(Convenience Translation into English from
the Original Previously Issued in Portuguese)

Vivara Participações S.A.

Report on Review of Interim Financial
Information for the Three- and Six-month
Periods Ended June 30, 2020

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Board of Directors and Management of
Vivara Participações S.A.

Introduction

We have reviewed the individual and consolidated interim financial information of Vivara Participações S.A. ("Company"), included in the Interim Financial Information Form - ITR for the quarter ended June 30, 2020, which comprises the balance sheet as at June 30, 2020, and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the three- and six-month periods then ended, including the explanatory notes.

Management is responsible for the preparation of this interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 applicable to the preparation of ITR and presented in accordance with the standards issued by the CVM.

Emphasis of matter

Potential effects from COVID-19

Due to COVID-19 being declared a pandemic, we draw attention to note 1 to the interim financial information, where the Company describes the effects of COVID-19 on its operations and the measures adopted so far. Our conclusion is not qualified in respect of this matter.

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Other matter

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added (DVA) for the six-month period ended June 30, 2020, prepared under the responsibility of the Company's Management and presented as supplemental information for international standard IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the ITR to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are consistent with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these DVA were not prepared, in all material respects, in accordance with technical pronouncement CPC 09 and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

The accompanying interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, August 24, 2020

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Marcelo de Figueiredo Seixas
Engagement Partner

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Company Information / Capital - Breakdown

Number of Shares	06/30/2020
(Units)	
Paid-in Capital	
Common	236,197,769
Preferred	0
Total	236,197,769
Held in Treasury	0
Common	0
Preferred	0
Total	0

Company Information / Cash proceeds

Event	Approval	Proceeds	Beginning of payment	Share type	Share class	Earnings per share (R$ per share)
Board of directors meeting	12/20/2019	Interest on Equity	12/15/2020	Common		0.16349

Parent FS / Balance Sheet Assets

(Reais)

Account Code	Account Description	Current quarter 06/30/2020	Prior Period 12/31/2019
1	Total Assets	1,115,497,421	1,106,027,024
1.01	Current Assets	63,025,909	72,558,291
1.01.01	Cash and Cash Equivalents	1,822,634	8,239,015
1.01.01.01	Cash and cash equivalents	1,822,634	8,239,015
1.01.03	Trade Receivables	60,775,000	60,775,000
1.01.03.02	Trade Receivables	60,775,000	60,775,000
1.01.03.02.01	Interest on own capital receivable	60,775,000	60,775,000
1.01.06	Recoverable Taxes	249,913	3,154,651
1.01.06.01	Current Recoverable Taxes	249,913	3,154,651
1.01.06.01.01	Recoverable taxes	249,913	3,154,651
1.01.07	Prepaid Expenses	178,362	389,625
1.01.07.01	Prepaid Expenses and other receivables	178,362	389,625
1.02	Noncurrent Assets	1,052,471,512	1,033,468,733
1.02.01	Long-term receivables	0	0
1.02.01.10	Other Noncurrent Assets	0	0
1.02.01.10.05	Recoverable taxes	0	0
1.02.02	Investments	1,052,471,512	1,033,468,733
1.02.02.01	Equity Interests	1,052,471,512	1,033,468,733
1.02.02.01.02	Equity Interests in Controlled	1,052,471,512	1,033,468,733

Parent FS / Balance Sheet - Liabilities

(Reais)

Account Code	Account Description	Current quarter 06/30/2020	Prior Period 12/31/2019
2	Total Liabilities	1,115,497,421	1,106,027,024
2.01	Current Liabilities	35,868,800	16,302,688
2.01.01	Payroll and Related Taxes	193,234	309,152
2.01.01.01	Social Security Obligations	30,014	87,781
2.01.01.01.01	INSS and FGTS	30,014	87,781
2.01.01.02	Payroll Obligations	163,220	221,371
2.01.01.02.02	Payroll obligations	163,220	221,371
2.01.03	Taxes Payable	1,740	7,601,288
2.01.03.01	Federal Taxes Payable	1,740	7,601,288
2.01.03.01.01	Income Tax and Social Contribution Payable	0	2,731,180
2.01.03.01.02	PIS and COFINS payable	216	1
2.01.03.01.04	Other federal taxes payable	1,524	4,870,107
2.01.05	Other Payables	35,673,826	8,392,248
2.01.05.02	Other	35,673,826	8,392,248
2.01.05.02.01	Current Liabilities – due to Related Parties	35,563,006	8,124,006
2.01.05.02.08	Other Payables	110,820	268,242
2.03	Equity	1,079,628,621	1,089,724,336
2.03.01	Paid-in Capital	1,052,340,082	1,052,340,082
2.03.01.01	Share capital	1,105,381,209	1,105,381,209
2.03.01.02	(-) Share issue cost	-53,041,127	-53,041,127
2.03.04	Earnings Reserves	9,945,254	37.384.253
2.03.04.01	Legal Reserve	2,644,369	2,644,369
2.03.04.02	Statutory Reserve	7,300,885	7,300,885
2.03.04.10	Profit Reserve	0	27,439,000
2.03.05	Retained earnings/accumulated deficit	17,343,285	0

Parent FS / Statement of Profit and Loss

(Reais)

Account Code	Account Description	Current quarter 04/01/2020 to 06/30/2020	Current period 01/01/2020 To 06/30/2020	Prior quarter 04/01/2019 to 06/30/2019	Prior period 01/01/2019 to 06/30/2019
3.04	Operating Expenses/Income	-1,675,046	17,311,987	125,753,089	125,753,089
3.04.02	General and Administrative Expenses	-1,086,441	-2,191,306	0	0
3.04.02.01	General and Administrative Expenses	-1,086,441	-2,191,306	0	0
3.04.04	Other Operating Income	500,514	500,514	0	0
3.04.04.01	Other operating income	500,514	500,514	0	0
3.04.06	Share of Profit (Loss) of Investees	-1,089,119	19,002,779	125,753,089	125,753,089
3.04.06.01	Share of profit (loss) of investees	-1,089,119	19,002,779	0	0
3.05	Profit Before Finance Income (Costs) and Taxes	-1,675,045	17,311,987	125,753,089	125,753,089
3.06	Finance Income (costs)	7,250	30,795	0	0
3.06.01	Finance Income	15,478	81,118	0	0
3.06.01.01	Finance income	15,478	81,118	0	0
3.06.02	Finance Costs	-8,228	-50,323	0	0
3.06.02.01	Finance costs	-8,228	-50,323	0	0
3.07	Profit Before Income Taxes	-1,667,796	17,342,782	125,753,089	125,753,089
3.08	Income Taxes	0	503	0	0
3.08.01	Current	0	503	0	0
3.09	Profit from Discontinued Operation	-1,667,796	17,343,285	125,753,089	125,753,089
3.11	Profit/Loss for the Period	-1,667,796	17,343,285	125,753,089	125,753,089
3.99	Earnings per Share - R$				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	-0,00706	0,07343	257.332.929,0000	257.332.929,0000
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	-0,00706	0,07343	257.332.929,0000	257.332.929,0000

Parent FS / Statement of Comprehensive Income

(Reais)

Account Code	Account Description	Current quarter 04/01/2020 to 06/30/2020	Current period 01/01/2020 to 06/30/2020	Prior quarter 04/01/2019 to 06/30/2019	Prior period 01/01/2019 to 06/30/2019
4.01	Profit for the Period	-1,667,796	17,343,285	125,753,089	125,753,089
4.02	Other Comprehensive Income	0	0	-4,764,579	-4,764,579
4.03	Total Comprehensive Income for the Period	-1,667,796	17,343,285	120,988,510	120,988,510

Parent FS / Statement of Cash Flows - Indirect Method

(Reais)

