Earnings Release

Second Quarter of 2020

CONFERENCE CALL
Thursday, August 27, 2020

Portuguese
Time: 10 a.m. (Brasília)

Phones
Brazil: +55 (11) 3181-8565
Code: Vivara

English
Time: 9 a.m. (New York)

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Connection data
Access the conference call via Webcast at ri.vivara.com.br

2Q20 EARNINGS RELEASE

São Paulo, August 26, 2020 – Vivara Participações S.A. (B3: VIVA3), Brazil's largest jewelry chain, announces today its results for the 2nd quarter of 2020.

Vivara Participações S.A. was founded on May 23, 2019 and, hence, for comparison purposes, **information pertaining to the second quarter of 2019** refers to the **combined** information of the businesses of the subsidiaries Tellerina and Conipa and the holding company Vivara S.A. Information related to the **second quarter of 2020** is consolidated in line with the Company's Financial Statements.

HIGHLIGHTS OF THE PERIOD

1. E-commerce grew **387.0%** in the quarter, accounting for **63.9%** of sales. Joias em Ação, direct sales project, accounted for **17.4%** of e-commerce sales.
2. Healthy inventory mix, ensuring the protection of Gross Margin, which reached **67.5%,** in the quarter, 460 bps of expansion.
3. **Adjusted EBITDA[1]** totaled -**R$0.4 million** in 2Q20, close to the operating breakeven point, due to the intensive effort to control expenses and protect gross profitability.
4. Resumption of Expansion Plan in June with the inauguration of six points of sale, ending the period with **205** Vivara stores, **9** Life stores and **45** kiosks.
5. Strong cash generation in the quarter of **R$111.1 million**.
6. Solid balance sheet with high liquidity, closing the quarter with cash of **R$584.7 million** and **R$208.7 million** in credit card receivables.

FINANCIAL HIGHLIGHTS

Main Key Ratios (R$, 000)	2Q20	2Q19	Δ %	1H20	1H19	Δ %
Gross Revenue (net of return)	169,703	385,773	-56.0%	433,532	659,615	-34.3%
Net Revenue	**137,653**	**303,332**	**-54.6%**	**343,884**	**523,749**	**-34.3%**
Gross Profit	**92,919**	**190,779**	**-51.3%**	**229,994**	**339,818**	**-32.3%**
Gross Margin (%)	*67.5%*	*62.9%*	*461 bps*	*66.9%*	*64.9%*	*200 bps*
EBITDA	**12,515**	**174,841**	**-92.8%**	**53,937**	**223,237**	**-75.8%**
Ebitda Margin (%)	*9.1%*	*57.6%*	*-4855 bps*	*15.7%*	*42.6%*	*-2694 bps*
Adjusted EBITDA [1]	**(421)**	**60,734**	**-100.7%**	**29,357**	**99,736**	**-70.6%**
Adjusted Ebitda Margin (%)	*-0.3%*	*20.0%*	*-2033 bps*	*8.5%*	*19.0%*	*-1051 bps*
Net Income	**(1,668)**	**156,893**	**-101.1%**	**17,343**	**186,038**	**-90.7%**
Net Margin (%)	*-1.2%*	*51.7%*	*-5293 bps*	*5.0%*	*35.5%*	*-3048 bps*
Adjusted Net Income[3]	**(1,668)**	**40,770**	**-104.1%**	**17,343**	**69,914**	**-75.2%**
Adjusted Net Margin[*] (%)	*-1.2%*	*13.4%*	*-1465 bps*	*5.0%*	*13.3%*	*-831 bps*
SSS[2] (physical stores + e-commerce)	***-55.0%***	***10.7%***	***na***	***-34.9%***	***9.8%***	***na***
Operational Cash Generation[4]	**111,086**	**9,151**	**1113.9%**	**143,958**	**(11,315)**	**1372.3%**

(1) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)is a non-accounting measurement disclosed by the Company in compliance with CVM Instruction 527/12. Based on the above calculation, an adjustment is made to eliminate non-recurring effects on income, when applicable, as well as the recognition of lease expenses related to the fixed installment of store rents, which, since the adoption of CPC 06 / IFRS 16, ceased to be recorded as "rent expenses" in the Income Statement and are recognized as "Lease of Right-of-Use Assets" in the Statement of Cash Flow. As such, these adjustments result in the Adjusted EBITDA.

(2) SSS (Same-Store Sales) considers gross revenue, net of returns, at stores in operation for 12 months, as well as revenues from e-commerce.
(3) Net Income adjusted by the non-recurring effects, as per the reconciliation shown on page 9.
(4) Managerial, non-accounting measurement prepared by the Company, which is not in the scope of independent audit.

VIVARA

MANAGEMENT COMMENTS

- In these 60 years of our history, this perhaps has been the most challenging period we have been through. About five months have elapsed since the closure of our operations and, during this period, we have tirelessly pursued smart and effective solutions to minimize the effects of the pandemic on our business.

- Our efforts included countless discussions, collective decisions, multidisciplinary work groups and diverse projects, all without losing sight of our constant concern for the safety of our employees, partners and customers, also the financial health of our business.

- The quarter whose results we are reporting today exceeded our initial expectations, but when we analyze the results of the decisions taken, it couldn't be different. Our teams tirelessly dedicated themselves to executing the projects, backed by their incredible capacity to adapt to the new scenario and find the best option for us to move forward. We are a company with a strong culture and deep-rooted values and are obstinate about results.

- The **vertical business model** enabled us to preserve our margins and work on the most appropriate product mix for the moment. In late March, we temporarily suspended operations at our Manaus plant when we already had a well-built and easily adjustable inventory, with products diversified across all categories and price points, and capable of absorbing customer demand. We resumed plant operations in early June to produce Life bracelets and, soon after, resumed the production of jewelry items to ensure lower stockout levels and the right inventory mix across the entire chain to be ready for business resumption.

- The **well-trained sales force that is committed** to excellence in service masterfully played its role of fascinating customers with mastery, despite the closure of stores, through the Joias em Ação project, our direct selling initiative. To preserve the value proposition of our brand, the project was initially confined to remote contact by sales person with our most frequent customers. Currently, the initiative has a new feature, which enables customers to request online sales advice through WhatsApp, thus giving them access to assisted sales, which are already a success in our physical stores.

- Our **brand management actions** and how we adapted our communication to such clear changes in consumer behavior during the pandemic and physical distancing also deserve mention. We adopted a more emotional approach in our campaigns, seeking new ways to interact with our customers. We made important advances in using data to communicate, making our customer database an important tool to maximize online sales.

