Earnings Release

Third Quarter of 2020

CONFERENCE CALL
Friday, November 13, 2020

English	Portuguese
Time: 8 a.m. (New York)	Time: 10 a.m. (Brasília)
Connection data	**Connection data**
https://choruscall.com.br/vivara/3q20.htm	https://choruscall.com.br/vivara/3t20.htm

3Q20 EARNINGS RELEASE

Sao Paulo, November 12, 2020 – Vivara Participações S.A. (B3: VIVA3), Brazil's largest jewelry chain, announces today its results for the 3rd quarter (3Q20) and the first 9 months (9M20) of 2020.

Vivara Participações S.A. was founded on May 23, 2019 and, hence, for comparison purposes, **information pertaining to the nine months 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 **nine months of 2020 and the third quarter of 2019 and 2020** is **consolidated** in line with the Company's Financial Statements.

HIGHLIGHTS OF THE PERIOD

1. Consolidated sales in the quarter returned to 2019 levels, totaling **R$308.1 million**. In September, growth was **7.2%.**
2. E-commerce maintained its accelerated growth, up **182.3%** in the quarter, accounting for **22.9%** of sales. Joias em Ação Project accounted for **35.6%** of e-commerce sales.
3. Healthy inventory mix and appropriate pricing policy drove the **200bps** expansion in Gross Margin, which reached **69.8%** in the quarter.
4. **Adjusted EBITDA(1)** totaled **R$49.6 million** in 3Q20, with margin of **20.4%,** benefited by the rebound in sales, strict cost control and protection of gross profitability.
5. Strong cash generation in the quarter of **R$32.3 million.**
6. Solid balance sheet with high liquidity, closing the quarter with cash of **R$612.2 million** and **R$220.0 million** in credit card receivables.

FINANCIAL HIGHLIGHTS

Main Key Ratios (R$, 000)	3Q20	3Q19	Δ %	9M20	9M19	Δ %
Gross Revenue (net of return)	308,056	308,688	-0.2%	741,588	968,301	-23.4%
Net Revenue	**242,626**	**240,334**	**1.0%**	**586,510**	**764,082**	**-23.2%**
Gross Profit	**169,287**	**163,063**	**3.8%**	**399,281**	**502,880**	**-20.6%**
Gross Margin (%)	*69.8%*	*67.8%*	*200 bps*	*68.1%*	*65.8%*	*230 bps*
EBITDA	**63,583**	**63,318**	**0.4%**	**117,520**	**286,550**	**-59.0%**
Ebitda Margin (%)	*26.2%*	*26.3%*	*-10 bps*	*20.0%*	*37.5%*	*-1750 bps*
Adjusted EBITDA (1)	**49,594**	**53,575**	**-7.4%**	**78,950**	**153,306**	**-48.5%**
Adjusted Ebitda Margin (%)	*20.4%*	*22.3%*	*-190 bps*	*13.5%*	*20.1%*	*-660 bps*
Net Income	**36,147**	**39,570**	**-8.7%**	**53,490**	**225,603**	**-76.3%**
Net Margin (%)	*14.9%*	*16.5%*	*-160 bps*	*9.1%*	*29.5%*	*-2040 bps*
Adjusted Net Income(3)	**36,147**	**39,570**	**-8.7%**	**53,490**	**109,480**	**-51.1%**
Adjusted Net Margin (*) (%)	*14.9%*	*16.5%*	*-160 bps*	*9.1%*	*14.3%*	*-520 bps*
SSS(2) (physical stores + e-commerce)	***-3.9%***	***8.5%***	***na***	***-24.2%***	***9.4%***	***na***
Operational Cash Generation(4)	**32,288**	**46,491**	**-30.6%**	**176,245**	**38,864**	**353.5%**

(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, related to the amount recognized from the favorable outcome of the lawsuit to exclude ICMS from the PIS/Cofins calculation base in 9M19, as per the reconciliation shown on page 8.

(4) Managerial, non-accounting measurement prepared by the Company, which is not in the scope of independent audit.

MESSAGE FROM THE MANAGEMENT

- The 3Q20 results have a special meaning for us at Vivara: first, because this quarter closes Vivara's first disclosure cycle as a listed company and then, because it is from this quarter that we started to observe clearer signs of our operations picking up after the most challenging period we have ever faced.

- The last 12 months were very busy for us: we emerged from being a closely held company to pursue more audacious dreams, seeking more professionalization and new growth avenues. Within a few months after our IPO preparations, we were entering a new, highly visible environment that we were not used to. We are very grateful to our shareholders who believed in Vivara's plans and who have helped us to script this new chapter in our history.

- In the midst of it all, a pandemic struck and we were facing a scenario never seen before: yet another challenge to overcome. In this scenario, we saw that a solid business foundation makes all the difference and, in August, five months after the closure of stores, we started to see clearer signs of resumption, with sales returning to pre-pandemic levels. Month after month, we have seen the team constantly engaged in overcoming obstacles and exceeding expectations.

- In the third quarter, our revenue returned to the same level as in 2019, with September registering growth of 7.2%, matched by positive SSS. E-commerce continues to grow consistently, partially offsetting the still weak customer traffic at stores. The gross margin expansion of 200bps is another highlight of the quarter, in a scenario of significant increase in raw material costs, with the jewelry category standing out during the period. We grew gross margin across all categories and channels, which shows the resilience of our products and the strength of our verticalized business model, which enables us to manage costs more efficiently. Delivering Adjusted EBITDA Margin of 20.4% and Net Margin of 14.9% in a quarter still affected by physical distancing measures is indeed a result to be celebrated. We are now entering the Company's main sales season and are well positioned for the challenges: we improved our e-commerce platform and the Vivara app; we have highly competitive products in all categories and a well-defined strategy to pass through this period, gaining market share, with the brand even more strengthened.