Account Code	Account Description	Current quarter 01/01/2020 to 06/30/2020	Prior quarter 01/01/2019 to 06/30/2019
6.01	Net Cash from Operating Activities	-6,416,381	0
6.01.01	Cash Generated by Operations	-1,716,022	0
6.01.01.01	Profit (loss) for the year	17,343,285	125,753,089
6.01.01.05	Current and deferred income tax and social contribution	-503	0
6.01.01.08	Share of profit (loss) of investees	-19,002,779	-125,753,089
6.01.01.12	Inflation adjustment on judicial deposits and recoverable taxes	-56,025	0
6.01.02	Changes in Assets and Liabilities	-4,700,359	0
6.01.02.04	Recoverable taxes	-4,037	0
6.01.02.06	Other credits	211,261	0
6.01.02.08	Payroll and Social Security Obligations	-115,917	0
6.01.02.09	Taxes payable	-4,634,245	0
6.01.02.13	Other payables	-157,421	0
6.03	Net Cash from Financing Activities	0	503
6.03.01	Capital increase	0	503
6.03.02	Dividends received	0	2,942,328
6.03.03	Dividends paid	0	-2,942,328
6.05	Increase (Decrease) in Cash and Cash Equivalents	-6,416,381	503
6.05.01	Opening Balance of Cash and Cash Equivalents	8,239,015	0
6.05.02	Closing Balance of Cash and Cash Equivalents	1,822,634	503

Version: 1

Parent FS / Statement of Changes in Equity / 01/01/2020 - 06/30/2020

(Reais)

Account Code	Account Description	Paid-in capital	Capital Reserves, Granted Options and Treasury Shares	Earnings Reserves	Retained earnings (accumulated losses)	Other Comprehensive Income	Equity
5.01	**Opening balances**	**1,052,340,082**	**0**	**37,384,254**	**0**	**0**	**1,089,724,335**
5.03	Adjusted opening balances	**1,052,340,082**	**0**	**37,384,254**	**0**	**0**	**1,089,724,335**
5.04	Capital Transactions with partners	**0**	**0**	**-27,439,000**	**0**	**0**	**-27,439,000**
5.04.07	Interest on own capital	**0**	**0**	**-27,439,000**	**0**	**0**	**-27,439,000**
5.05	**Total Comprehensive Income**	**0**	**0**	**0**	17,343,285	**0**	17,343,285
5.05.01	Profit for the Period	0	0	0	17,343,285	0	17,343,285
5.07	**Closing Balances**	**1,052,340,082**	**0**	**9,945,253**	17,343,285	**0**	1,079,628,620

Version: 1

Parent FS / Statement of Changes in Equity / 01/01/2019 - 06/30/2019

(Reais)

Account Code	Account Description	Paid-in capital	Capital Reserves, Granted Options and Treasury Shares	Earnings Reserves	Retained earnings (accumulated losses)	Other Comprehensive Income	Equity
5.01	Opening balances	500	0	0	0	0	500
5.03	Adjusted opening balances	500	0	0	0	0	500
5.04	Capital Transactions with partners	651,908,821	0	0	-2,942,328	0	648,966,493
5.04.01	Capital increases	651,908,821	0	0	0	0	651,908,821
5.04.06	Dividends	0	0	0	-2,942,328	0	-2,942,328
5.05	Total Comprehensive Income	0	0	0	-79,330,875	-4,764,579	-84,095,454
5.05.01	Profit for the Period	0	0	0	125,753,089	0	125,753,089
5.05.02	Other Comprehensive Income	0	0	0	0	-4,764,579	-4,764,579
5.05.03	Reclassification to the result	0	0	0	-205,083,964	0	-205,083,964
5.06	Internal Changes in Equity	0	0	8,334,808	-8,334,808	0	0
5.06.01	Constitution of reserve	0	0	8,334,808	-8,334,808	0	0
5.07	Closing Balances	651,909,321	0	8,334,808	-90,608,011	-4,764,579	564,871,539

Parent FS / Statement of Value Added

(Reais)

Account Code	Account Description	Current quarter 01/01/2020 to 06/30/2020	Prior quarter 01/01/2019 to 06/30/2019
7.01	Revenues	551,531	0
7.01.02	Other Income	551,531	0
7.01.02.01	Other Income	551,531	0
7.02	Inputs Purchased from Third Parties	-1,070,223	0
7.02.02	Materials, Electric Power, Outside Services and Others	-1,070,223	0
7.03	Gross Value Added	-518,692	0
7.05	Wealth Created by the Company	-518,692	0
7.06	Wealth Received in Transfer	19,093,896	125,753,089
7.06.02	Finance Income	81,117	0
7.06.03	Others	19,002,779	125,753,089
7.06.03.01	Share of profit of subsidiaries and associates	19,002,779	125,753,089
7.07	Wealth for Distribution	18,565,204	125,753,089
7.08	Wealth Distributed	18,565,204	125,753,089
7.08.01	Personnel	863,147	0
7.08.01.01	Salaries and Wags	863,147	0
7.08.02	Taxes, Fees and Contributions	357,876	0
7.08.02.01	Federal	357,876	0
7.08.03	Lenders and Lessors	896	0
7.08.03.01	Interest	896	0
7.08.04	Shareholders	17,343,285	125,753,089
7.08.04.01	Interest on own capital	0	2,942,328
7.08.04.03	Retained Earnings / Loss for the Period	17,343,285	122,810,761

Consolidated FS / Balance Sheet - Assets

(Reais)

Account Code	Account Description	Current quarter 06/30/2020	Prior quarter 12/31/2019
1	Total Assets	1,853,538,751	1,879,528,915
1.01	Current Assets	1,242,232,609	1,319,174,913
1.01.01	Cash and Cash Equivalents	584,678,892	435,844,350
1.01.01.01	Cash and Cash Equivalents	584,678,892	435,844,350
1.01.03	Trade Receivables	212,012,116	425,833,395
1.01.03.01	Trade receivables	212,012,116	425,833,395
1.01.03.01.01	Trade receivables	212,012,116	425,833,395
1.01.04	Inventories	360,530,640	348,034,168
1.01.04.01	Inventories	360,530,640	348,034,168
1.01.06	Recoverable Taxes	61,405,716	95,247,370
1.01.06.01	Current Recoverable Taxes	61,405,716	95,247,370
1.01.06.01.01	Recoverable taxes	61,405,716	95,247,370
1.01.07	Prepaid Expenses	5,329,476	7,419,394
1.01.07.01	Prepaid expenses and other receivables	5,329,476	7,419,394
1.01.08	Other Current Assets	18,275,769	6,796,236
1.01.08.03	Others	18,275,769	6,796,236
1.01.08.03.01	Derivative financial assets	18,275,769	6,796,236
1.02	Noncurrent Assets	611,306,142	560,354,002
1.02.01	Long-Term Assets	277,476,055	239,188,482
1.02.01.07	Deferred Taxes	87,700,783	54,199,953
1.02.01.07.01	Deferred Income Tax and Social Contribution	87,700,783	54,199,953
1.02.01.10	Other Noncurrent Assets	189,775,272	184,988,529
1.02.01.10.03	Escrow deposits	13,950,272	13,679,969
1.02.01.10.04	Derivative financial assets	0	2,714,703
1.02.01.10.05	Recoverable taxes	175,825,000	168,343,857
1.02.01.10.06	Prepaid expenses and other receivables	0	250,000
1.02.03	Property, plant and equipment	324,796,422	311.422.998
1.02.03.01	Property, Plant and Equipment in Use	324,796,422	311,422,998
1.02.03.01.01	Property, plant and equipment	324,796,422	311,422,998
1.02.04	Intangible Assets	9,033,665	9,742,522
1.02.04.01	Intangible assets	9,033,665	9,742,522
1.02.04.01.02	Intangible assets	9,033,665	9,742,522

Consolidated FS / Balance Sheet Liabilities

(Reais)