- Sales were significantly affected by store closures, but we acted swiftly and diligently in making decisions, guaranteeing an operating result of -R$ 0.4 million. Our online channel was the grand highlight of the quarter, growing 387.0%. We still don't know exactly how big our e-commerce will grow in the coming years, but we are sure that our omnichannel strategy will emerge from this period much stronger, with increasingly connected and customer-centric channels in which customers will decide where and when to buy and receive.

- We devoted considerable efforts to preserve cash, ending the quarter with a strong balance sheet, to assure our shareholders that the proceeds from the IPO will be employed in the Company's long-term strategy, which remains highly promising.

- We are pleased with our efforts so far, but we know that we have a long way to go before returning to normality. Business resumption will definitely happen, and we are well positioned to seize opportunities and well prepared to return stronger in order to consolidate our market leadership.

Marcio Kaufman
CEO

VIVARA

COVID-19 IMPACTS AND MEASURES

SWIFT AND DILIGENT DECISIONS

March

- Migration to Home Office
- Temporary closure of stores
- Temporary shutdown of plant
- Creation of Crisis Committees

April

- Corporate restructuring
- Adhesion to Provisional Presidential Decree (MP) 936 (Federal Law 14,020/2020)
- Negotiation with suppliers
- Discussion of actions with other retailers
- Pilot initiatives to maximize revenues
- Gradual reopening of stores - 9 stores

May

- Rollout of sales initiatives
- Donation of R$1.0 million to Brazil Foundation
- 26 stores reopened

June

- Resumption of plant operations
- Resumption of Expansion Plan
- 186 stores reopened

KEY ACTIONS TAKEN

Joias em Ação Project: Direct sales project that enabled salespeople to remotely access the purchase history of customers and adopt a proactive approach through telephone and/or WhatsApp. The project gained two features since the start of its rollout: the first was the creation of a chatbot on the website, which directed customer contacts to salespeople, while the second was the Online Consulting service, which also directs customer contacts, but through WhatsApp directly from the website without intermediation by a robotized service. The project started with 170 active saleswomen and now has over **1,600 saleswomen**. Through Joias em Ação, Vivara was able to replicate the humanized customer service of assisted sales in the digital channel.

Drive thru: Implementation of drive thru format in all locations where it is allowed. Sales through this format are made remotely, through direct contact with the store and pick-up at the parking area of the shopping mall. This format offers yet another convenient and secure option for customers. We ended the quarter with 19 stores operating exclusively under this format.

Accelerated integration of inventories: By advancing the implementation of the Order Management System (OMS), we integrated the inventory of 18 markets, which enabled us to offer convenience and faster shipping of online orders. The complete project is in the rollout phase and will be concluded by this year-end, when all the inventories will be integrated, transforming our stores into distribution centers. We ended the period with five stores operating exclusively under this format.

Expansion of digital presence: With our strategy of offering the right product in the right channel, we entered new marketplaces to expand our digital presence and attract new customers to our proprietary platform.

Digital marketing and data driven: We improved the way we use the purchase history of customers to fine-tune our communication by clustering customers and mapping the purchase journey.

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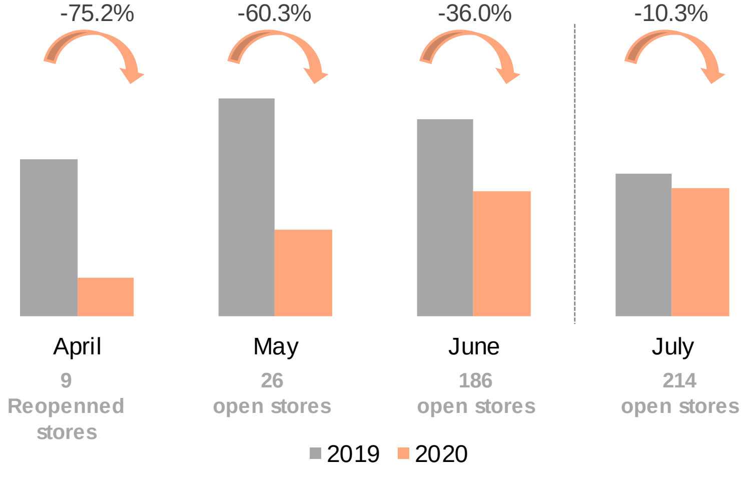
GROSS REVENUE (Net of Returns)

- Gross revenue, net of returns, fell 56.0% due to the closure of stores since March 20. The measures taken to maximize online sales produced significant results during the quarter. This, combined with the gradual reopening of stores starting from April 29, the implementation of *Drive Thru*, integration of inventories in the main markets and direct sales through the Joias em Ação program, was essential to minimizing the effects of the pandemic on the Company's sales. SSS (Same Store Sales) in the period declined 55.0%. Net revenue in the quarter totaled R$137.7 million, down 54.6% from the previous year and R$343.9 million in the year, down 34.3%.

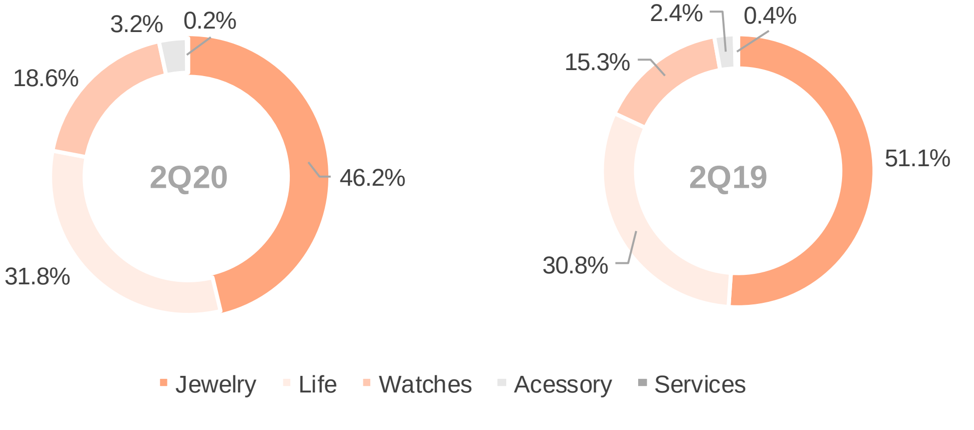
Revenue per chanel (R$, 000)	2Q20	2Q19	∆ %	1H20	1H19	∆ %
Gross Revenue (net of return)	**169,703**	**385,773**	**-56.0%**	**433,532**	**659,615**	**-34.3%**
Physical Stores	59,496	354,498	-83.2%	297,862	606,170	-50.9%
E-commerce	108,416	22,260	387.0%	130,559	39,445	231.0%
Others	1,791	9,015	-80.1%	5,111	13,999	-63.5%
Deductions	(32,050)	(82,441)	-61.1%	(89,648)	(135,865)	-34.0%
Net Revenue	**137,653**	**303,332**	**-54.6%**	**343,884**	**523,749**	**-34.3%**

SALES GROWTH - BY MONTH



- The Company has witnessed sales growth each month, driven by the maturation of initiatives to maximize sales, the maintenance of e-commerce sales pace, which continue to register triple-digit growth, and the continued relaxation of quarantine rules in the main markets from the end of July.

