight the **performance of the new season collection**, which was **inspired by the backlands of Seridó**, the heart of Rio Grande do Norte and birthplace of Riachuelo, which came for new beginnings and to honor our roots.

For the 8th consecutive quarter we recorded market share gains, with sales performance surpassing the **Apparel PMC (IBGE)** published up to February/2025.

Retail Net Revenue (R$ MM)



Casa Riachuelo

Operational Data - Brick and Mortar Stores	1Q25	1Q24	25 vs 24
# Standalone stores	11	12	-1
# Store in store	13	13	-
Net revenue (R$000)	28,423	27,741	2.5%
Gross profit (R$000)	**14,678**	**12,619**	**16.3%**
Gross Margin	*51.6%*	*45.5%*	*6.1 p.p.*

Casa Riachuelo ended 1Q25 with 11 stand-alone stores and 13 store-in-store (SIS) stores, present in all regions of Brazil. Net sales at Casa Riachuelo's physical stores totaled R$28.4 million, **an increase of 2.5% compared to 1Q24**. Gross profit increased 16.3%, with gross margin expanding by 6.1 p.p., reaching 51.6%.

Net revenue from the Casa Riachuelo business, considering sales from its physical stores and products sold both in Riachuelo stores and on the digital channel, totaled R$117.4 million in 1Q25, an increase of 9.4% compared to 1Q24.

Carter's

Operational Data - Brick and Mortar Stores	1Q25	1Q24	25 vs 24
# Standalone stores	78	63	15
# Store in store	1	2	-1
Net revenue (R$000)	58,875	52,796	11.5%
Gross profit (R$000)	**28,542**	**25,942**	**10.0%**
Gross Margin	*48.5%*	*49.1%*	*-0.6 p.p.*

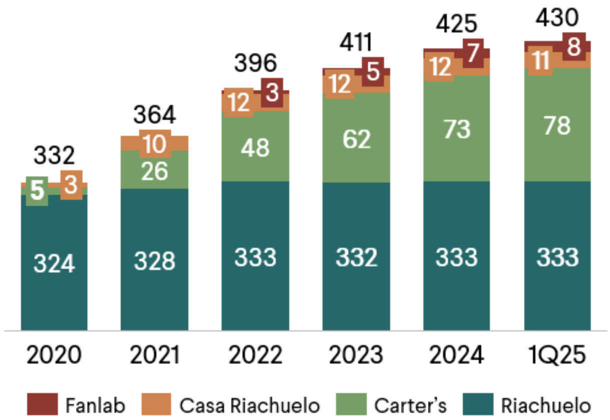
Carter's ended the first quarter of 2025 with 78 stand-alone stores and 1 SIS, present in all regions of Brazil and in the main shopping malls. Net sales considering only Carter's physical stores totaled R$58.9 million in 1Q25, **an increase of 11.5% compared to 1Q24**. This format presented a gross margin of 48.5% in the quarter.

The net revenue of Carter's business, considering sales from its physical stores and Carter's products sold in Riachuelo stores, as well as in the digital channel, totaled R$94.1 million in 1Q25, an increase of 10.2% growth compared to 1Q24.

NUMBER OF STORES

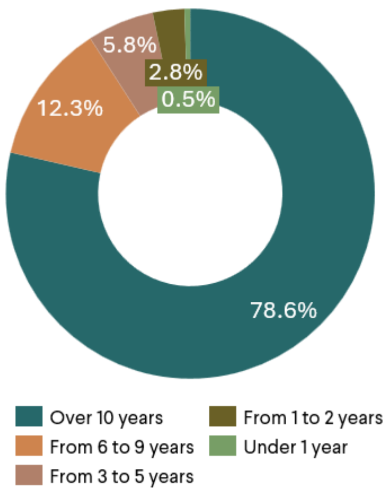
The Company opened 6 stores in the first quarter of 2025, as part of its expansion plan. Thus, it ended 1Q25 with **430 stores strategically distributed across all regions of Brazil**, of which 333 are Riachuelo stores, 78 Carter's stores, 11 Casa Riachuelo stores, and 8 FANLAB stores. In addition, it has other stores in the store-in-store (SIS) model, 13 Casa Riachuelo SIS and 1 Carter's SIS.

Stores Portfolio Evolution*



* It does not include stores in the store-in-store (SIS) model.

1Q25 Sales Area Age



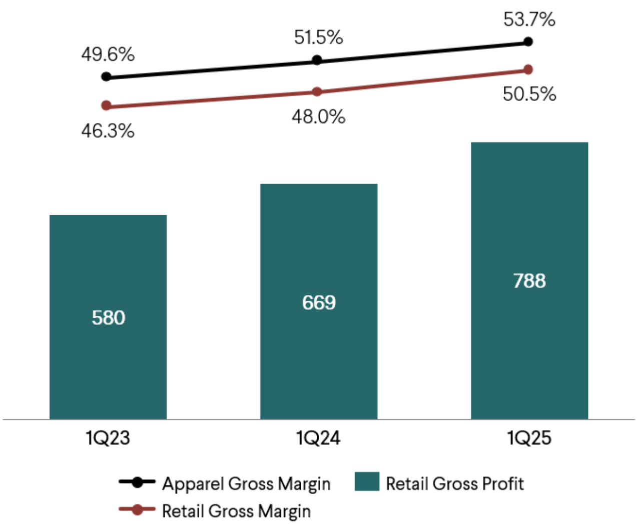
RETAIL PERFORMANCE: highest EBITDA margin in the last 9 years (7.0%)

(R$ '000)	1Q25	1Q24	25 vs 24
Net revenue	1,559,106	1,395,598	11.7%
COGS	(771,356)	(726,196)	6.2%
Gross profit	787,750	669,402	17.7%
Gross margin	*50.5%*	*48.0%*	*2.5 p.p.*
EBITDA	98,783	85,388	15.7%
EBITDA margin	*6.3%*	*6.1%*	*0.2 p.p.*
(+) Other Items	10,068	-	n.a.
(+) Write-off assets	10,068	-	n.a.
Adjusted EBITDA	108,851	85,388	27.5%
Adjusted EBITDA margin	*7.0%*	*6.1%*	*0.9 p.p.*