Code Account	Account Description	Current quarter 06/30/2020	Prior quarter 12/31/2019
2	Total Liabilities	1,853,538,751	1,879,528,15
2.01	Current Liabilities	506,825,046	458,812,991
2.01.01	Payroll and Related Taxes	47,502,742	65,174,613
2.01.01.01	Social Security Obligations	8,161,537	9,700,159
2.01.01.01.01	INSS / FGTS	8,161,537	9,700,159
2.01.01.02	Payroll Obligations	39,341,205	55,474,454
2.01.01.02.01	Vacation Provision and 13th Salary	17,111,949	16,638,045
2.01.01.02.02	Payroll Obligations	22,229,256	38,836,409
2.01.02	Trade payables	18,603,769	36,421,391
2.01.02.01	Domestic Suppliers	9,110,138	21,460,031
2.01.02.01.01	Domestic	9,110,138	21,460,031
2.01.02.02	Foreign Suppliers	9,493,631	14,961,360
2.01.02.02.01	Foreign	9,493,631	14,961,360
2.01.03	Taxes Payable	35,774,266	86,777,748
2.01.03.01	Federal Taxes Payable	28,455,337	52,150,238
2.01.03.01.01	Income Tax and Social Contribution Payable	3,245,332	662,668
2.01.03.01.02	PIS and COFINS payable	4,342,556	15,918,967
2.01.03.01.03	IPI payable	20,030,606	19,930,349
2.01.03.01.04	Other federal taxes payable	836,843	15,638,254
2.01.03.02	State Taxes Payable	7,030,875	34,530,473
2.01.03.02.01	State VAT (ICMS)	6,217,102	33,697,498
2.01.03.02.03	Other state taxes payable	813,773	832,975
2.01.03.03	Municipal Taxes Payable	288,054	97,037
2.01.03.03.01	Service tax (ISS)	288,054	97,037
2.01.04	Borrowings and Financing	302,999,870	190,934,035
2.01.04.01	Borrowings and Financing	302,999,870	190,934,035
2.01.04.01.01	In Local Currency	150,541,293	90,522,565
2.01.04.01.02	In Foreign Currency	152,458,577	100,411,470
2.01.05	Other Payables	101,944,399	79,505,204
2.01.05.01	Current Liabilities – due to Related Parties	70,295	87,910
2.01.05.01.01	Payables to Associates	70,295	87,910
2.01.05.02	Others	101,874,104	79,417,294
2.01.05.02.01	Dividends and Interest on own capital receivable	35,563,006	8,124,006
2.01.05.02.04	Leases payable	13,758,368	14,855,732
2.01.05.02.05	Right-of-use payable	26,919,001	24,118,716
2.01.05.02.07	Taxes in installments	457,939	457,071
2.01.05.02.08	Other payables	25,175,790	31,861,769
2.02	Noncurrent Liabilities	267,085,084	330,991,588
2.02.01	Borrowings and Financing	17,500,000	79,419,832
2.02.01.01	Borrowings and Financing	17,500,000	79,419,832
2.02.01.01.01	In Local Currency	17,500,000	65,166,667
2.02.01.01.02	In Foreign Currency	0	14,253,165
2.02.02	Other payables	234,285,375	236,337,959

Consolidated FS / Balance Sheet Liabilities
(Reais)

Code Account	Account Description	Current quarter 01/01/2020 to 06/30/2020	Prior quarter 01/01/2019 to 12/31/2019
2.02.02.02	Others	234,285,375	236,337,959
2.02.02.02.04	Right-of-use payable	225,657,297	225,280,788
2.02.02.02.07	Taxes in installments	1,674,452	1,864,545
2.02.02.02.09	Payroll Obligations	6,953,626	9,192,626
2.02.04	Provisions	15,299,709	15,233,797
2.02.04.01	Provision for Tax, Social Security, Labor and Civil	15,299,709	15,233,797
2.02.04.01.01	Tax Provisions	8,506,043	9,652,749
2.02.04.01.02	Provision for Social Security and Labor Obligations	4,619,255	3,926,207
2.02.04.01.04	Civil Provisions	2,174,411	1,654,841
2.03	Consolidated Equity	1,079,628,621	1,089,724,336
2.03.01	Paid-in Capital	1,052,340,082	1,052,340,082
2.03.01.01	Share capital	1,105,381,209	1,105,381,209
2.03.01.02	(-) Share issue cost	-53,041,127	-53,041,127
2.03.04	Earnings Reserves	9,945,254	37,384,254
2.03.04.01	Legal Reserve	2,644,369	2,644,369
2.03.04.02	Statutory Reserve	7,300,885	7,300,885
2.03.04.10	Profit Reserve	0	27,439,000
2.03.05	Retained earnings/accumulated deficit	17,343,285	0

Consolidated FS / Statement of Profit and Loss

(Reais)

Account Code	Account Description	Current quarter 04/01/2020 to 06/30/2020	Current period 01/01/2020 to 06/30/2020	Prior quarter 04/01/2019 to 06/30/2019	Prior period 01/01/2019 to 06/30/2019
3.01	Revenue from Sale of Goods and/or Services	137,652,807	343,884,163	102,055,253	102,055,253
3.01.01	Net Revenue from Sales and Services	137,652,807	343,884,163	102,055,253	102,055,253
3.02	Cost of Sales and Services	-44,733,649	-113,890,047	-27,540,999	-27,540,999
3.02.01	Cost of sales and services	-44,733,649	-113,890,047	-27,540,999	-27,540,999
3.03	Gross Profit	92,919,158	229,994,116	74,514,254	74,514,254
3.04	Operating Expenses/Income	-94,691,088	-203,800,620	58,502,226	58,502,226
3.04.01	Selling Expenses	-60,119,213	-146,930,694	-32,728,463	-32,728,463
3.04.01.01	Selling expenses	-60,119,213	-146,930,694	-32,728,463	-32,728,463
3.04.02	General and Administrative Expenses	-34,152,538	-70,233,316	-13,526,069	-13,526,069
3.04.02.01	General and Administrative Expenses	-34,152,538	-70,233,316	-13,526,069	-13,526,069
3.04.04	Other Operating Income	-412,747	13,444,596	104,777,404	104,777,404
3.04.04.01	Other operating income	-412,747	13,444,596	104,777,404	104,777,404
3.04.05	Other operating expenses	-6,590	-81,206	0	0
3.04.05.01	Other operating expenses	-6,590	-81,206	0	0
3.04.06	Share of Profit (Loss) of Investees	0	0	-20,646	-20,646
3.04.06.01	Share of profit (loss) of investees	0	0	-20,646	-20,646
3.05	Profit Before Finance Income (Costs) and Taxes	-1,771,930	26,193,496	133,016,480	133,016,480
3.06	Finance Income (Costs)	-6,514,905	-20,230,842	43,771,389	43,771,389
3.06.01	Finance Income	6,305,333	13,434,010	51,748,484	51,748,484
3.06.01.01	Finance income	6,305,333	13,434,010	51,748,484	51,748,484
3.06.02	Finance Costs	-12,820,238	-33,664,852	-7,977,095	-7,977,095
3.06.02.01	Finance Costs	-12,820,238	-33,664,852	-7,977,095	-7,977,095
3.07	Profit Before Income Taxes	-8,286,835	5,962,654	176,787,869	176,787,869
3.08	Income Tax and Social Contribution	6,619,039	11,380,631	-51,034,780	-51,034,780
3.08.01	Current	-8,270,201	-9,249,780	-34,546,866	-34,546,866
3.08.02	Deferred	14,889,240	20,630,411	-16,487,914	-16,487,914
3.09	Profit from Discontinued Operation	-1,667,796	17,343,285	125,753,089	125,753,089
3.11	Consolidated Profit/Loss for the Period	-1,667,796	17,343,285	125,753,089	125,753,089
3.11.01	Attributable to Owners of the Parent	-1,667,796	17,343,285	125,753,089	125,753,089
3.99	Earnings per Share - R$				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	-0,00706	0,07343	257.332.929,00000	257.332.929,00000
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	-0,00706	0,07343	257.332.929,00000	257.332.929,00000

Consolidated FS / Statement of Comprehensive Income

(Reais)

Account Code	Account Description	Current quarter 04/01/2020 to 06/30/2020	Current period 01/01/2020 to 06/30/2020	Prior quarter 04/01/2019 to 06/30/2019	Prior period 01/01/2019 to 06/30/2019
4.01	Profit for the Period	-1,667,796	17,343,285	125,753,089	125,753,089
4.02	Other Comprehensive Income	0	0	-4,764,579	-4,764,579
4.03	Total Comprehensive Income for the Period	-1,667,796	17,343,285	120,988,510	120,988,510
4.03.01	Attributable to Owners of the Parent	-1,667,796	17,343,285	120,988,510	120,988,510