- We remain focused on our long-term projects: in 2021, we will resume accelerated organic expansion and plan to open about 40 to 50 Vivara and Life stores; the project to structure the Life brand is already back on course, with new initiatives to streamline operations, more focused training and a revamped product and marketing strategy to leverage the Life brand in a more structured manner. The omnichannel strategy has also become our strategic focus - we invested heavily in technological renovation projects that will be important for laying the solid groundwork for our digital transformation.

- We are pleased with our efforts so far, but we know that we have a long way to go. Definitive resumption will indeed come along, and we are well positioned to seize opportunities for consolidation and are prepared to return even stronger to cement our market leadership.

Marcio Kaufman
CEO

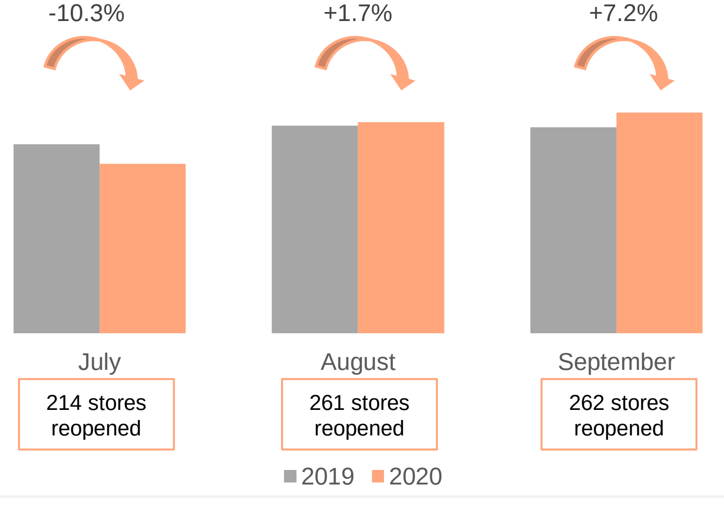
VIVARA

GROSS REVENUE (Net of Returns)

- Gross revenue, net of returns, remained practically stable (-0.2%) in 3Q20, with the performance in August and September offsetting the -10.3% decline registered in July. The measures taken to maximize online, and store sales produced results and drove significant growth registered during the quarter. This, combined with the further relaxation of physical distancing measures, was essential to minimizing the effects of the pandemic on the Company's sales. SSS (Same Store Sales) in the period declined -3.9%. Net revenue in the quarter totaled R$242.6 million, up 1.0% from the previous year and R$586.5 million in 9M20, down -23.2%.

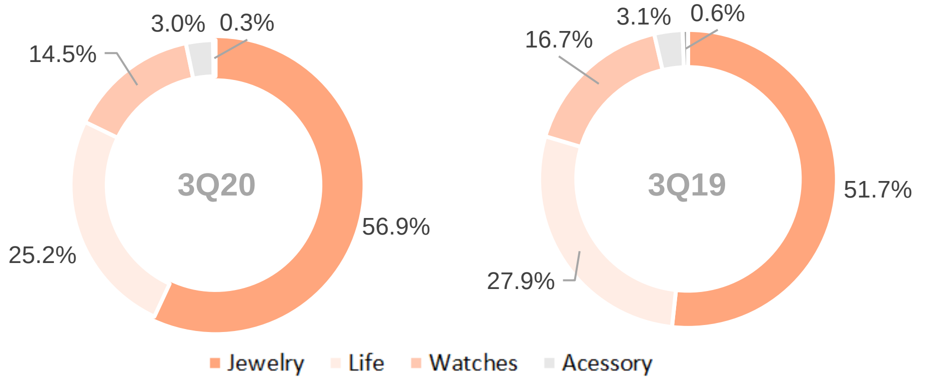
Revenue per chanel (R$, 000)	3Q20	3Q19	Δ %	9M20	9M19	Δ %
Gross Revenue (net of return)	**308,056**	**308,688**	**-0.2%**	**741,588**	**968,301**	**-23.4%**
Physical Stores	234,261	280,558	-16.5%	531,965	886,728	-40.0%
E-commerce	70,619	25,016	182.3%	201,177	64,461	212.1%
Others	2,308	1,320	74.9%	5,740	12,048	-52.4%
Deductions	(65,430)	(68,354)	-4.3%	(155,078)	(204,219)	-24.1%
Net Revenue	**242,626**	**240,334**	**1.0%**	**586,510**	**764,082**	**-23.2%**
SSS (physical stores + e-commerce)	**-3.9%**	**8.5%**	**na**	**-24.2%**	**9.4%**	**na**

SALES GROWTH - BY MONTH



- The Company has witnessed sales growth each month, driven by the maturation of initiatives to maximize sales, the triple-digit growth of e-commerce and the relaxation of physical distancing measures in key markets since late July.

SALES BY CATEGORY



- The biggest quarterly highlight in the sales mix was the jewelry category, which grew 520 bps between the periods. This performance was driven by the opening of 23 Vivara stores in the last 12 months, the higher share of jewelry in e-commerce sales, as a result of direct sales, as well as the sharper increase in prices in this category.