SALES BY CATEGORY



- The Company's sales mix varied slight between the categories, with Watches and Life expanding 330 bps and 100 bps, respectively, and Jewelry contracting 490 bps. This effect is explained by the higher share of e-commerce sales, which accounted for 63.9% of total sales in the period. The broad and diversified portfolio contributed positively to the period results.

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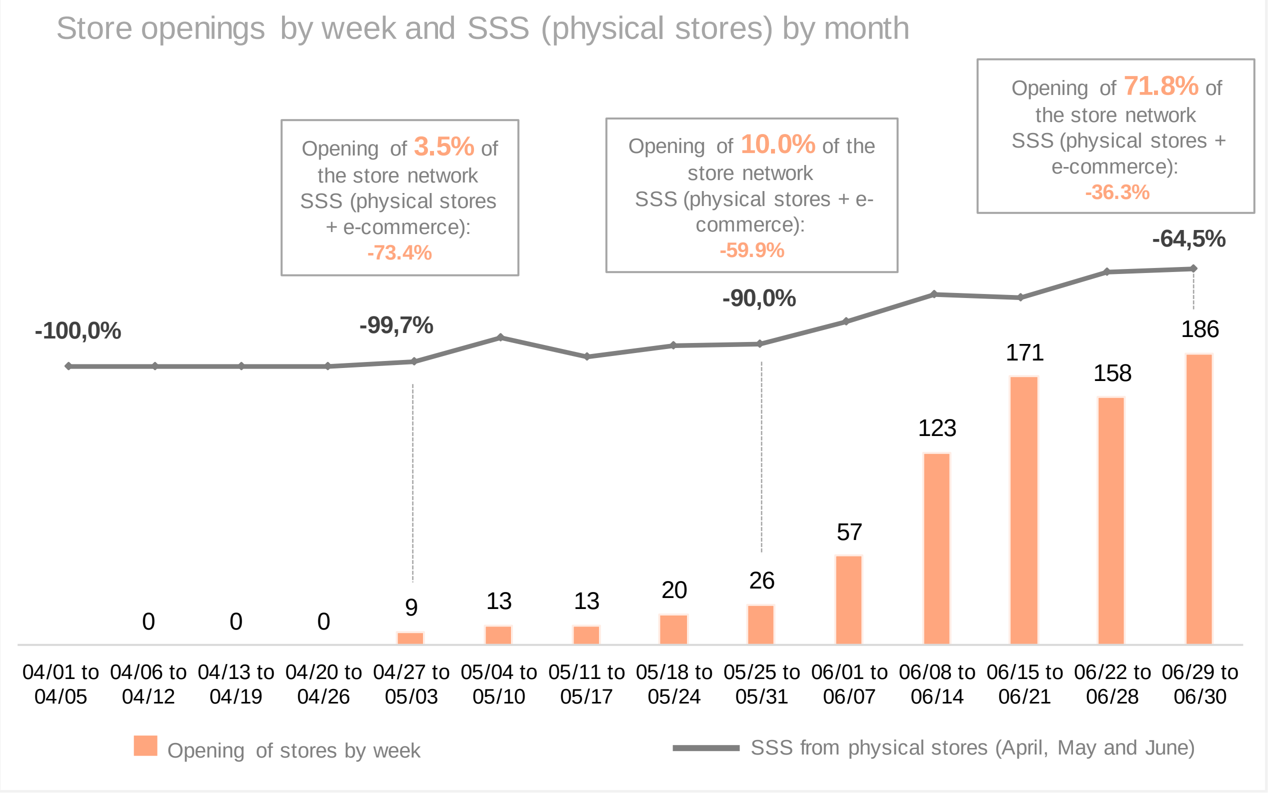
GROSS REVENUE (Net of Returns) (contd)

PHYSICAL STORES

- The reopening of stores has been gradual since April 29 and was intensified after June 10, when flexibilization measures were introduced in São Paulo and Rio de Janeiro. While business activity resumed in some cities, starting from the second half of June, a few important markets in Southern Brazil and the interior region of São Paulo saw a retraction of such measures, which interrupted the growth in customer traffic at shopping malls and, consequently, sales in these locations.

- We ended April with 9, May with 26 and June with 186 stores opened, and between June 15 and 22, we closed stores in 32 markets that had already reopened. SSS, considering only physical stores, improved from -100.0% at the start of April to -64.5% in June, even with 50 fewer stores operating in the entire month. In 2Q20, revenue from physical stores declined 83.2%, representing 35.1% of total revenues. In 2Q19, stores accounted for 91.9% of total revenues.



- Note that this growth occurred despite a scenario marked by significant reduction in the business hours of shopping malls and broad restrictions on customer traffic at stores.

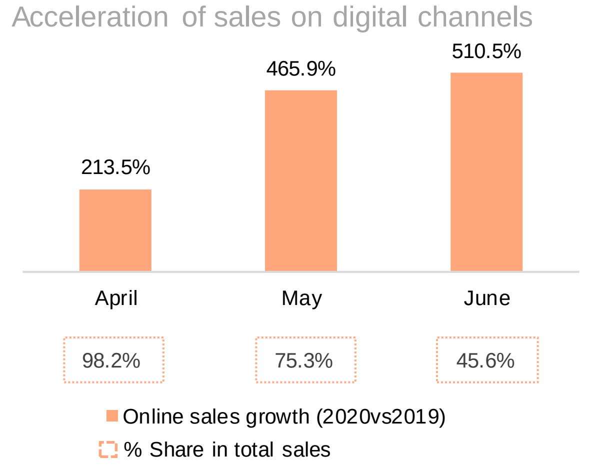
- We ended the quarter operating 19 stores exclusively in the Drive Thru format to offer convenience to customers who still do not feel safe visiting the malls. We also integrated the inventories of 18 markets (5 operating exclusively in the Delivery format) starting from May, which enabled us to optimize the use of inventory at stores for e-commerce sales. This initiative played an important role in reducing delivery times at important markets, especially for Mother's Day and Valentine's Day in Brazil.