Consolidated FS / Statement of Cash Flows - Indirect Method

(Reais)

Account Code	Account Description	Current quarter 01/01/2020 to 06/30/2020	Prior quarter 01/01/2019 to 06/30/2019
6.01	Net Cash from Operating Activities	150,197,368	27,595,868
6.01.01	Cash Generated by Operations	49,218,054	0
6.01.01.01	Profit (loss) for the year	17,343,285	0
6.01.01.02	Depreciation and Amortization	27,743,630	0
6.01.01.03	Interest and exchange differences on borrowings and financing	15,502,445	0
6.01.01.04	Interest on lease and right-of-use rental	13,660,679	0
6.01.01.05	Current and deferred income tax and social contribution	-11,380,631	0
6.01.01.06	Allowance for inventory losses	-1,143,784	0
6.01.01.07	Provision for civil, labor and tax risks	-758,758	0
6.01.01.09	Interest on taxes in installments	24,650	0
6.01.01.10	Write-off of property, plant and equipment and intangible assets	53,573	0
6.01.01.12	Inflation adjustment on judicial deposits and recoverable taxes	-4,069,249	0
6.01.01.14	Lease discount	-9,275,302	0
6.01.02	Changes in Assets and Liabilities:	118,899,633	0
6.01.02.01	Trade receivables	213,821,278	0
6.01.02.02	Due from related parties	-17,615	0
6.01.02.03	Inventories	-11,352,688	0
6.01.02.04	Recoverable taxes	17,096,770	0
6.01.02.05	Escrow deposits	192,267	0
6.01.02.06	Other credits	2,339,918	0
6.01.02.07	Trade payables	-17,817,623	0
6.01.02.08	Payroll and related taxes	-17,671,871	0
6.01.02.09	Taxes payable	-56,761,742	0
6.01.02.10	Leases payable	-1,097,364	0
6.01.02.11	Taxes in installments	-213,873	0
6.01.02.12	Contingencies paid	-692,846	0
6.01.02.13	Other payables	-8,924,978	0
6.01.03	Others	-17,920,319	0
6.01.03.01	Income tax and social contribution paid	-3,491,519	0
6.01.03.02	Interest paid on borrowings and financing	-5,363,219	0
6.01.03.03	Interest paid on right-of-use lease	-9,065,581	0
6.02	Net Cash from Investing Activities	-26,365,059	-4,885,099
6.02.02	Purchases of property and equipment	-25,496,619	0
6.02.03	Purchases of intangible assets	-868,440	0
6.03	Net Cash from Financing Activities	25,002,233	13,118,200
6.03.04	Borrowings and financing	155,900,000	0
6.03.05	Repayment of borrowings and financing	-146,270,485	0
6.03.06	Settlement of derivatives - SWAP agreements	21,612,432	0
6.03.07	Repayment of lease and right-of-use rental	-6,239,714	0
6.05	Increase (Decrease) in Cash and Cash Equivalents	148,834,542	35,828,969
6.05.01	Opening Balance of Cash and Cash Equivalents	435,844,350	30,897,412
6.05.02	Closing Balance of Cash and Cash Equivalents	584,678,892	66,726,381

Version: 1

Consolidated FS / Statement of Changes in Equity / 01/01/2020 - 06/30/2020

(Reais)

Account Code	Account Description	Paid-in capital	Capital Reserves, Granted Options and Treasury Shares	Earnings Reserves	Retained earnings (accumulated losses)	Other Comprehensive Income	Equity	Noncontrolling interest	Consolidated equity
5.01	Opening balances	1,052,340,082	0	37,384,254	0	0	1,089,724,335	**0**	1,089,724,335
5.03	Adjusted opening balances	1,052,340,082	0	37,384,254	0	0	1,089,724,335	**0**	1,089,724,335
5.04	Capital Transactions with partners	0	0	-27,439,000	0	0	-27,439,000	**0**	-27,439,000
5.04.07	Interest on own capital	0	0	-27,439,000	0	0	-27,439,000	**0**	-27,439,000
5.05	Total Comprehensive Income	0	0	0	17,343,285	0	17,343,285	0	17,343,285
5.05.01	Profit for the Period	0	0	0	17,343,285	0	17,343,285	0	17,343,285
5.07	Closing Balances	1,052,340,082	0	9,945,253	17,343,285	0	1,079,628,620	0	1,079,628,620

Version: 1

Consolidated FS / Statement of Changes in Equity / 01/01/2019 - 06/30/2019

(Reais)

Account Code	Account Description	Paid-in capital	Capital Reserves, Granted Options and Treasury Shares	Earnings Reserves	Retained earnings (accumulated losses)	Other Comprehensive Income	Equity	Noncontrolling interest	Consolidated equity
5.01	Opening balances	500	0	0	0	0	500	0	500
5.03	Adjusted opening balances	500	0	0	0	0	500	0	500
5.04	Capital Transactions with partners	651,908,821	0	0	-2,942,328	0	648,966,493	0	648,966,493
5.04.01	Capital increases	651,908,821	0	0	0	0	651,908,821	0	651,908,821
5.04.06	Dividends	0	0	0	-2,942,328	0	-2,942,328	0	-2,942,328
5.05	Total Comprehensive Income	0	0	0	-79,330,875	-4,764,579	-84,095,454	0	-84,095,454
5.05.01	Profit for the Period	0	0	0	125,753,089	0	125,753,089	0	125,753,089
5.05.02	Other Comprehensive Income	0	0	0	0	-4,764,579	-4,764,579	0	-4,764,579
5.05.03	Reclassification to the result	0	0	0	-205,083,964	0	-205,083,964	0	-205,083,964
5.06	Internal Changes in Equity	0	0	8,334,808	-8,334,808	0	0	0	0
5.06.01	Constitution of reserve	0	0	8,334,808	-8,334,808	0	0	0	0
5.07	Closing Balances	651,909,321	0	8,334,808	-90,608,011	-4,764,579	564,871,539	0	564,871,539

Consolidated FS / Statement of Value Added

(Reais)

Account Code	Account Description	Current quarter 01/01/2020 to 06/30/2020	Prior quarter 01/01/2019 to 06/30/2019
7.01	Revenues	448,251,742	236,926,008
7.01.01	Sales of Goods and Services	433,531,914	132,883,415
7.01.02	Other Income	14,719,828	104,150,461
7.01.02.01	Other Income	14,719,828	0
7.01.04	Allowance for doubtful debts	0	-107,868
7.02	Inputs Purchased from Third Parties	-192,707,540	-86,597,869
7.02.01	Cost of Goods and Services	-103,076,741	-25,381,687
7.02.02	Materials, Electric Power, Outside Services and Others	-89,630,799	-61,216,182
7.03	Wealth Distributed	255,544,202	150,328,139
7.04	Retentions	-27,743,630	-3,701,809
7.04.01	Depreciation, Amortization and Depletion	-27,743,630	-3,701,809
7.05	Wealth Created by the Company	227,800,572	146,626,330
7.06	Wealth Received in Transfer	13,434,010	51,727,838
7.06.02	Finance Income	13,434,010	51,748,484
7.06.03	Others	0	-20,646
7.06.03.01	Share of profit of subsidiaries and associates	0	-20,646
7.07	Value Added for Distribution	241,234,582	198,354,168
7.08	Wealth Distributed	241,234,582	198,354,168
7.08.01	Personnel	86,730,771	19,273,226
7.08.01.01	Salaries and Wags	68,069,013	15,008,149
7.08.01.02	Benefits	12,645,719	2,843,756
7.08.01.03	F.G.T.S.	6,016,039	1,421,321
7.08.02	Taxes, fees and contributions	98,786,562	86,192,462
7.08.02.01	Federal	32,993,919	63,867,170
7.08.02.02	State	64,468,277	22,122,062
7.08.02.03	Municipal	1,324,366	203,230
7.08.03	Lenders and Lessors	38,373,964	-32,864,609
7.08.03.01	Interest	33,049,824	7,977,095
7.08.03.02	Rentals	4,927,834	5,009,244
7.08.03.03	Others	396,306	-45,850,948
7.08.03.03.01	Royalties	396,306	0
7.08.04	Shareholders	17,343,285	125,753,089
7.08.04.01	Interest on own capital	0	2,942,328
7.08.04.03	Retained Earnings / Loss for the Period	17,343,285	122,810,761

1. GENERAL INFORMATION

Vivara Participações S.A. ("Vivara Participações" or "Company"), headquartered in São Paulo, is the holding company controlling Vivara Group, established in 1962, which is engaged in the manufacturing and sale of jewelry and other articles. The consolidated interim financial information comprises the interim financial information of the Company and subsidiaries Tellerina Comércio de Presentes e Artigos para Decoração S.A. ("Tellerina") and Conipa Indústria e Comércio de Presentes, Metais e Artigos de Decoração Ltda. ("Conipa"). The Company's controlling shareholders are mentioned in note 13.