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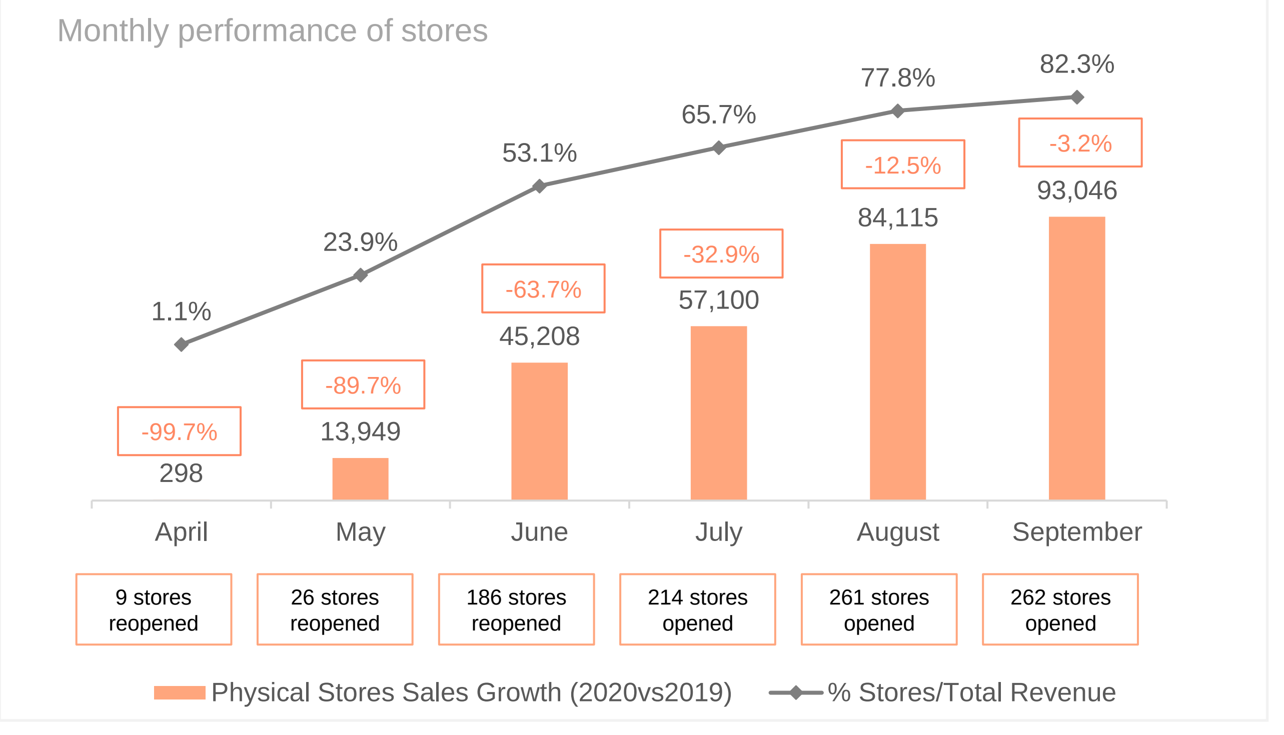
GROSS REVENUE (Net of Returns) (contd)

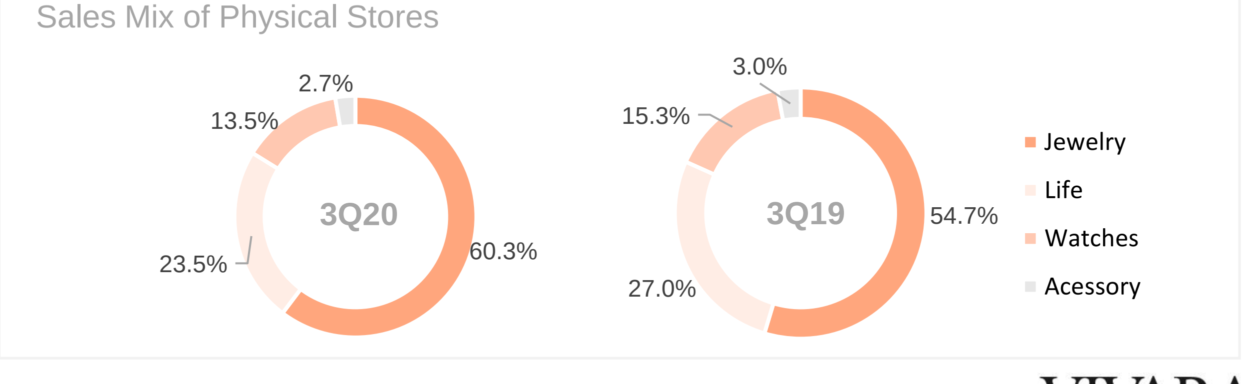
PHYSICAL STORES

- We started to gradually reopen the stores in late April and ended 3Q20 with practically 100% of the store network reopened, except the store at Terminal 3 of the Guarulhos Airport, which remains closed. By the end of July, 214 stores had been reopened, followed by 261 in August and 262 in September. In September, a few cities in Paraná and in the interior region of São Paulo occasionally tightened the distancing measures. Nevertheless, consolidated sales grew 7.2% and physical store sales declined -3.2%.

- SSS, considering only physical stores, improved from -100.0% in April to -11.0% in September, despite the restrictions on operations and the reduced business hours in all markets. In 3Q20, revenue from physical stores declined -16.5%, representing 76.0% of total revenues. In 3Q19, stores accounted for 90.9% of total revenues.