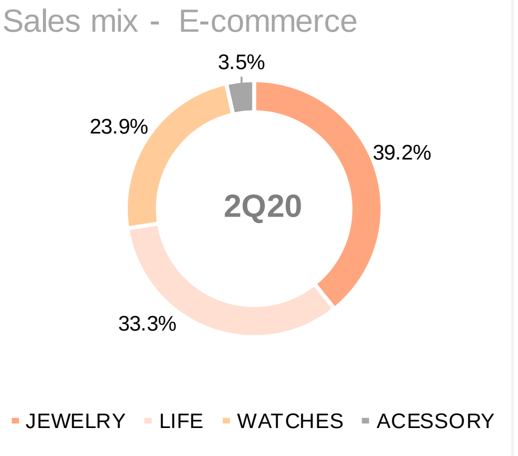
- Currently, over 261 stores are open.

GROSS REVENUE (Net of Returns) (contd)

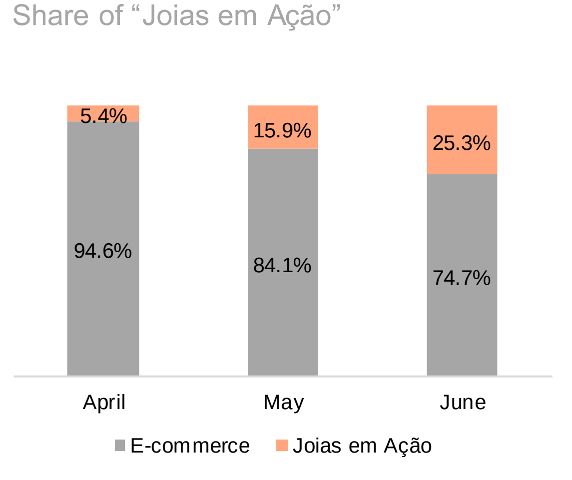
E-COMMERCE

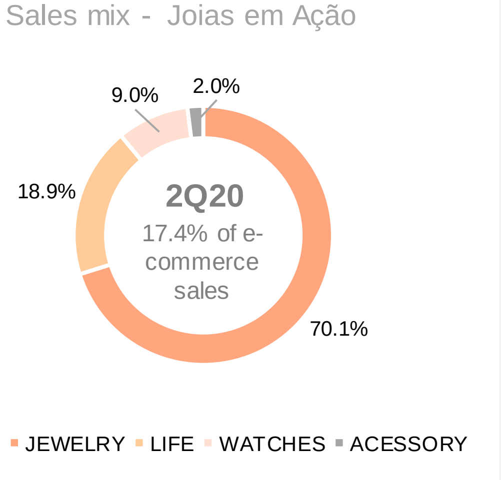
- The positive highlight in the period was e-commerce, which registered strong growth, thus contributing significantly to minimizing the impacts of the closure of physical stores. In 2Q20, e-commerce represented 63.9% of total sales, compared to 5.8% in 2Q19. Revenue from the channel R$108.4 million in 2Q20, up 387.0% from the same period the previous year. In the first six months, e-commerce revenue totaled R$130.6 million, up 231.0% from 1H19.





- The Joias em Ação project launched in April drove the online channel's performance and, more than that, was an essential tool to balance the channel's sales mix , which, due to its very nature, has historically had a higher share of Watches and Life products, which are lower ticket items than the Jewelry category. In June, the project accounted for 25.3% of e-commerce sales.





- Following the 'being in the right channel with the right product' concept, we expanded our digital presence by entering two new marketplaces, and mapped new digital channels by segmenting and clustering the product mix according to the profile of each platform. The channel still accounts for low share of revenues, but is an important driver of traffic to our platform, mainly for new customers.

GROSS PROFIT AND GROSS MARGIN

Gross Profit (R$, 000) and Gross Margin (%)	2Q20	2Q19	Δ %	1H20	1H19	Δ %
Net Revenue	**137,653**	**303,332**	**-54.6%**	**343,884**	**523,749**	**-34.3%**
Total costs	**(44,734)**	**(112,553)**	**-60.3%**	**(113,890)**	**(183,931)**	**-38.1%**
Acquisition of input, raw materials and products	(41,351)	(107,137)	-61.4%	(102,929)	(174,293)	-40.9%
% Net Revenue	*-30.0%*	*-35.3%*	*528 bps*	*-29.9%*	*-33.3%*	*335 bps*
Factory Expenses	(3,383)	(5,416)	-37.5%	(10,961)	(9,637)	13.7%
% Net Revenue	*-2.5%*	*-1.8%*	*-67 bps*	*-3.2%*	*-1.8%*	*-135 bps*
Personal	(2,569)	(5,416)	-52.6%	(8,827)	(9,637)	-8.4%
% Net Revenue	*-1.9%*	*-1.8%*	*-8 bps*	*-2.6%*	*-1.8%*	*-73 bps*
Factory expenses (freight, energy, water, telephone and rent)	(217)	-	na	(979)	-	na
% Net Revenue	*-0.2%*	*0.0%*	*-16 bps*	*-0.3%*	*0.0%*	*-28 bps*
Depreciation	(597)	-	na	(1,154)	-	na
% Net Revenue	-0.4%	0.0%	*-43 bps*	-0.3%	0.0%	*-34 bps*
Gross profit	**92,919**	**190,779**	**-51.3%**	**229,994**	**339,818**	**-32.3%**
Gross margin %	*67.5%*	*62.9%*	*461 bps*	*66.9%*	*64.9%*	*200 bps*

- Gross Profit in the period reached 67.5%, up 460 bps from the same period the previous year, maintaining the Company's profitability levels despite a scenario of more sales promotions and the change in the sales mix with a higher share of watches. This result reflects the appropriate pricing policy and the launch of collections well fitted, among all categories.

- Gross Profit in the period declined 51.3% due to lower sales volume.

- In the year, gross margin reached 66.9%, 200 bps growth compared to the previous year.