The Company was established on May 23, 2019 and, pursuant to the equity interest transfer agreement dated June 15, 2019, the equity interests held in current subsidiaries Tellerina and Conipa were transferred. All rights and obligations of any nature, including the effects and results of such equity interest transfer, are assigned to Vivara Participações beginning June 1, 2019, pursuant to the instrument of consent signed by shareholders.

Tellerina established its registered head office in the city of Manaus, State of Amazonas, and administrative center in the city of São Paulo, State of São Paulo. Through a chain of stores under the brand "VIVARA", Tellerina is primarily engaged in the import, export and retail and wholesale trade of jewelry, costume jewelry, articles made from non-precious metals and their alloys, plated jewelry, precious stones, watches, chronometric instruments, leather goods and similar goods, besides providing jewelry design and repair services in general. As at June 30, 2020, Tellerina had 214 stores and 45 kiosks (197 stores and 56 kiosks as at December 31, 2019) operating in Brazil.

Conipa has its registered head office in the city of Manaus, State of Amazonas and is primarily engaged in the manufacture of jewelry, gold smithery and watch items, selling these products in the retail and wholesale markets, besides providing jewelry and watch repair services.

Impacts related to COVID-19

The Company's Management has been monitoring the events related to the COVID-19 pandemic, paying careful attention to the instructions from the Brazilian and international authorities, and has been adopting several measures to preserve the health of its employees, suppliers and partners. On March 20, 2020, the Company has decided to close all physical stores and, on March 25, 2020, it has temporarily suspended the activities of its plant located in the City of Manaus.

In view of the current scenario of uncertainties and unpredictable recovery, the Company has adopted an extremely conservative approach for investing capital to preserve its liquidity in the short term and make sure that it will be prepared for the long-term growth cycle and, through a crisis committee, it has adopted the following measures:

a) Designing a new plan for the purchases of inputs and raw materials as the Company has sufficient inventories to continue to operate and mitigate the impacts arising from the recent increase in the price of gold.

b) Reviewing the 2020 investment plan by reducing the number of new operations to be launched during the period and postponing less urgent investments. For purposes of the long-term strategy, the Company reaffirms its commitment to expand its presence in the main shopping malls in Brazil, through the organic growth of its channels.

c) On April 14, 2020, the Company has concluded the negotiation with the trade unions and implemented the measures set forth in Provisional Act No. 936/2020, upon reduction of working hours for all employees working at the office and suspension of the employment contract for all employees working at the stores and plant.

d) Strengthening discussions and conducting negotiations with the main shopping mall owners to negotiate adjustments to the payment of rents, common area maintenance fees and promotion fund.

e) Conducting renegotiation to adjust all its service agreements to avoid cash flow mismatches.

Since the second quarter up to the reporting date, the Company's sales were materially impacted. In this period, the e-commerce channel has operated as the main sales channel used by our customers, however we noted an increasing contribution of stores in total sales throughout the months, as the main malls reopened. We closed April, May and June with 9, 26 and 186 stores in operation, respectively. All of them, with no exception, are operating with reduced business hours and severe restriction of customers' flow. Today, we count on more than 220 stores open contributing to sales in the period.

In the quarter, we gradually requested a significant portion of our salesforce to contact directly our most regular customers and such initiative has quickly produced returns increasing our daily e-commerce sales volume and ensured the stability of the Company's sales mix, even with the e-commerce as the main sales channel. We requested point of sales to carry out Delivery transactions and operate as Drive-Thru points, increasing the offering of services and convenience for our customers.

In 2019, e-commerce accounted for 7.5% of the Company's total sales and, in the second quarter of 2020, it has gained greater importance every month and reached sales growth rates of 387.0% when compared to the same period in 2019, representing 63.9% of the sales for the period.

The stores represented 92.5% of total sales in 2019 and 35.1% in the second quarter of 2020, with a decrease in sales of -83.2% compared to the same period of the prior year. Notwithstanding this decrease, with the gradual reopening of different locations and of the most significant markets to the Company, it was possible to note an important development in sales performance of this channel compared to the prior year, decreasing from -99.7% in April to -63,7% in June.

The plant was partially reopened at the end of May, exclusively for the production of Life bracelets. At the beginning of June, we also resumed the production of jewelry, in order to recompose our inventory of finished products.

The Company generated significant net financial resources in the second quarter of 2020, it has sufficient inventory to resume the operations and an appropriate level of indebtedness to finance the resumption of sales in the second half of the year.

2. BASIS OF PREPARATION OF THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

2.1. Basis of preparation and presentation of the interim financial information

The individual and consolidated interim financial information has been prepared in accordance with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and technical pronouncement CPC 21 (R1) - Interim Financial Reporting, and presented in line with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR).

The individual and consolidated interim financial information is presented in thousands of Brazilian reais (R$), which is the Company's functional currency, and has been prepared based on the historical cost of each transaction, except for certain financial instruments measured at their fair values.

All relevant information related to the interim financial information and only this information is being disclosed and corresponds to the information used by Management in managing the Company.

The individual and consolidated interim financial information must be analyzed together with the individual and consolidated financial statements for the year ended December 31, 2019, disclosed on March 23, 2020, and the main accounting policies were disclosed in note 3 to these financial statements.

The interim financial information for the quarter ended June 30, 2020 was approved for disclosure by the Board of Directors on August 24, 2020.

3. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Cash	-	-	3,619	5,693
Banks - checking account	-	8,239	16,209	39,122
Short-term investments (*)	1,823	-	564,851	391,029
Total	1,823	8,239	584,679	435,844

(*) As at June 30, 2020, short-term investments are represented by: (i) automatic investments in the amount of R$8,299 (R$6,481 as at December 31, 2019) , yielding interest equivalent to 10% of the CDI rate fluctuation; and (ii) repurchase agreements, in the amount of R$556,552 (R$384,548 as at December 31, 2019), yielding interest equivalent to 101.4% of the weighted average CDI rate (93.9% of the CDI rate as at December 31, 2019).

4. TRADE RECEIVABLES

	Consolidated	
	06/30/2020	12/31/2019
Credit card companies	208,734	418,610
Checks to be cleared	1,121	2,280
Bank slips	2,926	5,712
Subtotal	212,781	426,602
Allowance for expected credit losses	(769)	(769)
Total	212,012	425,833

The aging list of trade receivables is as follows:

	Consolidated	
	06/30/2020	12/31/2019
Past-due:		
1 to 30 days	244	1,985
31 to 60 days	20	15
61 to 90 days	203	36
91 to 120 days	17	4
121 to 150 days	14	15
151 to 180 days	8	7
Over 180 days	713	666
Current:		
1 to 30 days	62,359	123,974
31 to 60 days	43,373	77,586
61 to 90 days	34,722	67,105
91 to 120 days	25,658	44,099
121 to 150 days	15,214	34,141
151 to 180 days	10,180	22,983
Over 180 days	20,056	53,986
Total	212,781	426,602

Management measures the loss allowance in an amount equivalent to lifetime expected credit losses for trade receivables.