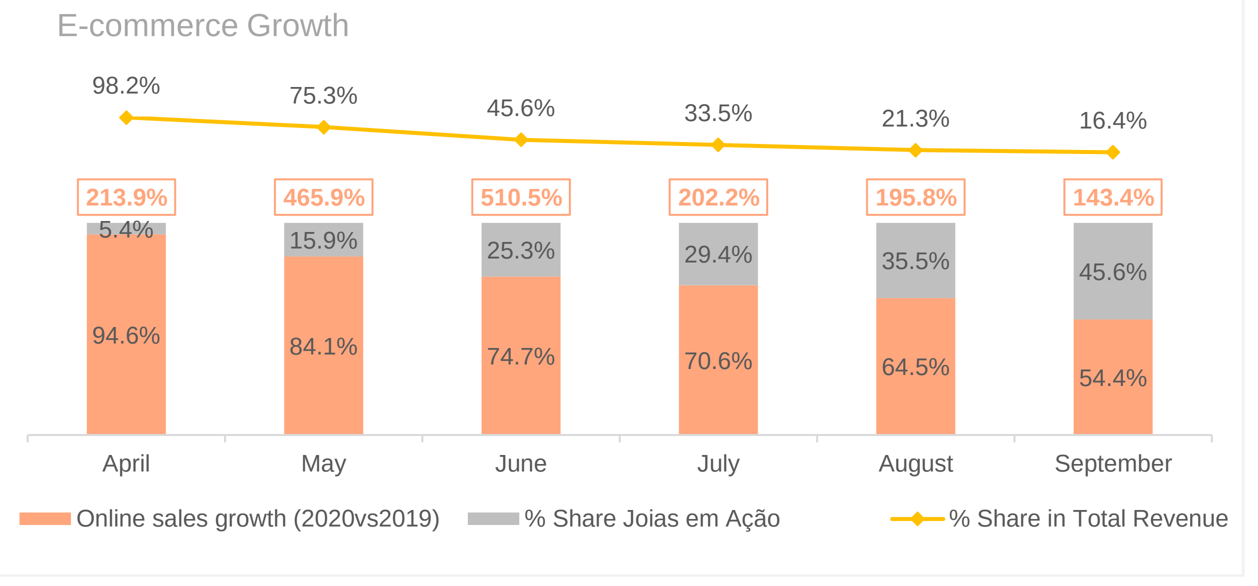
- Note that this growth occurred despite a scenario marked by significant reduction in the business hours of shopping malls and broad restrictions on customer traffic at stores. Moreover, the sales of the Joias em Ação project are booked under e-commerce revenue, and totaled R$25.2 million in 3Q20. For illustrative purposes only, considering this effect, sales at physical stores would have decreased -7.5% from 3Q19, while in September they would have grown 3.9%.



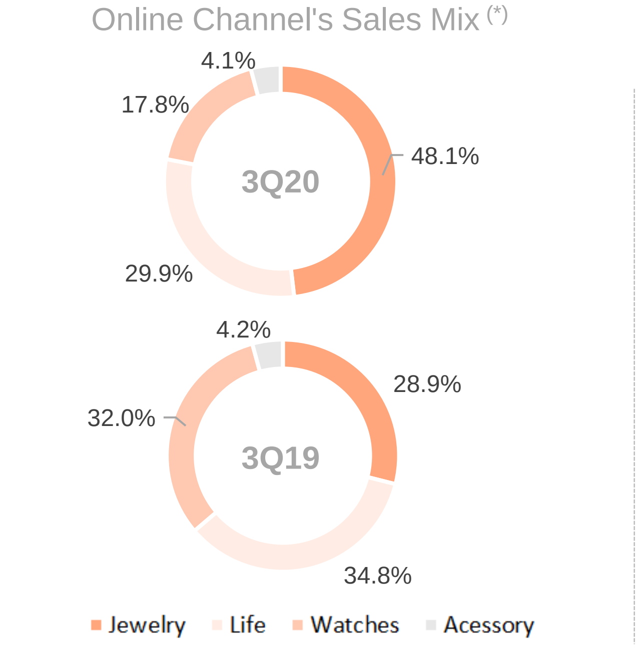
GROSS REVENUE (Net of Returns) (contd)

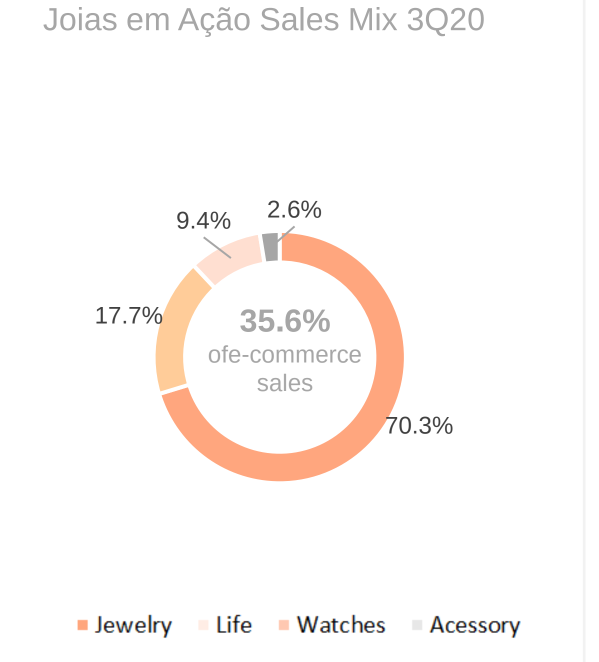
E-COMMERCE

- In 3Q20, e-commerce revenue grew 182.3% to reach R$70.6 million. During the quarter, the channel lost its share of total sales, dropping from 33.5% in July to 16.4% in September, which is a natural trend considering the normalization of store operations and the relaxation of social distancing restrictions. In 3Q20, e-commerce represented 22.9% of total sales, compared to 8.1% in 3Q19. In 9M20, e-commerce came to R$201.2 million, up 212.1% from 9M19.



- Joias em Ação project, launched in April, has gradually expanded its significance in the online channel's performance and, more than that, has been an essential tool in balancing the channel's sales mix, which historically has had a higher share of Watches and Life products, which are lower ticket items than Jewelry products. In 3Q20, the initiative was responsible for 35.6% of e-commerce sales.