Gross Profit

In this quarter, retail gross profit totaled R$787.8 million, **an increase of 17.7% vs. 1Q24**. The **gross margin grew by 2.5 p.p.** and reached 50.5%, the highest level in the last 7 years for a first quarter, with the apparel gross margin expanding for the **sixth consecutive quarter**: 53.7% in 1Q25 vs. 51.5% in 1Q24. This evolution is related to the better use of the Guararapes industrial plant, which was accompanied by an optimization in the purchase and consumption of inputs and by the improvement of the productivity of internal sewing, in addition to the lower level of demarcation in the last two years and advancement in pricing processes.

Retail Gross Profit (R$ MM)

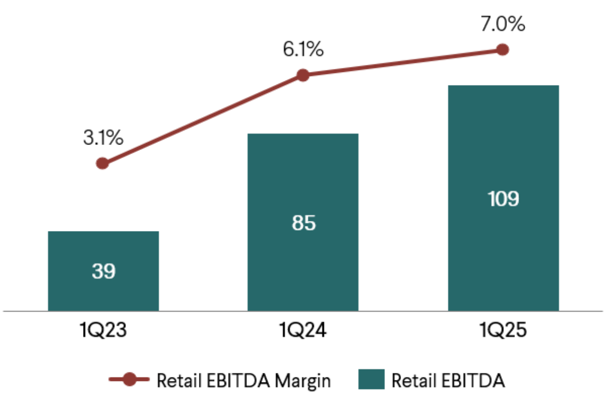


EBITDA

In 1Q25, the Retail segment presented adjusted EBITDA of R$108.9 million, **a growth of 27.5% compared to 1Q24**. The adjusted EBITDA margin reached 7.0%, **the highest level in the last 9 years** for a first quarter and **increased 0.9 p.p.** compared to the same quarter of the previous year. This result reflects the evolution of sales recorded in the period and the growth in the gross margin.

The digital channel presented, **for another quarter, positive EBITDA** as a reflection of the Company's focus on improving efficiency in this channel.

Retail Adjusted EBITDA (R$ MM)



Financial Services

FINANCIAL SERVICES

Optimized portfolio management enhances value generation

(R$ '000)	1Q25	1Q24	25 vs 24
Gross Revenue	**652,600**	**602,994**	**8.2%**
Revenue from card operations	442,145	414,544	6.7%
Revenue from personal loans	157,646	140,677	12.1%
Revenue from commissions	52,809	47,773	10.5%
Tax expenses	(35,373)	(31,557)	12.1%
Net Revenue	**617,227**	**571,436**	**8.0%**
PDA	(279,526)	(284,606)	-1.8%
Recovery of credits	71,516	92,296	-22.5%
Discounts in credit operations	(85,893)	(91,571)	-6.2%
PDA net of recovery and discount	**(293,903)**	**(283,882)**	**3.5%**
Result from financial operation	**323,324**	**287,555**	**12.4%**
Result from financial operation margin	*52.4%*	*50.3%*	*2.1 p.p.*
Operating expenses	(195,279)	(190,039)	2.8%
Other operating income and expenses	(2,243)	7,100	n.a.
Revenue from services provided to Riachuelo	8,947	8,952	-0.1%
Depreciation and amortization	(20,608)	(20,606)	0.0%
Operating income	(24,101)	(22,507)	7.1%
Income before income tax	**90,040**	**70,454**	**27.8%**
Income tax and social contribution	(36,948)	(29,419)	25.6%
Net income (loss)	**53,092**	**41,036**	**29.4%**
EBITDA from financial services	**125,802**	**104,616**	**20.3%**
Financial services EBITDA margin	*20.4%*	*18.3%*	*2.1 p.p.*

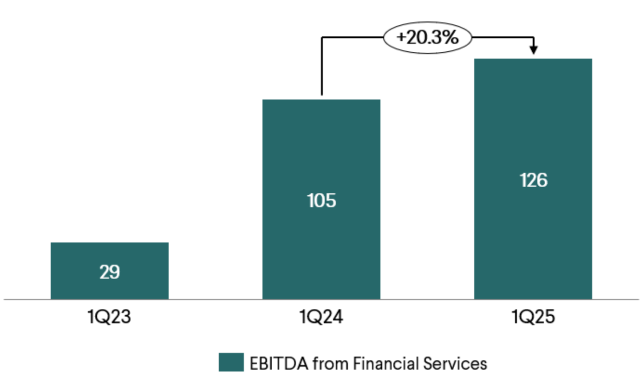
Gross revenue from Financial Services totaled R$652.6 million in 1Q24, **an increase of 8.2% compared to 1Q24**, with growth of 6.7% in card revenue, 12.1% in personal loan revenue and 10.5% in commission revenue, such as insurance and assistance.

The **provision for credit losses (PDA)**, net of credit recovery and discounts, totaled R$293.9 million in 1Q25, an **increase of 3.5%** mainly related to the reinforcement of the PDA, reflecting the most recent dynamics of the macro scenario and the outlook for future interest rates.