OPERATING EXPENSES

Operating Expenses (R$, 000)	2Q20	2Q20	Δ %	1H20	1H19	Δ %
Operating Expenses	**(80,581)**	**(123,693)**	**-34.9%**	**(190,574)**	**(224,107)**	**-15.0%**
Operating Expenses/Net Revenue (%)	*-58.5%*	*-40.8%*	*-1776 bps*	*-55.4%*	*-42.8%*	*-1263 bps*
Selling Expenses	(51,943)	(90,723)	-42.7%	(130,731)	(164,462)	-20.5%
Selling Expenses/Net Revenue (%)	-37.7%	-29.9%	*-783 bps*	-38.0%	-31.4%	*-662 bps*
General and Administrative Expenses	(28,638)	(32,970)	-13.1%	(59,843)	(59,645)	0.3%
General and Administrative Expenses/Net Revenue (%)	-20.8%	-10.9%	*-994 bps*	-17.4%	-11.4%	*-601 bps*
Other Operating Expenses	**(419)**	**107,755**	**100.4%**	**13,363**	**107,526**	**87.6%**
Total Operating Expenses	**(81,000)**	**(15,938)**	**408.2%**	**(177,211)**	**(116,581)**	**52.0%**

- In 2Q20, Operating Expenses decreased 34.9% due to the cost cutting and budgetary control measures taken by the Company since the pandemic broke out.

- Selling Expenses decreased 42.7% in the quarter, mainly due to (i) the adhesion to Federal Law 14,020/2020, which allowed the suspension of employment agreements of store employees when the stores remained closed and the reduction in working hours after they reopened; (ii) the discounts obtained in Rental Expenses; and (iii) the reduction in Outsourced Services. The above-mentioned reduction in expenses was more than sufficient to offset the increase in Freight, the expansion of the e-commerce operation and the marketing expenses to adapt the campaigns after the pandemic outbreak, as well as higher investments in digital marketing.

(Cont.)

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OPERATING EXPENSES (contd.)

- General and Administrative Expenses declined 13.1%, mainly due to the adhesion to Federal Law 14,020/2020, either through the reduction in working hours or the suspension of employment agreements of administrative employees. The reduction in Personnel Expenses was more than sufficient to offset the increase in Outsourced Services, mainly due to digital acceleration projects, technological improvements and attorneys' fees. Moreover, the line was affected by the engagement of consulting services required to implement the company's long-term strategy and projects to maximize sales during the pandemic.

- Expenses solely related to facing the pandemic affected Selling, General and Administrative Expenses by -R$2.2 million. In addition to -R $ 4.1 million terminations for the adequacy of the corporate structure.

- Other Operating Expenses (income) totaled R$ 0.4 million in the quarter, down 100.4% from 2Q19, when the Company recognized the favorable outcome from the lawsuit claiming the exclusion of ICMS from the PIS/Cofins base, in the amount of R$ 103.7 million.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

EBITDA Reconciliation (R$, 000)	2Q20	2Q19	Δ %	1H20	1H19	Δ %
Net Income	**(1,668)**	**156,893**	**-101.1%**	**17,343**	**186,038**	**-90.7%**
(+) Income and Social Contribution Taxes	(6,619)	38,651	-117.1%	(11,381)	32,678	-134.8%
(+) Financial Result	6,515	(31,578)	120.6%	20,231	(16,990)	219.1%
(+) Depreciation and Amortization	14,287	10,875	31.4%	27,744	21,513	29.0%
Total EBITDA	**12,515**	**174,841**	**-92.8%**	**53,937**	**223,237**	**-75.8%**
(-) Rental expense (IFRS16)[4]	(12,936)	(10,449)	-23.8%	(24,581)	(19,844)	-23.9%
(+) Non-recurring effect	-	(103,658)	na	-	(103,658)	na
Adjusted EBITDA	**(421)**	**60,734**	**-100.7%**	**29,357**	**99,736**	**-70.6%**
Adjusted EBITDA Margin (%)	*-0.3%*	*20.0%*	*na*	*8.5%*	*19.0%*	*-1051 bps*

(4) The fixed portion of rent expenses, shown here, is booked in the Statement of Cash Flows as "Lease of Right-of-Use Assets," due to the adoption of IFRS 16. More detailed information on the accounting standard is available in Note 4 to the Financial Statements of the Company.

- Although operations were significantly affected by store closures, the Company ended the quarter close with Adjusted EBITDA of -R$ 0.4 million, with -0.3% Adjusted EBITDA Margin, thanks to the successful initiatives to maximize sales, protect Gross Margin levels and cut costs.

- In the year, Adjusted EBITDA reached R$ 29.4 million, with margin of 8.5%.

NET INCOME AND NET MARGIN

Reconciliation of Adjusted Net Income (R$, 000)	2Q20	2Q19	Δ %	1H20	1H19	Δ %
Net Income	**(1,668)**	**156,893**	**-101.1%**	**17,343**	**186,038**	**-90.7%**
Net Margin (%)	*-1.2%*	*114.0%*	*11519 bps*	*12.6%*	*135.1%*	*-12255 bps*
Non-recurring effect	-	(152,393)	na	-	(152,393)	na
Income and Social Contribution Taxes (Non-recurring)	-	36,270	na	-	36,270	na
Adjusted Net Income	**(1,668)**	**40,770**	**-104.1%**	**17,343**	**69,914**	**-75.2%**
Adjusted Net Margin (%)	*-1.2%*	*13.4%*	*-1465 bps*	*5.0%*	*13.3%*	*-831 bps*

- The Company registered Net Loss of -R$ 1.7 million in 2Q20, adversely affected by the operating performance during the period, and partly offset by the effect of the drop in interest rates Interest on financial expenses, higher income from financial finance and tax deferred.

- We present Adjusted Net Income, excluding the non-recurring effect, referring to the total gain of action to exclude ICMS from the PIS/Cofins base, in the amount of R$ 116.1 million, recognized in 2Q19.

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DEBT

Net Debt (R$, 000)	1H20	1Q20	Δ %	2019	Δ %
Borrowings and financings	320,500	298,913	7.2%	270,354	18.5%
Cash and cash equivalents and Securities	584,679	472,789	23.7%	435,844	34.1%
Net Debt	**(264,179)**	**(173,876)**	**-51.9%**	**(165,490)**	**-59.6%**
Adjusted EBITDA LTM *(last twelve months)*	211,030	262,910	-19.7%	272,134	-22.5%
Net Debt/Adjusted Ebitda	**- 1.3x**	**- 0.7x**	**na**	**- 0.6x**	**na**

- In 2Q20, the Company's debt ratio stood at -1.3x, reflecting the strong operating cash generation and the financial discipline that ensured the preservation of IPO proceeds.
- The increase of R$ 50.1 million in gross debt in relation to December 2019 was mainly due to the exchange rate variation on foreign currency loans, as well as the extension of short-term debts in March, with no effect on funding costs.