The variations in the allowance for expected credit losses are broken down as follows:

	Consolidated	
	06/30/2020	12/31/2019
Balance at the beginning of the period	(769)	(805)
Additions	-	(143)
Reversals	-	179
Balance at the end of the period	(769)	(769)

5. INVENTORIES

	Consolidated	
	06/30/2020	12/31/2019
Finished products	230,945	235,610
Raw materials	105,416	76,506
Consumables and packaging materials	8,660	8,169
Inventories in transit and advances to suppliers	19,747	33,130
Allowance for inventory losses	(4,237)	(5,381)
Total	360,531	348,034

The Company's subsidiaries recognize an allowance for slow-moving inventories and losses on melting gold and silver jewelry from discontinued collections or acquired from customers.

Products not sold within one year are classified as slow-moving inventories.

The jewelry melting losses are immaterial, in percentage terms, due to the technology deployed to recover the relevant raw materials (gold, silver and stones).

Variations in the allowance for inventory losses are as follows:

	Consolidated	
	06/30/2020	12/31/2019
Balance at the beginning of the period	(5,381)	(3,161)
Additions	-	(3,030)
Reversals	1,144	810
Balance at the end of the period	(4,237)	(5,381)

6. RECOVERABLE TAXES

	Parent		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Income tax (IRPJ) (a)	246	-	31,333	34,141
Social contribution (CSLL) (a)	-	-	24,674	24,146
State VAT (ICMS) (b)	-	-	62,829	49,509
Taxes on revenue (PIS and COFINS) (c)	-	-	113,794	148,221
Other	4	3,155	4,601	7,574
Total	250	3,155	237,231	263,591
Current assets	250	3,155	61,406	95,247
Noncurrent assets	-	-	175,825	168,344
Total	250	3,155	237,231	263,591

(a) Income tax (IRPJ) and social contribution (CSLL)

The IRPJ and CSLL credits were calculated by deducting the ICMS tax incentive in effect in Manaus Free Trade Zone from the related tax bases, corresponding to the period from 2014 to 2016 ad comprise credit balances in 2019 computation.

The IRPJ and CSLL credits are expected to be realized as follows:

Year	Consolidated 06/30/2020
2020	246
2021	19,206
2022	17,059
2023	19,496
Total	56,007

(b) State VAT (ICMS)

The long-term recoverable amounts refer to ICMS credits arising on accumulated credit balances from the operations of Vivara stores mostly located in the States of Pernambuco, Rio Grande do Norte and Alagoas.

In Pernambuco, which accounts for most of these credit balances, the Company required to join a Special Regime to be exempted from applying the Value-added Margins set out in Appendix 12 of Decree 44650/2017; and, should these preliminary claims not be accepted, a Special Regime would be required for the prepayment of ICMS amounts due, as follows: in the first year: fixed value-added margin of 5%; in the second year: fixed value-added margin of 10%; and, in the third year: fixed value-added margin of 20%.

The ICMS credits are expected to be realized as follows:

Year	Consolidated 06/30/2020
2020	5,472
2021	13,972
2022	18,645
2023	16,257
2024	8,483
Total	62,829

(c) Taxes on revenue (PIS and COFINS)

PIS and COFINS balances are mainly comprised of credits arising from the credit utilization request approved by the Federal Revenue Service in November 2019, and which related certificate received a final and unappealable court decision issued on January 15, 2019, with respect to the ICMS deduction from the tax base of federal contributions, credits arising in other transactions and inflation adjustment.

The PIS and COFINS credits are expected to be realized as follows:

Year	Consolidated 06/30/2020
2020	28,803
2021	39,858
2022	39,722
2023	5,411
Total	113,794

7. INVESTMENT

	Equity	Equity interest	Investment	Share of profit (loss) of subsidiaries
Tellerina	394,794	99.99%	394,794	(66,591)
Conipa	657,678	99.99%	657,678	85,594
Total - direct subsidiaries	1,052,472		1,052,472	19,003

a) Investments in subsidiaries

The Company was established on May 23, 2019 and, pursuant to the equity interest transfer agreement dated June 15, 2019, the equity interests held in subsidiaries Tellerina and Conipa were transferred. All rights and obligations of any nature, including the effects and results of such equity interest transfer, are assigned to Vivara Participações beginning June 1, 2019, pursuant to the instrument of consent signed by shareholders.

June 30, 2020

Variations in investments are broken down below:

	Parent
Balance at the beginning of the period	1,033,469
Share of profit (loss) of subsidiaries	19,003
Balance at the end of the period	1,052,472

b) Tax incentive reserve

Subsidiaries recognized tax incentive reserves:

- Operating profit, with 75% reduction in the income tax base; the benefit was granted to Tellerina in 2010 and used until August 2016, i.e., the date of the spin-off establishing Conipa, which became entitled to such benefit until December 2024.

- Investment grant and funding, related to the State VAT (ICMS) tax incentive prevailing in Manaus Free Trade Zone, as well as in the States of Rio de Janeiro, Minas Gerais, Bahia and Pará.

The variations in these reserves are broken down as follows:

	Consolidated			
	12/31/2019	Additions	Write-offs	06/30/2020
ICMS tax incentive	45,892	22,456	-	68,348
Tax incentive - operating profit	15,510	11,167	-	26,677
Total	61,402	33,623	-	95,025

8. PROPERTY, PLANT AND EQUIPMENT

	Annual average depreciation rate - %	Consolidated			
		06/30/2020			12/31/2019
		Cost	Accumulated depreciation	Residual value	Residual value
Leasehold improvements	20	86,831	(49,480)	37,351	28,733
Furniture and fixtures	10	40,847	(20,977)	19,870	18,700
Machinery, equipment and facilities	10	24,844	(11,802)	13,042	12,471
Company cars	20	1,481	(1,369)	112	100
IT equipment	20	20,099	(14,636)	5,463	4,972
Land	-	350	-	350	350
Right-of-use assets	10 to 25	288,967	(47,834)	241,133	244,474
Advances to suppliers and construction in progress (*)	-	8,488	-	8,488	1,820
Total		471,907	(146,098)	325,809	311,620

(*) Refers to the cost of construction works at new points of sale and significant renovations in existing points of sale, which are subsequently transferred to line item "Leasehold improvements" upon the launching or reopening of these points of sale.

The Company's Management did not identify the need to recognize an allowance for impairment losses on property, plant and equipment.

Variations in property, plant and equipment are as follows:

	Consolidated				
	12/31/2019	Additions	Write-offs	Transfers	06/30/2020
Cost					
Leasehold improvements	73,778	11,523	-	1,530	86,831
Furniture and fixtures	37,966	2,083	-	798	40,847
Machinery, equipment and facilities	23,329	1,280	(74)	309	24,844
Company cars	1,443	38	-	-	1,481
IT equipment	18,831	1,259	-	9	20,099
Land	350	-	-	-	350
Right-of-use asset (*)	274,996	14,521	(550)	-	288,967
Advances to suppliers and construction in progress	1,820	9,314	-	(2,646)	8,488
	432,513	40,018	(624)	-	471,907
Depreciation					
Leasehold improvements	(45,045)	(4,435)	-	-	(49,480)
Furniture and fixtures	(19,266)	(1,711)	-	-	(20,977)
Machinery, equipment and facilities	(10,858)	(948)	4	-	(11,802)
Company cars	(1,343)	(26)	-	-	(1,369)
IT equipment	(13,859)	(777)	-	-	(14,636)
Right-of-use asset	(30,522)	(17,454)	142	-	(47,834)
	(120,893)	(25,351)	146	-	(146,098)
Total	311,620	14,667	(478)	-	325,809

(*) In the period, the additions amounting to R$14,521 and referring to "Right-of-use assets" correspond to the inclusion of new contracts and remeasurement of contracts over the contractual adjustment period, without affecting cash when included in property, plant and equipment.