(*) Includes sales of Joias em Ação Project

GROSS PROFIT AND GROSS MARGIN

Gross Profit (R$, 000) and Gross Margin (%)	3Q20	3Q19	Δ %	9M20	9M19	Δ %
Net Revenue	**242,626**	**240,334**	**1.0%**	**586,510**	**764,082**	**-23.2%**
Total costs	**(73,339)**	**(77,271)**	**-5.1%**	**(187,230)**	**(261,202)**	**-28.3%**
Acquisition of input, raw materials and products	(67,171)	(72,248)	-7.0%	(170,100)	(246,541)	-31.0%
% Net Revenue	*-27.7%*	*-30.1%*	*240 bps*	*-29.0%*	*-32.3%*	*330 bps*
Factory Expenses	(6,169)	(5,024)	22.8%	(17,129)	(14,661)	16.8%
% Net Revenue	*-2.5%*	*-2.1%*	*-50 bps*	*-2.9%*	*-1.9%*	*-100 bps*
Personal	(4,942)	(5,024)	-1.6%	(13,769)	(14,661)	-6.1%
% Net Revenue	*-2.0%*	*-2.1%*	*-10 bps*	*-2.3%*	*-1.9%*	*-40 bps*
Factory expenses (freight, energy, water, telephone and rent)	(618)	-	na	(1,597)	-	na
% Net Revenue	*-0.3%*	*0.0%*	*-30 bps*	*-0.3%*	*0.0%*	*-30 bps*
Depreciation	(609)	-	na	(1,763)	-	na
% Net Revenue	-0.3%	0.0%	*-30 bps*	-0.3%	0.0%	*-30 bps*
Gross profit	**169,287**	**163,063**	**3.8%**	**399,281**	**502,880**	**-20.6%**
Gross margin %	*69.8%*	*67.8%*	*200 bps*	*68.1%*	*65.8%*	*-230 bps*

- Gross Margin in the period reached 69.8%, up 200bps from the same period last year, maintaining the Company's profitability levels healthy. This result reflects the lower share of watches in the total mix and the appropriate pricing policy in all categories.

- Gross Profit in the period increased 3.8% due to the higher share of Jewelry, driven by Joias em Ação sales. In 9M20, Gross Margin stood at 68.1%, up 230bps from the previous year.

OPERATING EXPENSES

Operating Expenses (R$, 000)	3Q20	3Q19	Δ %	9M20	9M19	Δ %
Operating Expenses	**(103,691)**	**(100,420)**	**3.3%**	**(294,266)**	**(324,527)**	**-9.3%**
Operating Expenses/Net Revenue (%)	*-42.7%*	*-41.8%*	*-100 bps*	*-50.2%*	*-42.5%*	*-770 bps*
Selling Expenses	(78,956)	(79,293)	-0.4%	(209,687)	(243,755)	-14.0%
Selling Expenses/Net Revenue (%)	-32.5%	-33.0%	*50 bps*	-35.8%	-31.9%	*-390 bps*
General and Administrative Expenses	(24,736)	(21,127)	17.1%	(84,578)	(80,772)	4.7%
General and Administrative Expenses/Net Revenue (%)	-10.2%	-8.8%	*-140 bps*	-14.4%	-10.6%	*-380 bps*
Other Operating Expenses	**(2,621)**	**675**	**488.4%**	**10,742**	**108,197**	**90.1%**
Total Operating Expenses	**(106,313)**	**(99,745)**	**6.6%**	**(283,524)**	**(216,330)**	**31.1%**

- In 3Q20, Operating Expenses (SG&A) increased 3.3%, mainly due to (i) the gradual resumption of operations at stores; and (ii) the more robust administrative structure since October 2019. These effects were partially neutralized by the cost cutting and budgetary control measures taken by the Company since the onset of the pandemic.

- Selling Expenses decreased -0.4% 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, with gradually lower effects until December 2020; (ii) the discounts obtained in store rents; (iii) the reduction in Outsourced Services and better rates on cards. The above-mentioned reduction in expenses was more than sufficient to offset the increase in Freight, because the larger significance of the e-commerce operation, and the increase in Marketing Expenses due to higher investments in digital marketing.

(contd)

VIVARA

OPERATING EXPENSES (contd)

- General and Administrative Expenses increased 17.1%, mainly due to (i) the larger administrative structure, reflecting the strengthening of strategic areas, and the benefits obtained by adhering to Federal Law 14,020/2020, whose effects will be observed until December 2020; (ii) the increase in Outsourced Services, due to digital acceleration projects, technological improvements and miscellaneous consulting services, necessary for rolling out the long-term strategy.

- Expenses solely related to facing the pandemic affected Selling, General and Administrative Expenses by R$1.2 million in 3Q20.

- Other Operating Expenses (Income) reached -R$2.6 million in the quarter, mainly due to the adequacy in the provisions.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

EBITDA Reconciliation (R$, 000)	3Q20	3Q19	∆ %	9M20	9M19	∆ %
Net Income	**36,147**	**39,570**	**-8.7%**	**53,490**	**225,603**	**-76.3%**
(+) Income and Social Contribution Taxes	(603)	(269)	124.1%	(11,984)	32,409	-137.0%
(+) Financial Result	12,390	13,034	-4.9%	32,621	(3,956)	924.6%
(+) Depreciation and Amortization	15,649	10,982	42.5%	43,393	32,495	33.5%
Total EBITDA	**63,583**	**63,318**	**0.4%**	**117,520**	**286,550**	**-59.0%**
(-) Rental expense (IFRS16)[4]	(13,989)	(9,743)	-43.6%	(38,570)	(29,586)	-30.4%
(+) Non-recurring effect	-	-	na	-	(103,658)	na
Adjusted EBITDA	**49,594**	**53,575**	**-7.4%**	**78,950**	**153,306**	**-48.5%**
Adjusted EBITDA Margin (%)	*20.4%*	*22.3%*	*-190 bps*	*13.5%*	*20.1%*	*-660 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 24 to the Financial Statements of the Company.

- Though operations were affected by store closures, especially in July, when sales declined -10.3%, the Company ended the quarter close with Adjusted EBITDA of R$49.6 million and Adjusted EBITDA Margin of 20.4%, thanks to the successful initiatives to maximize sales, and the expansion of Gross Margin, and costs control.

- In 9M20, Adjusted EBITDA reached R$78.9 million, with margin of 13.5%.