CAPEX

Investments (R$, 000)	2Q20	2Q19	Δ %	1H20	1H19	Δ %
Total Capex	**12,177**	**6,548**	**86.0%**	**26,365**	**10,719**	**146.0%**
New Stores	9,607	3,093	210.6%	19,174	3,095	519.6%
Reforms and Maintenance	1,447	622	132.8%	3,075	639	381.6%
Factory	245	639	-61.7%	1,254	1,292	-3.0%
Systems/IT	507	442	14.8%	868	1,112	-21.9%
Others	372	1,753	-78.8%	1,994	4,582	-56.5%
CAPEX/Net Revenue (%)	*8.8%*	*2.2%*	*669 bps*	*7.7%*	*2.0%*	*562 bps*

- Capital expenditure totaled R$ 12.2 million in the quarter, up 86.0% from the same period last year, and mainly went to (i) the inauguration of new stores; (ii) renovations and improvements at stores and (iii) digital initiatives based on the omnichannel strategy.
- In 2Q20, the Company inaugurated 6 new operations - 4 Vivara stores, 1 Life store and 1 kiosk - and closed 6 kiosks, most of which were converted into stores, ending the period with 259 points of sale, which include 205 Vivara stores, 9 Life stores and 45 kiosks.
- Until August 26, the Company had inaugurated 16 Vivara stores, 5 Life stores and 2 kiosks, and closed 11 kiosks, resulting in a total of 263 points of sale, including 207 Vivara stores, 11 Life stores and 45 kiosks.

VIVARA

CASH GENERATION

Cash Flow (R$, 000)	2Q20	2Q19	Δ %	1H20	1H19	Δ %
Net Income	**(1,668)**	**156,893**	**-101.1%**	**17,343**	**186,037**	**-90.7%**
(+/-) Income and Social Contribution Taxes/Others	2,595	(122,862)	102.1%	7,715	(124,667)	106.2%
Adjusted Net Income	**927**	**34,031**	**-97.3%**	**25,058**	**61,370**	**-59.2%**
Working Capital	**110,159**	**(24,880)**	**542.8%**	**118,900**	**(72,685)**	**263.6%**
Trade receivables	69,855	(42,855)	263.0%	213,804	(9,025)	2469.1%
Inventories	24,277	(6,314)	484.5%	(11,353)	(17,770)	-36.1%
Trade payables	(6,181)	2,577	-339.8%	(17,818)	(7,280)	144.8%
Recoverable taxes	16,431	(22,122)	174.3%	17,097	(12,041)	242.0%
Taxes payable	(6,556)	30,620	-121.4%	(56,762)	(13,790)	311.6%
Other assets and liabilities	12,334	13,213	-6.7%	(26,069)	(12,780)	104.0%
Cash from Management Operating Activities	**111,086**	**9,151**	**1113.9%**	**143,958**	**(11,315)**	**1372.3%**
Capex	(12,177)	(6,548)	86.0%	(26,365)	(10,720)	145.9%
Freee Cash Generation (5)	**98,910**	**2,604**	**3698.6%**	**117,593**	**(22,035)**	**633.7%**
Cash from Management Operating Activities	**111,086**	**9,151**	**1113.9%**	**143,958**	**(11,315)**	**1372.3%**
Δ Prepayment of receivables	-	6,761	na	-	63,961	na
Cash from Management Operating Activities - Adjusted	**111,086**	**15,912**	**598.1%**	**143,958**	**52,646**	**173.4%**

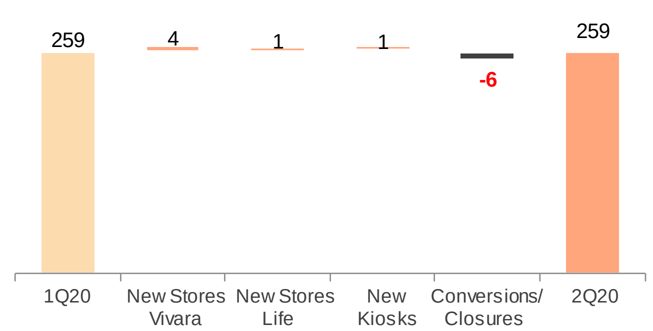
(5) This is a managerial, non-accounting measurement prepared by the Company, which is not in the scope of independent audit.

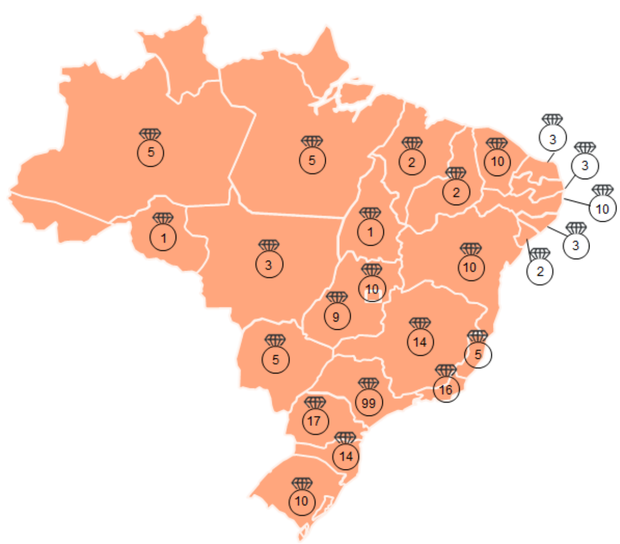
- Vivara generated cash of R$ 111.1 million in 2Q20, R$ 101.9 million higher than in the same period last year, mainly due to the lower allocation of working capital.

- Apart from the adjustments to income tax (IR) and social contribution (CSLL) and other non-cash items, we adjusted Net Income to the payment of rents in the amount of R$3.7 million in 2Q20 and R$ 10.4 million in 2Q19, which, after the adoption of IFRS 16, are being booked in the consolidated financial statements as Financing Activity.