9. PAYROLL AND RELATED TAXES

	Parent		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Accrued vacation pay	-	-	11,683	16,638
Accrued 13th salary	-	-	5,429	-
Payroll	103	128	5,910	15,218
Bonuses (*)	-	-	21,555	26,999
Severance pay fund (FGTS)	-	-	2,162	2,300
Social security contribution (INSS)	30	88	6,000	7,400
Withholding income tax (IRRF)	60	93	1,600	5,265
Other	-	-	118	547
Total	193	309	54,457	74,367
Current liabilities			47,503	65,174
Noncurrent liabilities			6,954	9,193
Total			54,457	74,367

(*) Includes the amounts of bonuses and rewards related to the Initial Public Offering in the amount of R$12,711 (R$15,381 as at December 31, 2019) to be paid in six annual installments, with the first installment paid in June 2020.

The amounts classified in noncurrent liabilities mature as follows:

	Consolidated	
Year	06/30/2020	12/31/2019
2021	-	2,239
2022	2,239	2,239
2023	2,239	2,239
2024	1,238	1,238
2025	1,238	1,238
Total	6,954	9,193

10. TAXES PAYABLE

	Parent		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
State VAT (ICMS)	-	-	6,217	33,698
Federal VAT (IPI) (*)	-	-	20,031	19,930
Taxes on revenue (PIS and COFINS)	-	-	4,343	15,919
Income tax (IRPJ) and social contribution (CSLL)	-	2,731	3,245	155
Withholding income tax (IRRF) on interest on capital	-	4,437	-	15,162
Other	2	433	1,938	1,914
Total	2	7,601	35,774	86,778

(*) The subsidiary Tellerina has no longer been paying the Federal VAT (IPI) calculated on a monthly basis since July 2014, pursuant to an preliminary injunction handed down for such purpose, concerning the tax levy on the customs clearance of manufactured goods and on the shipment of goods from an importer's location for sale in the domestic market, thereby equating the importer with the industrial establishment, when the former would not provide any benefits in the industrial field. The relevant amount is adjusted for inflation based on the SELIC rate.

11. BORROWINGS AND FINANCING

a) Breakdown of balances

			Consolidated	
Institution and type	Rate	Maturity	06/30/2020	12/31/2019
In local currency				
Banco do Brasil - working capital	CDI + 0.95% p.a.	02/2021	44,129	44,156
Banco do Brasil - working capital	CDI + 0.95% p.a.	02/2021	50,177	-
Banco do Brasil - working capital	CDI + 0.95% p.a.	02/2021	6,021	-
Banco do Brasil - working capital	CDI + 1.9% p.a.	04/2020	-	40,204
Banco Safra - working capital	CDI + 1.75% p.a.	10/2020	38,973	39,075
Banco Safra - working capital	CDI + 2.2% p.a.	01/2023	27,527	30,051
National Bank for Economic and Social Development (BNDES)	URTJLP/UMIPCA-M184/Fixed rate from - 0.49% p.m. to 0.81% p.m.	08/2020	1,214	2,203
Total borrowings in local currency			168,041	155,689

Institution and type	Rate	Maturity	Consolidated 06/30/2020	Consolidated 12/31/2019
In foreign currency				
Banco Santander - Resolution 4131	2.92% p.a.	09/2020	33,661	24,419
Banco Itaú - Resolution 4131	Fixed rate of 1% p.a.	03/2021	55,069	-
Banco Itaú - Resolution 4131	Fixed rate of 2.754% p.a.	02/2021	63,729	-
Banco Itaú - Resolution 4131	Fixed rate of 0.54% p.a.	03/2020	-	47,325
Banco Itaú - Resolution 4131	Fixed rate of 4.675% p.a.	03/2020	-	42,921
Total borrowings and financing in foreign currency			152,459	114,665
Total borrowings and financing			320,500	270,354
Derivatives (assets) - swap contracts				
Banco Itaú - swap derivative	US$3.24% p.a.	02/2021	(4,645)	-
Banco Itaú - swap derivative	US$2.29% p.a.	03/2021	(13,079)	-
Banco Santander - NDF derivative	Future dollar US$ 5.3840	09/2020	(552)	
Banco Itaú - swap derivative	US$5.5% p.a.	03/2020	-	(8,115)
Banco Itaú - swap derivative	EUR 0.72% p.a.	03/2020	-	(1,396)
Total derivatives (assets) - swap contracts			(18,276)	(9,511)
Total borrowings and financing, net of derivative instruments			302,224	260,843
Current assets			(18,276)	(6,796)
Noncurrent assets			-	(2,715)
Current liabilities			303,000	190,934
Noncurrent liabilities			17,500	79,420
Total			302,224	260,843

b) Variations in borrowings and financing

	Consolidated 06/30/2020
Balance at the beginning of the period	260,843
Borrowings	155,900
Principal repayments	(146,270)
Swap contract settlement	21,612
Interest payment	(5,363)
Cash flows from financing activities	25,879
Interest incurred	8,562
Finance charges on swap contracts	(29,825)
Finance charges on NDF	(552)
Exchange rate changes	37,317
Noncash variations	15,502
Balance at the end of the period	302,224

The amount classified in noncurrent liabilities mature as follows:

Year	Consolidated 06/30/2020	Consolidated 12/31/2019
From 1 to 2 years	15,000	49,538
From 2 to 3 years	2,500	27,167
Total	17,500	76,705

There are no covenants for all borrowings and financing agreements entered into with financial institutions.

12. PROVISION FOR CIVIL, LABOR AND TAX RISKS AND ESCROW DEPOSITS

As at June 30, 2020, the Company was a party to civil, labor and tax lawsuits assessed as probable losses by its legal counsel, as follows:

	Consolidated			
	Civil (a)	Labor (b)	Tax (c)	Total
Provision				
Balance as at December 31, 2019	1,655	3,927	9,652	15,234
Additions	818	1,946	297	3,061
Payments	(231)	(462)	-	(693)
Reversals	(68)	(777)	(1,457)	(2,302)
Balance as at June 30, 2020	2,174	4,634	8,492	15,300
Escrow deposits				
Balance as at December 31, 2019	-	1,644	12,036	13,680
Additions	-	192	69	261
Inflation adjustments	-	55	329	384
Redemptions	-	(375)	-	(375)
Balance as at June 30, 2020	-	1,516	12,434	13,950

(a) Civil lawsuits

Refer to lawsuits involving store rental renewals, under which the Company is required to pay provisional rental amounts until a final and unappealable court decision is rendered, recognizing a provision for the difference between the provisional rental amount paid and the amount pleaded under these lawsuits. In addition, for lawsuits involving consumer relations rights, the provision is calculated based on past unfavorable outcomes from all lawsuits and the historical loss amount per type of claim.

(b) Labor lawsuits

Refer to labor lawsuits filed by former employees, mostly claiming overtime pay and related charges, salary equalization, vacation pay and pecuniary bonus, remunerated weekly rest, severance pay, 13th salary, compensation for pain and suffering, bonuses, employment relationship and overtime bank system annulment. The provision is recognized considering lawsuits assessed as probable loss and increased based on the history of loss on the group of lawsuits assessed as possible loss.

(c) Tax lawsuits

Substantially refer to lawsuits on the constitutionality of PIS and COFINS credits taken by the subsidiaries and tax assessment notices relating to State VAT (ICMS) amounts due in the States of São Paulo and Santa Catarina.

Nearly all recorded reversals correspond to the statute of limitations for Tax Authorities' challenges as to matters subject to litigation, with respect to PIS and COFINS credits taken and the tax base of income tax and social contribution.

Lawsuits assessed as possible losses

As at June 30, 2020, Management did not identify the need to recognize a provision for potential losses on ongoing lawsuits, which are assessed as possible losses by its legal counsel, as follows:

	Consolidated	
	06/30/2020	12/31/2019
Civil	603	840
Tax risks (*)	415,748	411,890
Total	416,351	412,730

(*) Mostly represented by lawsuits and tax assessment notices relating to State VAT (ICMS) amounts due in the States of São Paulo, Rio de Janeiro and Pernambuco.

13. EQUITY

a) Capital

On May 23, 2019, Vivara Participações was established and registered with the Commercial Registry of the State of São Paulo; amendments to the articles of organization were subsequently made on June 15, 2019, changing the Company's corporate type from a limited liability company to a corporation and determining the conversion of shares into registered common shares, without par value.