NET INCOME AND NET MARGIN

Reconciliation of Adjusted Net Income (R$, 000)	3Q20	3Q19	∆ %	9M20	9M19	∆ %
Net Income	**36,147**	**39,570**	**-8.7%**	**53,490**	**225,603**	**-76.3%**
Net Margin (%)	*14.9%*	*16.5%*	*-160 bps*	*9.1%*	*29.5%*	*-7090 bps*
Non-recurring effect	-	-	na	-	(116,123)	na
Adjusted Net Income	**36,147**	**39,570**	**-8.7%**	**53,490**	**109,480**	**-51.1%**
Adjusted Net Margin (%)	*14.9%*	*16.5%*	*-160 bps*	*9.1%*	*14.3%*	*-520 bps*

- The Company registered Net Income of R$36.1 million in 3Q20, reflecting the operational performance during the period, as well as the lower inflation adjustment on recoverable taxes and deferred taxes.

- We present Adjusted Net Income for 9M19, excluding the non-recurring effect of the favorable outcome of the lawsuit to exclude ICMS from the PIS/Cofins base, in the amount of R$116.1 million, recognized in 2Q19.

DEBT

Net Debt (R$, 000)	9M20	1H20	Δ %	2019	Δ %
Borrowings and financings	330,019	320,500	3.0%	270,354	22.1%
Cash and cash equivalents and Securities	612,245	584,679	4.7%	435,844	40.5%
Net Debt	**(282,226)**	**(264,179)**	**-6.8%**	**(165,490)**	**-70.5%**
Adjusted EBITDA LTM *(last twelve months)*	197,779	211,030	-6.3%	272,134	-27.3%
Net Debt/Adjusted Ebitda	**- 1.4x**	**- 1.3x**	**na**	**- 0.6x**	**na**

- In 3Q20, the Company's debt ratio stood at -1.4x, reflecting the operating cash generation, the lengthening of debt maturities and the financial discipline that ensured the preservation of funds during the period.

CAPEX

Investments (R$, 000)	3Q20	3Q19	Δ %	9M20	9M19	Δ %
Total Capex	**11,378**	**14,670**	**-22.4%**	**37,742**	**25,389**	**48.7%**
New Stores	2,314	6,451	-64.1%	21,182	9,545	121.9%
Reforms and Maintenance	2,436	910	167.8%	6,698	3,633	84.4%
Factory	966	3,053	-68.4%	2,219	4,346	-48.9%
Systems/IT	5,662	3,185	77.8%	7,626	4,762	60.2%
Others	0	1,071	-100.0%	17	3,104	-99.4%
CAPEX/Net Revenue (%)	*4.7%*	*6.1%*	*-140 bps*	*6.4%*	*3.3%*	*-310 bps*

- Capital expenditure totaled R$11.4 million in the quarter, down 22.4% from the same period last year, mainly due to (i) the revision of the expansion plan for 2020, reducing the allocation of investments in new stores; (ii) higher investments in systems and IT, especially for technological upgrade projects, which are important for rolling out the omnichannel strategy.

- In 3Q20, the Company inaugurated 5 new operations - 2 Vivara stores, 2 Life stores and 1 kiosk - and closed 1 Life kiosk, which was converted into a store, ending the period with 263 points of sale, which include 207 Vivara stores, 11 Life stores and 45 kiosks.

CASH GENERATION

Cash Flow (R$, 000)	3Q20	3Q19	∆ %	9M20	9M19	∆ %
Net Income	**36,147**	**39,570**	**-8.7%**	**53,490**	**225,607**	**-76.3%**
(+/-) Income and Social Contribution Taxes/Others	5,133	(7,803)	165.8%	12,848	(133,205)	109.6%
Adjusted Net Income	**41,280**	**31,767**	**29.9%**	**66,338**	**92,402**	**-28.2%**
Working Capital	**(8,992)**	**14,724**	**-161.1%**	**109,908**	**(53,539)**	**305.3%**
Trade receivables	(14,289)	38,733	-136.9%	199,515	28,477	600.6%
Inventories	(7,341)	1,172	-726.4%	(18,694)	(16,598)	12.6%
Trade payables	(9,565)	(8,762)	9.2%	(27,382)	(16,041)	70.7%
Recoverable taxes	11,985	(108)	11238.5%	29,081	(11,413)	354.8%
Taxes payable	8,125	(16,504)	149.2%	(48,637)	(30,294)	60.5%
Other assets and liabilities	2,093	192	992.3%	(23,976)	(7,669)	212.6%
Cash from Management Operating Activities	**32,288**	**46,491**	**-30.6%**	**176,245**	**38,864**	**353.5%**
Capex	(11,377)	(14,670)	-22.4%	(37,742)	(25,389)	48.7%
Freee Cash Generation (5)	**20,911**	**31,821**	**-34.3%**	**138,503**	**13,474**	**927.9%**

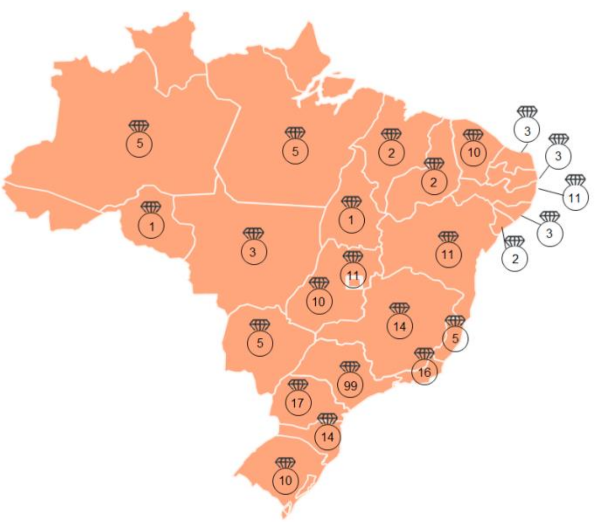
(4) This is a managerial, non-accounting measurement prepared by the Company, which is not in the scope of independent audit.

- Vivara generated cash of R$32.3 million in 3Q20, R$14.2 million lower than in the same period last year, mainly due to the higher allocation of working capital with the resumption of store operations.