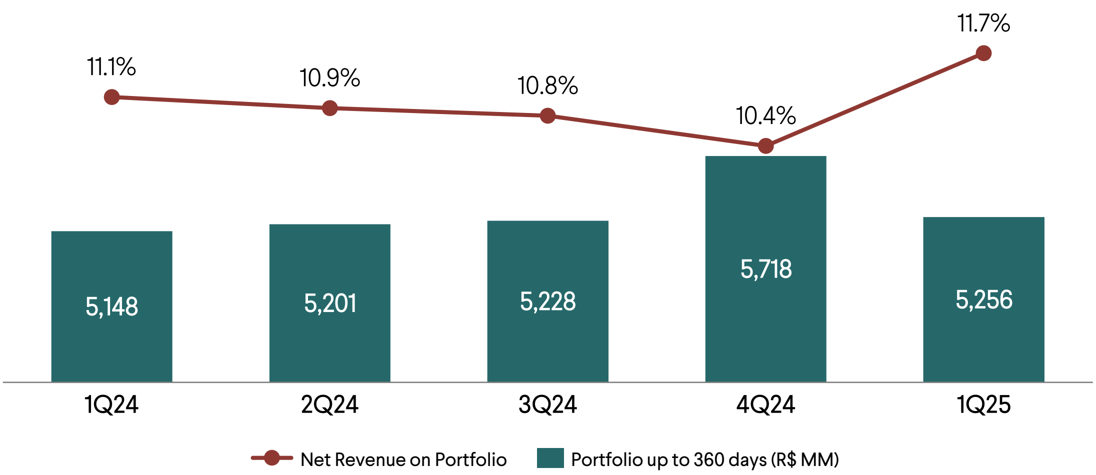
The Financial Services EBITDA totaled R$125.8 million, an increase of 20.3% compared to 1Q24, as a result of the Company's strategy to consistently **evolve the result of the Financial Operation, operating credit with caution, and seeking opportunities within our customer base.**

Net profit totaled R$53.1 million, **29.4% higher than the net profit reported in 1Q24.**

Financial Services EBITDA (R$ MM)



Net Revenue on the portfolio Evolution (up to 360 days)



The total credit portfolio amounted to R$5.3 billion in March 2025, as broken down below:

- **Riachuelo Card (private label + brand):** R$4.5 billion, **virtually stable compared to 1Q24**. Our strategy continues to focus efforts on granting credit through the Private Label card, which helps to boost retail sales. In 2025, we continue to look for opportunities in our customer base, with the gradual evolution of credit granting without increasing portfolio risk.
- **Personal loan:** R$738 million, **growth of 10.6% vs. 1Q24, and 7.4% vs. 4Q24,** continuing the portfolio growth movement.

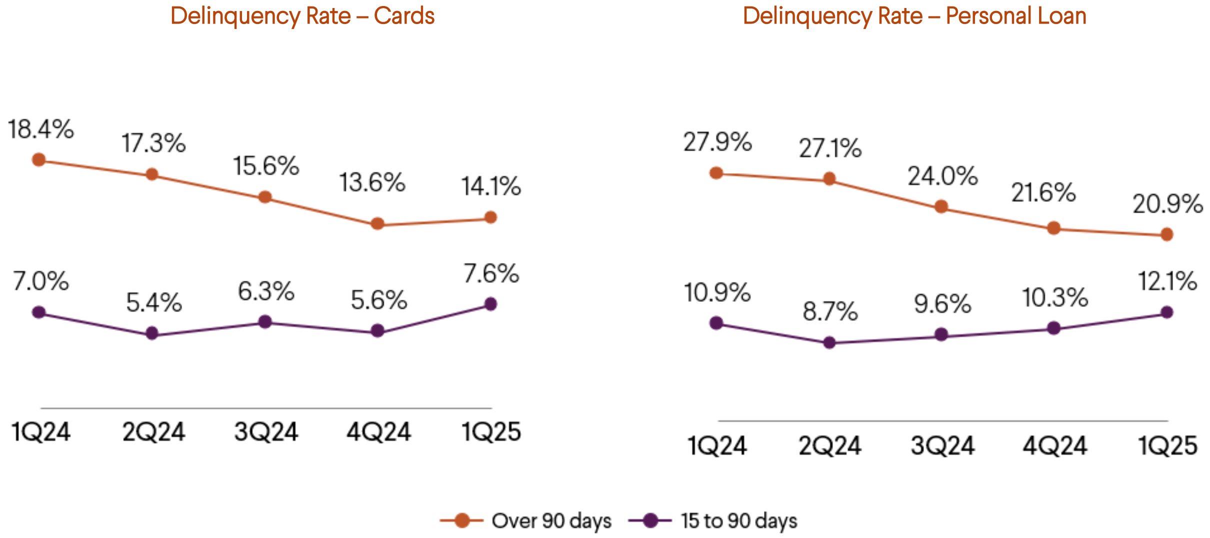
Midway Key Indicators	1Q25	1Q24	1Q25 vs 1Q24	4Q23	1Q25 vs 4Q24
Credit Portfolio (R$ MM, up to 360 days)	5,256	5,148	2.1%	5,718	-8.1%
Card (R$ MM)	4,517	4,481	0.8%	5,032	-10.2%
Personal Loan (R$ MM)	738	667	10.6%	687	7.4%
% PDA net of recovery and discount (up to 360 days)	*5.6%*	*5.5%*	*0.1 p.p.*	*5.3%*	*0.3 p.p.*
Delinquency Rate - 15 to 90 days[1]	8.2%	9.1%	*-0.9 p.p.*	7.6%	*0.6 p.p.*
Delinquency Rate - over 90 days[1]	16.5%	23.1%	*-6.6 p.p.*	17.3%	*-0.8 p.p.*
Basel Index[2]	19.0%	20.0%	*-1.0 p.p.*	19.5%	*-0.5 p.p.*

[1] It considers the drag of all financial products.
[2] Basel Index calculated in accordance with Bacen Resolution BCB 229/22.