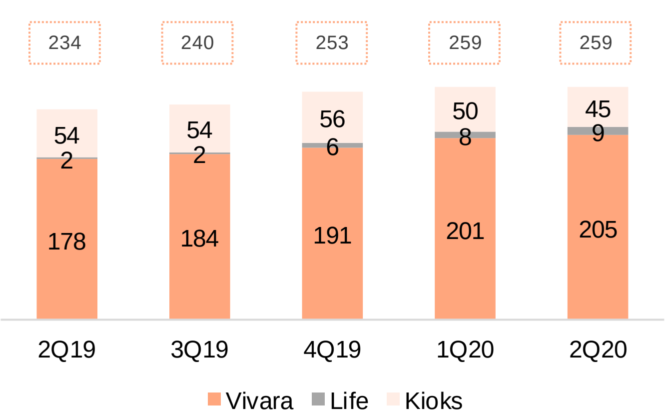
EXPANSION

2Q20 EXPANSION





EXPANSION



Distribution by region	
Southeast	52%
South	16%
North	5%
Northeast	17%
Midwest	10%

VIVARA

OUTLOOK

- **Pace of resumption - Sales in July and August[1]:** We have noticed an increase in the pace of sales since the gradual reopening of stores, while the e-commerce operation has maintained its triple-digit growth. In July, the Company registered a -10.3% drop in sales, with a higher share of stores reopened, which totaled 214 and all of them operating with a significant reduction in business hours and restrictions on customer traffic. Until August 24, the decline was -0,6%, with 261 stores reopened.

- **Increase in raw material costs:** After around four months, we resumed the purchase of inputs to rebuild our gold and silver stocks. Company is well positioned in the jewelery segment, having historically managed to maintain gradual price transfers, preserving the resilient sales pace. Actions are underway to mitigate the impact of the recurring increase in raw material costs since June last year: (i) reprocessing slow moving items by melting the pieces; (ii) adjusting the jewelry mix, with the production of lighter products and at more appropriate price ranges.

- **Expansion plan:** On August 5, we concluded the implementation of 23 new operations, which included 21 stores (16 Vivara and 5 Life) and 1 kiosk. After the pandemic broke out, the Company revised its expansion plan for 2020, reducing the number of store inaugurations from 50 to 21 due to the scenario of uncertainties. Note that the Company is prepared to seize the opportunities that may arise with the increase in vacancies in mature shopping malls, and to better negotiate with other shopping malls already mapped. For the long-term strategy, the Company maintains its commitment to expanding its presence in leading shopping malls across Brazil through organic expansion of its channels.

(1) Managerial sales analysis, up to August 24.

VIVARA

STATEMENT OF INCOME

Financial Statements (R$,000)	2Q20	2Q19*	Δ %	1H20	1H19*	Δ %
Net Revenue	**137,653**	**303,332**	**-54.6%**	**343,884**	**523,749**	**-34.3%**
(-) Cost of Sold Goods	(44,137)	(112,553)	-60.8%	(112,736)	(183,931)	-38.7%
(-) Depreciation and Amortization	(597)	-	na	(1,154)	-	na
(=) Gross Profit	**92,919**	**190,779**	**-51.3%**	**229,994**	**339,818**	**-32.3%**
(-) Operating Expenses	**(94,691)**	**(26,813)**	**253.2%**	**(203,801)**	**(138,094)**	**47.6%**
Sales	**(51,943)**	**(90,723)**	**-42.7%**	**(130,731)**	**(164,462)**	**-20.5%**
Personal	(20,902)	(42,872)	-51.2%	(63,412)	(77,788)	-18.5%
Rentals and common area maintenance fees	(5,889)	(13,387)	-56.0%	(16,495)	(23,813)	-30.7%
Lease discounts	9,275	-	na	9,275	-	na
Freight	(7,691)	(4,985)	54.3%	(12,143)	(9,115)	33.2%
Commission on credit cards	(2,763)	(6,975)	-60.4%	(6,877)	(11,929)	-42.4%
Outsourced services	(1,523)	(2,326)	-34.5%	(5,002)	(4,294)	16.5%
Marketing/selling expenses	(17,035)	(14,875)	14.5%	(25,519)	(24,672)	3.4%
Other selling expenses	(5,415)	(5,304)	2.1%	(10,559)	(12,850)	-17.8%
General and Administratives	**(28,638)**	**(32,970)**	**-13.1%**	**(59,843)**	**(59,645)**	**0.3%**
Personal	(11,114)	(15,389)	-27.8%	(27,951)	(28,100)	-0.5%
Rentals and common area maintenance fees	(98)	(56)	73.7%	(457)	(308)	48.2%
Outsourced services	(13,152)	(8,199)	60.4%	(20,823)	(14,702)	41.6%
Other General and Administratives expenses	(4,274)	(9,326)	-54.2%	(10,612)	(16,536)	-35.8%
Depreciation and Amortization	(13,690)	(10,875)	25.9%	(26,590)	(21,513)	23.6%
Share of profit (loss) of subsidiaries	-	(59)	-100.0%	-	(180)	-100.0%
Other Operating Expenses (Revenues)	(419)	107,814	-100.4%	13,363	107,706	-87.6%
(=) Profit (Losses) Before Financial Results	**(1,772)**	**163,966**	**-101.1%**	**26,193**	**201,725**	**-87.0%**
(=) Financial Result	**(6,515)**	**31,578**	**-120.6%**	**(20,231)**	**16,990**	**-219.1%**
Financial Income (Expenses), net	6,305	52,249	-87.9%	13,434	53,819	-75.0%
Finance costs, net	(12,820)	(20,671)	-38.0%	(33,665)	(36,829)	-8.6%
(=) Operating Income	**(8,287)**	**195,545**	**-104.2%**	**5,963**	**218,715**	**-97.3%**
Income and Social Contribution Taxes	6,619	(38,651)	-117.1%	11,381	(32,678)	-134.8%
(=) Net Income	**(1,668)**	**156,893**	**-101.1%**	**17,343**	**186,038**	**-90.7%**

*Vivara Participações S.A. was founded on May 23, 2019, and hence information related to 2Q19 refers to the **combined** information of the subsidiaries Tellerina and Conipa.

BALANCE SHEET

Balance Sheet (R$, 000)	1H20	2019
CURRENT ASSETS		
Cash and cash equivalents	584,679	435,844
Securities	-	-
Trade receivables	212,012	425,833
Due from related parties	-	-
Inventories	360,531	348,034
Recoverable taxes	61,406	95,247
Prepaid expenses and other receivables	5,329	7,669
Derivatives	18,276	6,796
Total current assets	**1,242,233**	**1,319,425**
NONCURRENT ASSETS		
Escrow deposits	13,950	13,680
Deferred income tax and social contribution	87,701	54,200
Derivatives	-	2,715
Recoverable taxes	175,825	168,344
Investments	-	-
Property, plant and equipment	325,809	311,620
Intangible assets	8,021	9,546
Total noncurrent assets	**611,306**	**560,104**
TOTAL ASSETS	**1,853,539**	**1,879,529**
CIRCULANTE		
Trade payables	18,604	36,421
Borrowings and financing	303,000	190,934
Due to related parties	70	88
Payroll and related taxes	47,503	65,175
Taxes payable	35,774	86,778
Taxes in installments	458	457
Leases payable	13,758	14,856
Leasing liabilities	26,919	24,119
Juros sobre capital próprio a pagar	35,563	8,124
Other payables	25,176	31,862
Total current liabilities	**506,825**	**458,813**
NONCURRENT LIABILITIES		
Labor and social security obligations	6,954	9,193
Borrowings and financing	17,500	79,420
Taxes in installments	1,674	1,865
Provision for civil, labor and tax risks	15,300	15,234
Leasing liabilities	225,657	225,281
Total noncurrent liabilities	**267,085**	**330,992**
EQUITY		
Capital	1,052,340	1,052,340
Legal reserve	9,945	37,384
Earnings reserves	17,343	-
Retained earnings (accumulated losses)	-	-
Total equity	**1,079,629**	**1,089,724**
TOTAL LIABILITIES AND EQUITY	**1,853,539**	**1,879,529**