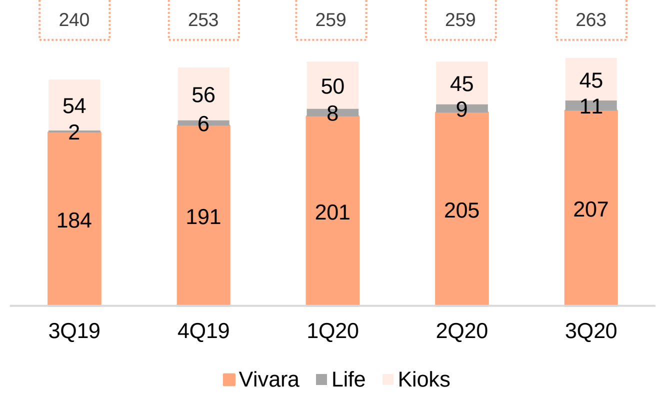
- Apart from the adjustments to income tax (IR) and social contribution (CSLL) and other non-cash items, we adjusted Net Income to rent payments in the amount of R$9.8 million in 3Q20 and R$9.7 million in 3Q19, which, after the adoption of IFRS 16, are being booked in the consolidated financial statements as Financing Activity.

EXPANSION

3Q20 EXPANSION



EXPANSION



Distribution by region	
Southeast	52%
South	16%
North	5%
Northeast	18%
Midwest	11%

OUTLOOK

- **4Q20 Trend –** Pace of sales in October(*) shows acceleration for the sixth straight month since the pandemic broke out. In October, the Company's sales grew 14,5% in relation to the same month last year, reflecting the longer business hours at shopping malls and the relaxation of physical distancing measures, which intensified last month.

- The final quarter of the year is seasonally the most significant for our results. In 2019, the 4th quarter accounted for 35% of Gross Revenue, 33% of Adjusted EBITDA and around 40% of Net Income (adjusted for non-recurring effects) in the year. In 2020, due to the effects of the pandemic on previous quarter, this share should be higher in all indicators, which brings additional operational challenges. All our efforts are focused on Black Friday and Christmas, two dates that depend highly on customer traffic at stores, to ensure optimum operations and an adequate inventory composition.

- **Raw material costs –** The Company remains focused on initiatives to offset, even if partially, the effect of the sharp increase in gold and silver prices since the start of 2020. Hence, as already announced in the 3Q20 results, the Company maintains its strategy of gradually passing through the price increase and developing products that combine commercial appeal and profitability.

- **Expansion plan:** After revising the 2020 expansion plan in view of uncertainties brought on by the pandemic, the Company is resuming plans to accelerate growth in 2021 and is planning to open about **40 to 50, of Vivara and Life stores**. 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) Unaudited managerial result in October.

INCOME STATEMENT

Financial Statements (R$,000)	3Q20	3Q19*	Δ %	9M20	9M19*	Δ %
Sales Gross Revenue	**375,910**	**374,468**	**0.4%**	**893,313**	**1,183,099**	**-24.5%**
Service Gross Revenue	**868**	**1,794**	**-51.6%**	**2,706**	**5,065**	**-46.6%**
Gross Revenue Deductions	(65,430)	(68,354)	-4.3%	(155,078)	(204,219)	-24.1%
Exchange and Return	(68,722)	(67,575)	1.7%	(154,431)	(219,862)	-29.8%
Net Revenue	**242,626**	**240,334**	**1.0%**	**586,510**	**764,082**	**-23.2%**
(-) Cost of Sold Goods	(72,730)	(77,271)	-5.9%	(185,466)	(261,202)	-29.0%
(-) Depreciation and Amortization	(609)	-	na	(1,763)	-	na
(=) Gross Profit	**169,287**	**163,063**	**3.8%**	**399,281**	**502,880**	**-20.6%**
(-) Operating Expenses	**(121,352)**	**(110,727)**	**9.6%**	**(325,153)**	**(248,825)**	**30.7%**
Sales	**(78,956)**	**(79,293)**	**-0.4%**	**(209,687)**	**(243,755)**	**-14.0%**
Personal	(35,478)	(41,353)	-14.2%	(98,890)	(119,141)	-17.0%
Rentals and common area maintenance fees	(9,940)	(11,526)	-13.8%	(26,435)	(35,339)	-25.2%
Lease discounts	4,207	-	na	13,483	-	na
Freight	(6,104)	(5,639)	8.2%	(18,247)	(14,753)	23.7%
Commission on credit cards	(4,470)	(5,153)	-13.3%	(11,347)	(17,082)	-33.6%
Outsourced services	(2,261)	(3,606)	-37.3%	(7,263)	(7,901)	-8.1%
Marketing/selling expenses	(11,561)	(6,781)	70.5%	(37,081)	(31,454)	17.9%
Other selling expenses	(13,349)	(5,235)	155.0%	(23,908)	(18,085)	32.2%
General and Administratives	**(24,736)**	**(21,127)**	**17.1%**	**(84,578)**	**(80,772)**	**4.7%**
Personal	(10,817)	(8,341)	29.7%	(38,768)	(36,441)	6.4%
Rentals and common area maintenance fees	(47)	(301)	-84.4%	(504)	(609)	-17.3%
Outsourced services	(10,368)	(9,298)	11.5%	(31,191)	(24,000)	30.0%
Other General and Administratives expenses	(3,503)	(3,187)	9.9%	(14,115)	(19,723)	-28.4%
Depreciation and Amortization	(15,040)	(10,982)	36.9%	(41,630)	(32,495)	28.1%
Share of profit (loss) of subsidiaries	-	(68)	-100.0%	-	(247)	-100.0%
Other Operating Expenses (Revenues)	(2,621)	743	-453.0%	10,742	108,444	-90.1%
(=) Profit (Losses) Before Financial Results	**47,934**	**52,335**	**-8.4%**	**74,128**	**254,055**	**-70.8%**
(=) Financial Result	**(12,390)**	**(13,034)**	**-4.9%**	**(32,621)**	**3,956**	**-924.6%**
Financial Income (Expenses), net	5,684	6,210	-8.5%	19,118	60,029	-68.2%
Finance costs, net	(18,075)	(19,244)	-6.1%	(51,739)	(56,073)	-7.7%
(=) Operating Income	**35,544**	**39,301**	**-9.6%**	**41,506**	**258,011**	**-83.9%**
Income and Social Contribution Taxes	603	269	124.1%	11,984	(32,409)	-137.0%
(=) Net Income	**36,147**	**39,570**	**-8.7%**	**53,490**	**225,603**	**-76.3%**

*Vivara Participações S.A. was founded on May 23, 2019, and hence information related to 9M19 refers to the **combined** information of the subsidiaries Tellerina and Conipa.