The behavior of **delinquency rate indicators** reflects our cautious stance in granting credit combined with our collection initiatives, **with healthy levels and rollovers within expectations.**

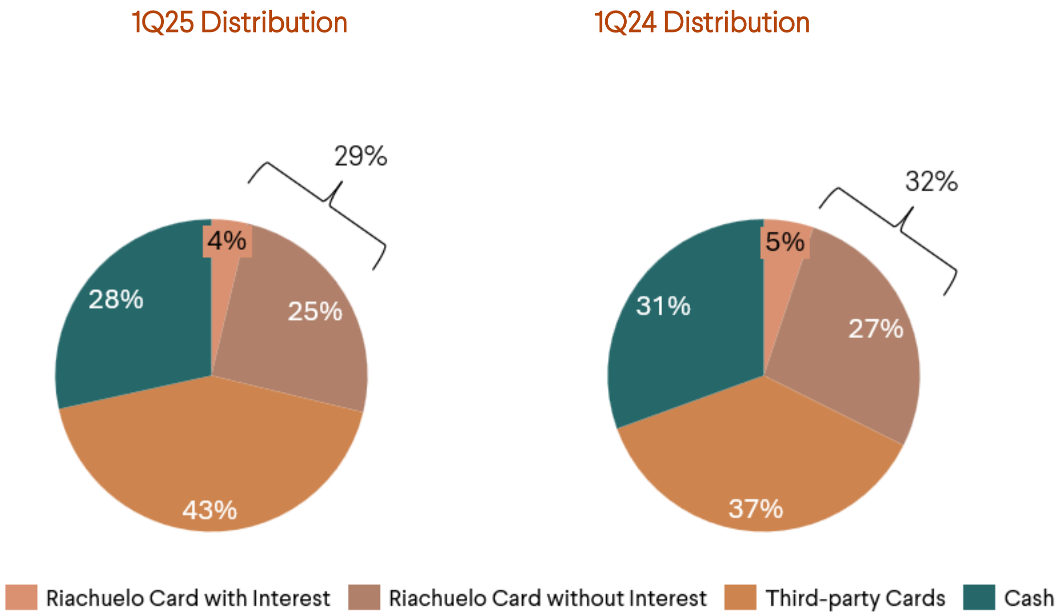
In this quarter, the **card delinquency rate**, both in the long range of over 90 days and in the shorter range, showed an **increase mainly related to the expected seasonal movement.**

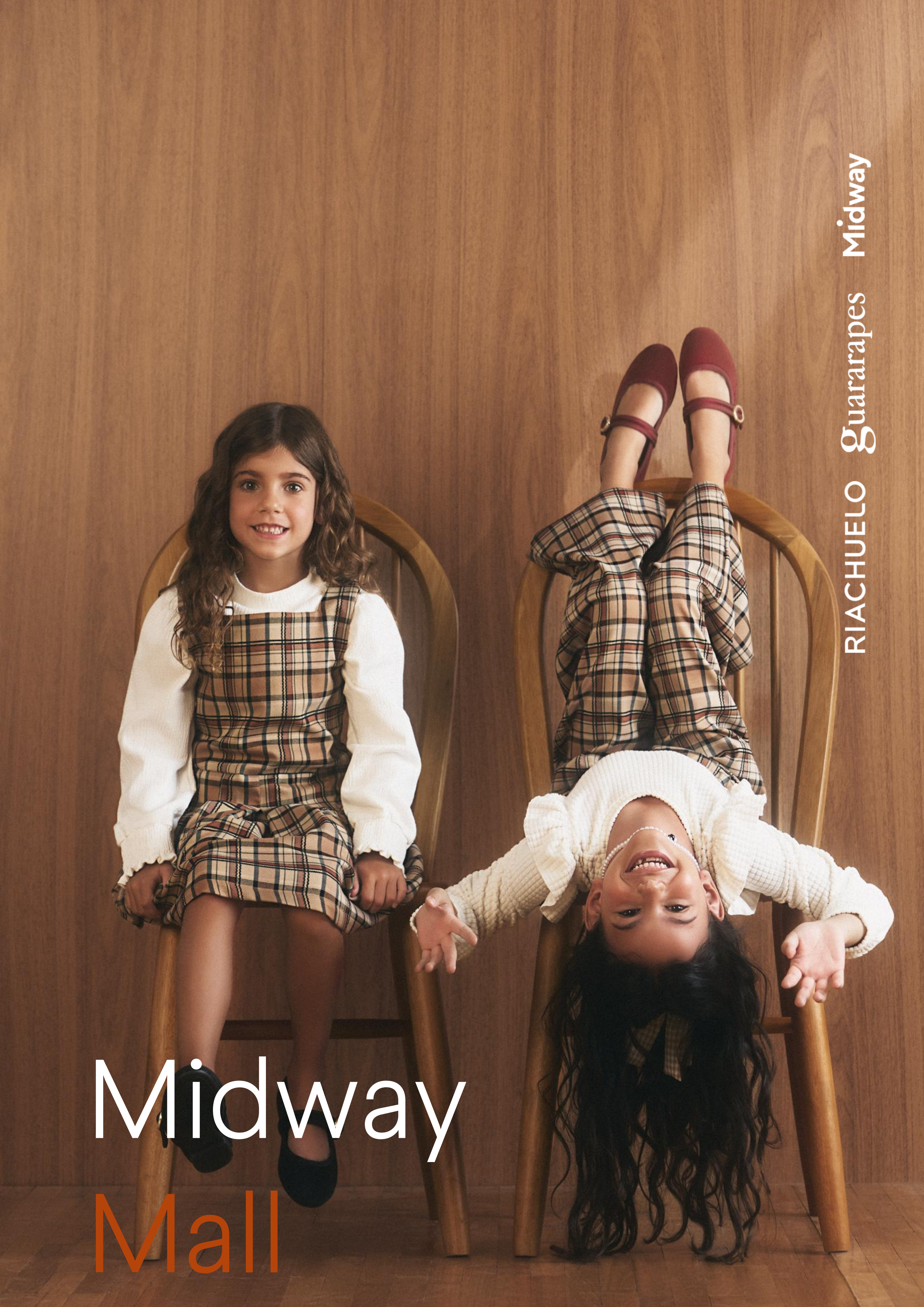
In the same period, the **personal loan delinquency rate** fell in the longer range of over 90 days, and increased by 1.8 p.p. in the short range, from 15 to 90 days.