VIVARA

CASH FLOW

Cash Flow (R$,000)	2Q20	2Q19	Δ %	1H20	1H19	Δ %
Net Income	**(1,668)**	**156,893**	**-101.1%**	**17,343**	**186,037**	**-90.7%**
Adjust of Net Income	8,017	(98,134)	108.2%	31,875	(82,870)	138.5%
Adjusted profit for the year	**6,349**	**58,759**	**-89.2%**	**49,218**	**103,167**	**-52.3%**
Increase (decrease) in operating assets and liabilities:						
Trade receivables	69,855	(42,855)	263.0%	213,804	(9,025)	2469.1%
Inventories	24,277	(6,314)	484.5%	(11,353)	(17,770)	36.1%
Trade payables	(6,181)	2,577	-339.8%	(17,818)	(7,280)	-144.8%
Recoverable taxes	16,431	(22,122)	174.3%	17,097	(12,041)	242.0%
Taxes payable	(6,556)	30,620	-121.4%	(56,762)	(13,790)	-311.6%
Other assets and liabilities	12,334	13,213	-6.7%	(26,069)	(12,780)	-104.0%
Cash provided by operating activities	**116,509**	**33,879**	**243.9%**	**168,118**	**30,482**	**451.5%**
Income tax and social contribution paid	-	(10,938)	100.0%	(3,492)	(15,109)	76.9%
Paid interest on borrowing and financing	(1,761)	(3,340)	47.3%	(5,363)	(6,844)	21.6%
Interest paid on leasing liabilities	(2,180)	-	na	(9,066)	-	na
Net cash provided by operating activities	**112,567**	**19,601**	**474.3%**	**150,197**	**8,529**	**1661.0%**
Property, plant and equipment	(11,670)	(5,188)	-124.9%	(25,497)	(8,690)	-193.4%
Intangible assets	(507)	(1,360)	62.7%	(868)	(2,030)	57.2%
Others	-	12,495	na	-	(2,017)	na
Cash Flow from Investments	**(12,177)**	**5,947**	**-304.8%**	**(26,365)**	**(12,737)**	**-107.0%**
Interest on capital / Dividends paid	-	(10,493)	100.0%	-	(67,418)	100.0%
Borrowings and financings	12,980	43,318	-70.0%	9,630	72,092	-86.6%
Righ-of-use leases	(1,481)	(10,449)	85.8%	(6,240)	(19,844)	68.6%
Others	-	963	na	21,612	1,323	1533.8%
Cash flow from financing activities	**11,499**	**23,338**	**-50.7%**	**25,002**	**(13,846)**	**280.6%**
INCREASE (DECREASE) IN CASH AND CASH EQUIV.	**111,890**	**48,886**	**128.9%**	**148,835**	**(18,055)**	**924.4%**
Opening balance of cash and cash equivalents	472,789	17,840	2550.2%	435,844	84,781	414.1%
Closing balance of cash and cash equivalents	584,679	66,726	776.2%	584,679	66,726	776.2%

*Vivara Participações S.A. was founded on May 23, 2019, and hence information related to 2Q19 refers to the **combined** information of the subsidiaries Tellerina and Conipa.

NON-ACCOUNTING MEASURES

- **Adjusted EBITDA and Adjusted EBITDA Margin** - Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is a non-accounting measurement disclosed by the Company in compliance with CVM Instruction 527/12. The above calculation is adjusted to eliminate non-recurring effects from the result and, for better comparison, the effects of the adoption of CPC 06/IFRS 16, which came into effect on January 1, 2019, are excluded as well, which result in Adjusted EBITDA. Non-recurring effects are characterized by one-time effects on the Company's result. Since these amounts are not a recurrent portion of the result, the Company chooses to make the adjustment so that Adjusted EBITDA considers only recurring numbers. The Company uses Adjusted EBITDA as a measure of performance for managerial effect and for comparison with peers.

- **Net Debt -** The Net Debt shown here is the result of the sum of short- and long-term loans in Current Liabilities and Non-Current Liabilities of the Company, deducted from the sum of Cash and Cash Equivalents and Securities under the Current Assets and Non-Current Assets of the Company.

- The Company believes that the **Net Debt/Adjusted EBITDA ratio** helps in assessing its leverage and liquidity. **LTM Adjusted EBITDA** is the sum of Last Twelve Months EBITDA and is also an alternative to operational cash generation.

- **Adjusted EBITDA**, **Net Debt, Net Debt/LTM Adjusted EBITDA** and **Operational Cash Generation** presented in this release are not profitability measures as per the accounting practices adopted in Brazil and do not represent the cash flow during the periods and, hence, must not be considered as alternative measures to results or cash flows

- **Operating Cash Generation** shown here is a managerial measurement, resulting from the cash flow from operating activities presented in the Statement of Cash Flow (adjusted by "Lease of Right-of-Use Assets," which, after the adoption of CPC 06 / IFRS 16, is being booked in the Statement of Cash Flow as financing activity**.**

DISCLAIMER

The statements contained in this release related to the business outlook, operating and financial projections and growth prospects of Vivara S.A. are merely projections and as such are based exclusively on the expectations of the Company's management concerning the future of the business. Such forward-looking statements depend substantially on changes in market conditions, the performance of the Brazilian economy, the industry and international markets and are, therefore, subject to change without prior notice.
All variations presented herein are calculated based on numbers in thousands of reais, as well as rounded figures.
This report includes accounting and non-accounting data, such as pro forma operating and financial information and projections based on expectations of the Company's Management. Note that the non-accounting figures have not been reviewed by the Company's independent auditors.

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