VIVARA

BALANCE SHEET

Balance Sheet (R$, 000)	9M20	2019
CURRENT ASSETS		
Cash and cash equivalents	519,414	435,844
Securities	65,815	-
Trade receivables	226,696	425,833
Due from related parties	-	-
Inventories	367,381	348,034
Recoverable taxes	93,961	95,247
Prepaid expenses and other receivables	3,106	7,669
Derivatives	21,412	6,796
Total current assets	**1,297,785**	**1,319,425**
NONCURRENT ASSETS		
Securities	27,016	-
Escrow deposits	13,542	13,680
Deferred income tax and social contribution	92,139	54,200
Derivatives	-	2,715
Recoverable taxes	132,062	168,344
Investments	-	-
Property, plant and equipment	334,211	311,620
Intangible assets	13,904	9,546
Total noncurrent assets	**612,873**	**560,104**
TOTAL ASSETS	**1,910,659**	**1,879,529**
CIRCULANTE		
Trade payables	9,039	36,421
Borrowings and financing	275,019	190,934
Due to related parties	22	88
Payroll and related taxes	42,977	65,175
Taxes payable	42,099	86,778
Taxes in installments	353	457
Leases payable	21,226	14,856
Leasing liabilities	28,806	24,119
Interest on capital	35,563	8,124
Other payables	22,338	31,862
Total current liabilities	**477,442**	**458,813**
NONCURRENT LIABILITIES		
Labor and social security obligations	6,954	9,193
Borrowings and financing	55,000	79,420
Taxes in installments	1,622	1,865
Provision for civil, labor and tax risks	17,195	15,234
Leasing liabilities	236,672	225,281
Total noncurrent liabilities	**317,442**	**330,992**
EQUITY		
Capital	1,052,340	1,052,340
Legal reserve	9,945	37,384
Earnings reserves	53,490	-
Retained earnings (accumulated losses)	-	-
Total equity	**1,115,775**	**1,089,724**
TOTAL LIABILITIES AND EQUITY	**1,910,659**	**1,879,529**

VIVARA

CASH FLOW

Cash Flow (R$,000)	3Q20	3Q19	Δ %	9M20	9M19*	Δ %
Net Income	**36,147**	**39,570**	**-8.7%**	**53,490**	**225,607**	**-76.3%**
Adjust of Net Income	22,698	20,607	10.1%	54,572	(62,998)	186.6%
Adjusted profit for the year	**58,844**	**60,177**	**-2.2%**	**108,062**	**162,609**	**-33.5%**
Increase (decrease) in operating assets and liabilities:						
Trade receivables	(14,289)	38,733	-136.9%	199,515	28,477	600.6%
Inventories	(7,341)	1,172	-726.4%	(18,694)	(16,598)	-12.6%
Trade payables	(9,565)	(8,762)	-9.2%	(27,382)	(16,041)	-70.7%
Recoverable taxes	11,985	(108)	11238.5%	29,081	(11,413)	354.8%
Taxes payable	8,125	(16,504)	149.2%	(48,637)	(30,294)	-60.5%
Other assets and liabilities	2,093	1,049	99.5%	(23,976)	(7,669)	-212.6%
Cash provided by operating activities	**49,852**	**75,759**	**-34.2%**	**217,970**	**109,070**	**99.8%**
Income tax and social contribution paid	(5,636)	(11,086)	49.2%	(9,127)	(26,195)	65.2%
Paid interest on borrowing and financing	(2,147)	(7,581)	71.7%	(7,510)	(14,425)	47.9%
Interest paid on leasing liabilities	(7,483)	-	na	(16,548)	-	na
Net cash provided by operating activities	**34,587**	**57,091**	**-39.4%**	**184,785**	**68,450**	**170.0%**
Property, plant and equipment	(8,219)	(11,933)	31.1%	(33,716)	(20,622)	-63.5%
Intangible assets	(3,158)	(2,737)	-15.4%	(4,027)	(4,767)	15.5%
Others	(92,831)	2,430	na	(92,831)	1,645	na
Cash Flow from Investments	**(104,208)**	**(12,239)**	**-751.4%**	**(130,573)**	**(23,744)**	**-449.9%**
Interest on capital / Dividends paid	-	- -		-	(67,418)	100.0%
Borrowings and financings	6,656	(14,551)	145.7%	16,285	57,542	-71.7%
Righ-of-use leases	(2,299)	(9,743)	76.4%	(8,539)	(29,586)	71.1%
Others	-	1,282	na	21,612	2,605	729.5%
Cash flow from financing activities	**4,356**	**(23,011)**	**118.9%**	**29,359**	**(36,857)**	**179.7%**
INCREASE (DECREASE) IN CASH AND CASH EQUIV.	**(65,264)**	**21,841**	**-398.8%**	**83,570**	**7,848**	**964.8%**
Opening balance of cash and cash equivalents	584,679	66,726	776.2%	435,844	84,781	414.1%
Closing balance of cash and cash equivalents	519,414	87,704	492.2%	519,414	87,704	492.2%

*Vivara Participações S.A. was founded on May 23, 2019, and hence information related to 9M19 refers to the **combined** information of the subsidiaries Tellerina and Conipa.

VIVARA

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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