PAYMENT TERMS

Sales made with the Riachuelo card, including private label cards and branded cards, represented 29% of transactions made in stores in the first quarter of 2025.




Midway
Guararapes
RIACHUELO
Midway
Mall

MIDWAY MALL

Consistent and resilient result

(R$ '000)	1Q25	1Q24	25 vs 24
Gross Revenue	**31,741**	**29,257**	**8.5%**
Rents	25,534	23,655	7.9%
Assignment of Rights	363	365	-0.5%
Midwest Parking	5,844	5,238	11.6%
Net revenue	**28,664**	**26,502**	**8.2%**
EBITDA	**23,790**	**21,766**	**9.3%**
EBITDA margin	*83.0%*	*82.1%*	*0.9 p.p.*
GLA (thousand of sqm)	63.2	63.2	0.0%
EBITDA/GLA (R$/sqm)	376.5	344.5	9.6%
NOI	**28,822**	**24,875**	**15.9%**
NOI margin	*100.6%*	*93.9%*	*6.7 p.p.*

In 1Q25, Midway Mall reported net revenue of R$28.7 million, **an increase of 8.2%** vs. 1Q24, due to growth in revenues from parking and rental. In the same period, EBITDA reached R$23.8 million, **9.3% higher than the same quarter of the previous year**. In the same period, **NOI reached R$28.8 million and grew 15.9%.**

OWN REAL ESTATE PROPERTIES

	Quantity	Sales Area (sqm)	Total Built Area
Rented Stores	**382**	**580,500**	**789,399**
Mall Stores	372	561,226	756,666
Street Stores	10	19,274	32,734
Own Stores	**48**	**124,559**	**215,860**
Mall Stores	10	31,667	42,671
Street Stores	38	92,892	173,189
Total	**430**	**705,059**	**1,005,259**

In addition to the Midway Mall operation, the Guararapes group stands out for having a representative portfolio of stores in its own real estate properties. Among the Company's 430 stores at the end of March 2025, 48 stores were located in properties belonging to the group. Thus, of the current 705 thousand sqm of total sales area, 125 thousand sqm (18%) refer to stores located in its own real estate properties.

Considering the area of its own real estate properties (Midway Mall and stores), together with Natal distribution center, the Guararapes industrial production plants and the Call Center, **the Company has approximately 723 thousand sqm of total owned area.**

Consolidated Performance

NET REVENUE: consistent evolution in all segments

The Company's consolidated net revenue totaled R$2.2 billion in 1Q25, **an increase of 10.6%** compared to the 1Q24 performance, with growth in all segments.

GROSS PROFIT: another quarter with margin expansion

Consolidated gross profit for 1Q25 was R$1.3 billion, an **increase of 14.4%** vs. 1Q24. The consolidated gross margin was 60.6% in the quarter, an **increase of 2.0 p.p.** compared to the same period of the previous year, with emphasis on the expansion of 2.5 p.p. in the Retail segment.

OPERATING EXPENSES: disciplined expense management

(R$ '000)	1Q25	1Q24	25 vs 24
Selling expenses	(608,816)	(518,004)	17.5%
General and administrative expenses	(252,431)	(259,930)	-2.9%
Total operating expenses	**(861,247)**	**(777,934)**	**10.7%**
% consolidated net revenue	*39.1%*	*39.0%*	*0.1 p.p.*

Operating expenses reached R$861.2 million and represented 39.1% of consolidated net revenue in 1Q25, an increase of 0.1 p.p. compared to the same period of the previous year. The growth is directly related to the increase in marketing and personnel expenses to support the greater sales volume in our operations, in addition to reinforcements in the structure.

CONSOLIDATED EBITDA: highest historical result for a 1st quarter

EBITDA Reconciliation (R$ '000)	1Q25	1Q24	25 vs 24
Net income	**(26,650)**	**(116,994)**	**-77.2%**
(+) Income tax and social contributions provision	85,324	60,724	40.5%
(+) Financial result	15,371	99,604	-84.6%
(+) Depreciation and amortization	174,330	168,436	3.5%
EBITDA	**248,375**	**211,770**	**17.3%**
EBITDA margin	*11.3%*	*10.6%*	*0.7 p.p.*
Other Items	**10,068**	**-**	**n.a.**
(+) Write-off assets	10,068	-	n.a.
Adjusted EBITDA	**258,443**	**211,770**	**22.0%**
Adjusted EBITDA margin	*11.7%*	*10.6%*	*1.1 p.p.*

In 1Q25, the Company reported adjusted consolidated EBITDA of R$258.4 million, a **22% increase compared to 1Q24**, with significant growth in all segments. The consolidated EBITDA margin reached 11.7%, 1.1 p.p. higher than the same quarter of the previous year.

NET DEBT AND LEVERAGE

Net Debt (R$ '000)	31/03/2025	31/12/2024	31/03/2024
Cash & Cash Equivalents	1,140,973	1,472,216	2,213,364
Loans and Financing	(2,010,072)	(1,970,996)	(3,153,616)
Short Term	(743,512)	(691,399)	(793,252)
Long Term	(1,266,560)	(1,279,597)	(2,360,364)
Net Debt	(869,099)	(498,780)	(940,252)
Net Debt/EBITDA [1]	*0.6*	*0.3*	*0.8*
Net Debt/EBITDA pre-IFRS 16 [1]	*0.8*	*0.4*	*1.1*

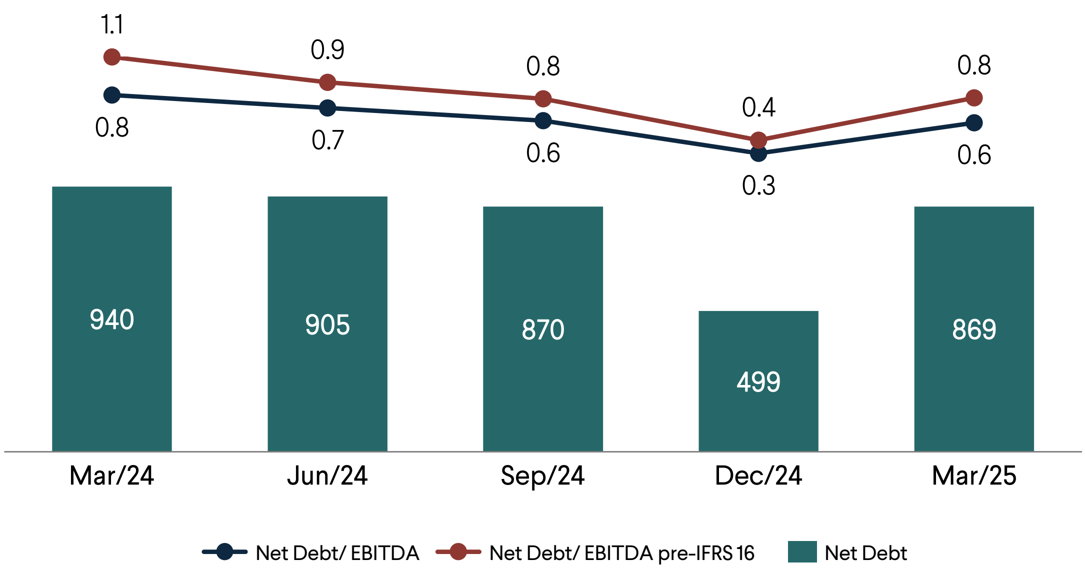
[1] Last 12 months.

The Company ended the first quarter with **R$1.1 billion in cash, which is equivalent to 153% of short-term gross debt**. The volume of receivables discounted in 1Q25 was R$443.9 million vs. R$460.7 million advanced in 1Q24.

Gross debt totaled R$2.0 billion in 1Q25, **a reduction of R$1.1 billion or 36%** compared to 1Q24. In the same period, net debt totaled R$869.1 million, with a leverage ratio of 0.6x in March 2025 compared to 0.8x in March 2024. Considering the pre-IFRS net debt/EBITDA ratio, leverage was 0.8x at the end of 1Q25. Management remains focused and committed to the Company's deleveraging agenda.

The Guararapes Group has carried out early settlement of debentures as part of the strategy to **optimize its capital structure**, in addition to continuing to amortize debts according to the maturity schedule. Considering all early settlements made since July 2023, the amount totaled approximately R$1.2 billion. Additionally, the Company recently announced its intention to carry out the early redemption of all Debentures (GUAR15), in the approximate amount of R$350 million.

Debt and Leverage (R$ MM)



FINANCIAL RESULT

(R$ '000)	1Q25	1Q24	25 vs 24
Financial Revenues	**31,254**	**56,509**	**-44.7%**
Income from cash equivalents	31,254	56,509	-44.7%
Financial Expenses	**(77,949)**	**(120,995)**	**-35.6%**
Interest on loans, financing and debentures	(77,949)	(120,995)	-35.6%
Monetary and Currency Variation, net	**60,039**	**(7,043)**	**n.a.**
Interest on lease liabilities	**(28,715)**	**(28,075)**	**2.3%**
Net financial result	**(15,371)**	**(99,604)**	**-84.6%**

The Company's net financial result totaled expenses of R$15.4 million, a reduction of 84.6%. The main variations in the financial results were:

- **Financial income:** the 44.7% drop in the quarter is related to the reduction in income from cash equivalents due to the lower average cash in the period;
- **Financial expenses:** the 35.6% reduction in 1Q25 mainly reflects the drop in interest expenses on loans and debentures due to the lower gross debt in the period.

NET INCOME

(R$ '000)	1Q25	1Q24	25 vs 24
EBITDA	**248,375**	**211,770**	**17.3%**
Depreciation and amortization	(112,023)	(111,726)	0.3%
IFRS 16 depreciation	(62,307)	(56,710)	9.9%
Net financial result	(15,371)	(99,604)	-84.6%
Result before taxes	**58,674**	**(56,270)**	**n.a.**
Income and Social Contribution Taxes	(85,324)	(60,724)	40.5%
Current Income and Social Contribution Taxes	(62,768)	(18,390)	241.3%
Deferred Income and Social Contribution Taxe	(22,556)	(42,334)	-46.7%
Net Income	**(26,650)**	**(116,994)**	**-77.2%**
Net margin	*-1.2%*	*-5.9%*	*4.7 p.p.*

The Company ended the first quarter of 2025 with a net loss of R$26.7 million, a reduction of 77.2% compared to the net loss of R$117.0 million reported in 1Q24. The variation in the IR and CSLL rate refers, substantially, to the higher tax payment due to the growth in net profit from the financial services operation, as well as a reflection of the implementation of CMN Resolution No. 4,966/2021 of Brazilian Central Bank.

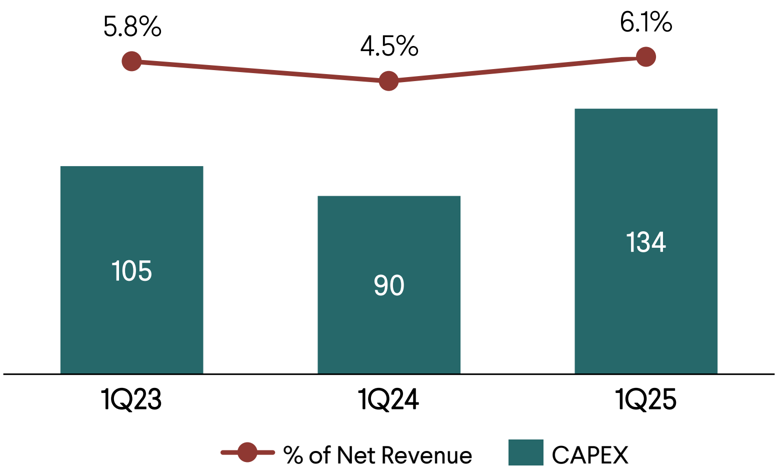
INVESTMENTS (CAPEX)

(R$ '000)	1Q25	1Q24	25 vs 24
Tech & Digital Transformation	111,481	74,382	49.9%
Maintenance	6,129	4,985	22.9%
New stores	9,315	3,066	203.8%
Factory	3,083	3,050	1.1%
Distribution Centers	3,605	2,961	21.7%
Remodeling	99	968	-89.8%
Other	405	812	-50.1%
Total	**134,117**	**90,223**	**48.7%**

In 1Q25, CAPEX totaled R$134.1 million, an increase of 48.7% compared to 1Q24, mainly related to the higher investment in Technology and Digital Transformation, with the acquisition of new software and equipment. In addition, 6 new stores were opened in the quarter, increasing the amount allocated to expansion.

Total CAPEX corresponded to 6.1% of consolidated net revenue, a level aligned with the strategy of resuming investments to support the growth of the Company's business.

Investments Evolution (R$ MM)



FREE CASH FLOW

(R$ '000)	1Q25	1Q24
Consolidated EBITDA after IFRS 16	**248,375**	**211,770**
Items non cash	(47,280)	(70,100)
IFRS 16 - rents	(85,618)	(78,490)
Change in Working Capital	**(345,361)**	**236,610**
Trade accounts receivable	515,097	536,943
Inventories	(344,405)	(196,139)
Suppliers	8,117	132,560
Obligations with card administrators	(281,006)	(117,278)
Payroll, provisions and social contributions	(94,446)	(68,276)
Taxes	(117,880)	(13,667)
Others	(30,838)	(37,533)
Income tax and social contribution paid	(37,715)	(11,887)
CF Operations	**(267,599)**	**287,903**
Investment	(381)	(2,067)
Property, plant and equipment	(32,269)	(22,273)
Intangible	(101,848)	(67,949)
Asset movement	12,536	1,085
CF Investiments	**(121,962)**	**(91,204)**
Free Cash Flow	**(389,561)**	**196,699**
Financial expenses paid	78,447	12,294
Dividends and interest on shareholders' equi	-	(10)
Funding / Amortization	(30,383)	(453,959)
Marketable securities	(217)	409,003
Financial Cash Flow	**47,847**	**(32,672)**
Increase (decrease) in cash and cash equivalents, net	**(341,316)**	**164,027**

The Company recorded cash consumption of R$389.6 million in 1Q25, mainly reflecting the increase in inventory levels to support operations. We started the year better prepared, with the early receipt of goods to meet second quarter demand and the arrival of winter. In addition, supplier terms were maintained after the extension of payment dates in 2024.

Exhibits

STORE OPENINGS IN 1Q25

	Opening	Sales Area (sqm)
Carter's		
1 - GO - Flamboyant Shopping	February	167
2 - SP - Iguatemi Ribeirão Preto	February	92
3 - MG - Só Marcas Outlet	March	189
4 - SP - Shopping Grand Plaza	March	78
5 - SP - Shopping Iguatemi Alphaville	March	139
FANLAB		
6 - SP - Shopping Tamboré	March	126

EBITDA PRE-IFRS 16

Reconciliation of Pre-IFRS 16 EBITDA (R$ '000)	1Q25	1Q24	25 vs 24
Net income	**(26,650)**	**(116,994)**	**-77.2%**
(+) Income tax and social contributions provision	85,324	60,724	40.5%
(+) Financial result	15,371	99,604	-84.6%
(+) Depreciation and amortization	174,330	168,436	3.5%
EBITDA (after IFRS 16)	**248,375**	**211,770**	**17.3%**
(-) Lease depreciation (IFRS 16)	(62,307)	(56,710)	9.9%
(-) Lease finance expense (IFRS 16)	(28,715)	(28,075)	2.3%
(-) Other adjustments	5,404	6,295	-14.2%
EBITDA (pre IFRS 16)	**162,757**	**133,280**	**22.1%**
EBITDA margin (pre IFRS 16)	*7.4%*	*6.7%*	*0.7 p.p.*

CONSOLIDATED INCOME STATEMENT

Income Statement (R$ '000)	1Q25	1Q24	25 vs 24
Net revenue	**2,204,997**	**1,993,536**	**10.6%**
Net revenue - Products	1,559,106	1,395,598	11.7%
Net revenue - Financial Services	617,227	571,436	8.0%
Net revenue - Midway Mall	28,664	26,502	8.2%
Cost of goods and services sold	**(868,638)**	**(824,965)**	**5.3%**
COGS - products	(771,356)	(726,196)	6.2%
Costs - Financial Services	(97,282)	(98,769)	-1.5%
Gross profit	**1,336,359**	**1,168,571**	**14.4%**
Gross margin	*60.6%*	*58.6%*	*2.0 p.p.*
Selling expenses	(608,816)	(518,004)	17.5%
General and administrative expenses	(252,431)	(259,930)	-2.9%
Total operating expenses	**(861,247)**	**(777,934)**	**10.7%**
Provision for doubtful accounts	(211,259)	(193,531)	9.2%
Depreciation and amortization expenses	(169,596)	(163,511)	3.7%
Other operating expenses/income	(20,212)	9,739	n.a.
EBIT	**74,045**	**43,334**	**70.9%**
Financial revenue (expense)	(15,371)	(99,604)	-84.6%
Earnings before income tax and social cont	**58,674**	**(56,270)**	**n.a.**
Income and social contribution taxes	(85,324)	(60,724)	40.5%
Net income (loss)	**(26,650)**	**(116,994)**	**-77.2%**
Net margin	*-1.2%*	*-5.9%*	*4.7 p.p.*
Depreciation and amortization (expenses+costs)	174,330	168,436	3.5%
EBITDA	**248,375**	**211,770**	**17.3%**
EBITDA margin	*11.3%*	*10.6%*	*0.7 p.p.*
Total common shares (ON)	499,200	499,200	0.0%
EPS (R$)	**(0.05)**	**(0.23)**	**-77.4%**

CONSOLIDATED BALANCE SHEET

Assets (R$ '000)	31/12/2024	31/12/2024	31/03/2024
Current assets	**8,229,871**	**8,781,164**	**8,592,143**
Cash & cash equivalents	1,140,973	1,472,216	2,213,364
Trade accounts receivable	4,645,812	5,111,727	4,154,566
Accounts receivable - Midway cards	*4,721,911*	*5,031,366*	*4,467,752*
Accounts receivable - personal loans	*867,171*	*686,672*	*679,050*
Accounts receivable - third parties cards and others	*270,361*	*399,748*	*120,577*
Provision for losses	*(1,213,631)*	*(1,006,059)*	*(1,112,813)*
Inventories	1,792,576	1,461,441	1,490,499
Recoverable taxes	515,016	605,313	629,947
Other current assets	117,132	112,105	103,767
Non-current assets held for sale	18,362	18,362	0
Non-current assets	**5,006,452**	**4,852,103**	**5,036,608**
Deferred or recoverable taxes	1,418,542	1,299,521	1,422,696
Court deposits	53,222	54,100	48,896
Investment properties	163,388	164,428	166,561
Property, plant and equipment	1,390,931	1,406,227	1,441,326
Right of use	994,017	964,849	991,346
Intangible assets	986,352	962,978	965,783
Total assets	**13,236,323**	**13,633,267**	**13,628,751**

Liabilities (R$ '000)	31/12/2024	31/12/2024	31/03/2024
Current liabilities	**5,529,444**	**5,940,448**	**5,126,320**
Suppliers	1,054,855	1,022,163	947,897
Suppliers - "Forfait"	208,146	232,720	189,273
Loans and financing	401,721	381,806	717,492
Debentures	341,791	309,593	75,760
Lease operations	340,820	334,732	311,860
Dividends proposed and payable	1,823	1,823	2,577
Wages, benefits and provisions	286,592	381,039	253,672
Income tax and social contribution	150,045	276,917	138,642
Obligations with card administrators	2,381,047	2,662,054	2,242,873
Other current liabilities	362,604	337,601	246,274
Non-current liabilities	**2,324,166**	**2,289,199**	**3,393,513**
Loans and financing	683,295	697,227	832,951
Debentures	583,265	582,370	1,527,413
Lease operations	770,824	742,340	783,274
Provision for labor, tax and civil risks	161,573	141,919	102,211
Other non-current liabilities	125,209	125,343	147,664
Shareholders' equity	**5,382,713**	**5,403,620**	**5,108,918**
Share Capital	3,100,000	3,100,000	3,100,000
Treasury shares	(20)	(20)	(20)
Granted Options	61,274	60,597	58,033
Assigned cost reserve	80,364	75,802	77,427
Profit reserve	2,141,095	2,167,241	1,873,478
Total liabilities	**13,236,323**	**13,633,267**	**13,628,751**

CONSOLIDATED CASH FLOW

Cash Flow Statement - Indirect Method (R$ '000)	1Q25	1Q24
Cash flow from operating activities		
Earnings before income tax and social contribution	58,674	(56,270)
Estimate for credit losses	205,965	192,420
Equity instruments granted	676	2,732
Tax credits recovery	(130)	(608)
Depreciation and amortization	112,421	111,726
IFRS 16 depreciation	62,307	56,710
Profit (loss) from disposal of fixed assets	2,504	585
Estimate for losses (gain) in inventories	13,270	(15,979)
Loss on investments	-	6
Provision for labor, tax and civil risks	23,976	9,695
Interest and monetary exchange variation	69,893	115,795
Interest on IFRS 16	28,715	28,075
Midway Financial Transition 4966	5,012	-
Interest on securities	(9,802)	(14,955)
Changes in assets and liabilities		
Trade accounts receivable	309,132	344,523
Inventories	(344,405)	(196,139)
Recoverable taxes	(51,185)	10,855
Other assets	(5,027)	(1,708)
Judicial deposits and others	877	3,981
Suppliers	32,691	124,663
Suppliers - "Forfait"	(24,574)	7,897
Payroll, provisions and social contributions	(94,446)	(68,276)
Income tax and social contribution	(13,634)	3,519
Other taxes and contributions	(138,255)	(88,157)
Obligations with card administrators	(281,006)	(117,278)
Other liabilities	(26,688)	(39,806)
Cash provided from operating activities	**(63,039)**	**414,006**
Payment of interest	-	(17,017)
Provision for labor, tax and civil risks paid	(2,382)	(6,415)
Payment of income tax and social contribution	(37,715)	(11,887)
Net cash provided from operating activities	**(103,136)**	**378,687**
Cash flow from investing activities		
Marketable securities	(110,000)	(392,023)
Redemption of securities	109,783	801,026
Additions to investment property	(381)	(2,067)
Additions to property, plant and equipment	(32,269)	(22,273)
Additions to intangible assets	(101,848)	(67,949)
Receivables from the sale of property, plant and equipment	12,536	1,085
Net cash used in investing activities	**(122,179)**	**317,799**
Cash flow from financing activities		
Interest on own capital paid	-	(10)
Loans and financing	24,465	11,203
Amortization of loans and financings	(54,848)	(143,049)
Amortization of lease liabilities	(85,618)	(78,490)
Debenture amortization	-	(322,113)
Net cash used in investing activities	**(116,001)**	**(532,459)**
Increase (decrease) in cash and cash equivalents, net	**(341,316)**	**164,027**
Cash and cash equivalents at the beginning of the period	**1,158,206**	**1,285,983**
Cash and cash equivalents at the end of the period	**816,890**	**1,450,010**

RIACHUELO

For more information, contact Riachuelo's IR Team:

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