Under those amendments, fully subscribed and paid-in capital was consolidated, in the amount of R$651,909, fully subscribed and paid in, represented by 651,909,321 common shares, all book-entry, nominative and without par value.

On August 15, 2019, as decided at the Extraordinary General Meeting, the reverse split of the common shares representing the Company's capital was approved at the ratio of three (3) shares for each one (1) outstanding common share, which fractions were cancelled, resulting in a total of 217,303,107 common shares, all book-entry, registered and without par value.

The limit of the Company's authorized capital corresponds to 40,000,000 common shares.

The meeting of the Company's Board of Directors held on October 8, 2019 approved, within the scope of the Public Offering of Shares, the issuance price of R$24.00 per share. The price per share was determined based on the result of the Book building Procedure.

On October 10, 2019, the Public Offering of Shares was conducted and the Company's shares were traded at B3 S/A - Brasil, Bolsa e Balcão under ticker symbol VIVA3. The primary offering totaled 18,894,662 shares (R$453,472) and the secondary offering totaled 66,131,317 shares (R$1,587,152).

Share issuance costs within the scope of the Public Offering of Shares include commissions paid to banks and brokers, external auditors', advisors' and attorneys' fees, registration fees and other offering-related expenses, in the total amount of R$53,041.

As at June 30, 2020, capital is held as follows:

Vivara Participações	Common shares
Nelson Kaufman	46,734,605
Marcio Monteiro Kaufman	51,743,159
Marina Kaufman Bueno Netto	33,263,460
Paulo Kruglensky	11,087,819
Outstanding shares	93,368,726
Total	236,197,769

b) Dividend distribution policy

Dividends will be distributed in accordance with the relevant Bylaws and the Brazilian Corporate Law, which determine the following allocations:

- 5% to the legal reserve.
- Distribution of mandatory minimum dividends at a percentage rate to be set at the General Shareholders' Meeting, pursuant to the prevailing legislation (at least 25% of profit for the year, after the recognition of a legal reserve and reserve for contingencies).
- Pursuant to article 33, paragraph 4 of the Company's Bylaws, the remaining percentage of profit will be allocated to the "Bylaws earnings reserve", which is intended to strengthen the Company's working capital and the performance of its activities.

On December 20, the meeting of the Board of Directors approved the distribution of interest on capital at the ratio of R$0.163496 per share, totaling R$40,000 based on profit recognized in 2019. Payment will be made in one single installment, up to December 15, 2020, as decided at the Annual General Meeting (AGM) held on April 30, 2020, with withholding of income tax at source, pursuant to the prevailing laws.

14. RELATED PARTIES

	Parent		Consolidated	
Balances	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Assets				
Interest on capital receivable:				
Tellerina	35,275	35,275	-	-
Conipa	25,500	25,500	-	-
Total	60,775	60,775	-	-
Current	60,775	60,775	-	-
Total	60,775	60,775	-	-

	Parent		Consolidated	
Balances	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Liabilities				
Rent payable:				
Etna Comércio de Móveis e Artigos para Decoração S.A.	-	-	70	88
Total	-	-	70	88
Current	-	-	70	88
Total	-	-	70	88

As at June 30, 2020, the following amounts were paid and accrued to the Company's Management:

	Consolidated 06/30/2020		
	Fixed	Variable	Total
Board of Directors	840	-	840
Statutory officers	2,011	-	2,011
Statutory officers of subsidiaries and executive officers	1,296	-	1,296
Total	4,147	-	4,147

15. INCOME TAX AND SOCIAL CONTRIBUTION

a) Reconciliation of income tax and social contribution expenses

	Parent 06/30/2020	Consolidated 06/30/2020	Parent 06/30/2019	Consolidated 06/30/2019
Profit before income tax and social contribution	17,343	5,963	125,753	176,788
Combined statutory rate	34%	34%	34%	34%
Income tax and social contribution at statutory rate	(5,897)	(2,027)	(42,756)	(60,108)
Permanent differences:				
Share of profit (loss) of subsidiaries	6,461	-	42,756	(7)
Other permanent differences	(563)	(5,394)		4,345
Tax incentive - operating profit	-	11,166	-	2,880
Tax incentive - deemed ICMS credits	-	7,635	-	1,855
Total	1	11,380	-	(51,035)
Current	1	(9,250)	-	(34,547)
Deferred	-	20,630	-	(16,498)
Total	1	11,380	-	(51,035)

b) Deferred income tax and social contribution

	Consolidated	
	06/30/2020	12/31/2019
Deferred tax assets on temporary differences:		
Allowance for doubtful debts	769	769
Allowance for inventory losses	4,237	5,381
Accrued expenses	88,298	58,509
Provision for civil, labor and tax risks	15,300	15,234
Right-of-use leases	255,998	-
Tax loss carryforwards	136,473	79,519
CSLL tax base	501,075	159,412
Provision for bonus for statutory officers	(10,363)	-
IRPJ tax base	490,712	159,412

	Consolidated	
	06/30/2020	12/31/2019
Deferred income tax asset (25%)	122,678	39,853
Deferred social contribution asset (9%)	45,097	14,347
Deferred income tax and social contribution assets	167,775	54,200
Deferred tax liability:		
Right of use-property lease	(235,512)	-
Total	(235,512)	-
Combined statutory rate	34%	34%
Deferred income tax and social contribution	(80,074)	-
Deferred income tax and social contribution assets	167,775	54,200
Deferred income tax and social contribution liabilities	(80,074)	-
Deferred income tax and social contribution	87,701	54,200

c) Expected realization of deferred income tax and social contribution assets

Deferred income tax and social contribution assets were recognized based on analyses prepared by Management as to the generation of future taxable income to allow these amounts to be fully realized over the coming years, including the expected realization of deductible temporary differences, as outlined below:

	Consolidated	
	06/30/2020	12/31/2019
Up to 1 year	20,522	24,396
From 1 to 2 years	36,221	21,693
From 2 to 3 years	30,958	8,111
Total	87,701	54,200

16. NET REVENUE FROM SALES AND SERVICES

	Consolidated 06/30/2020	Consolidated 06/30/2019
Gross sales revenue	517,403	160,925
Gross service revenue	1,838	498
Deductions from gross revenue:		
State VAT (ICMS)	(50,887)	(19,746)
Tax on revenue (COFINS)	(29,355)	(8,601)
Tax on revenue (PIS)	(6,373)	(1,867)
FTI (*)	(2,941)	(590)
Service tax (ISS)	(92)	(25)
Sales returns/exchanges	(85,709)	(28,539)
Total	343,884	102,055

The ICMS amounts are stated net of the tax incentive of same nature mentioned in note 7.b in the amount of R$22,456 (R$5,455 as at June 30, 2019).

(*) The "Fundo de Fomento ao Turismo, Infraestrutura, Serviço e Interiorização do Desenvolvimento do Estado do Amazonas (F.T.I.)" is a state tax levied on Conipa's sales of products manufactured in Manaus Free Trade Zone to other Brazilian States.

17. EXPENSES BY NATURE

Vivara Group's income statement is presented based on a classification of expenses according to their function. The information on the nature of these expenses recognized in the income statement is as follows:

a) Costs of sales and services

	Consolidated 06/30/2020	Consolidated 06/30/2019
Acquisition cost of inputs and raw materials and goods for resale	(102,929)	(25,846)
Personnel	(8,827)	(1,695)
Depreciation and amortization	(1,154)	-
Electric power, water and telephone	(262)	-
Freight	(718)	-
	(113,890)	(27,541)

b) Selling expenses

	Consolidated 06/30/2020	Consolidated 06/30/2019
Personnel	(63,412)	(17,867)
Freight	(12,143)	(1,758)
Marketing/selling expenses	(25,519)	(4,027)
Professional services	(5,002)	(951)
Rentals and common area maintenance fees	(16,495)	(4,334)
Depreciation and amortization	(16,199)	-
Commission on credit cards	(6,877)	(2,340)
Electric power, water and telephone	(2,092)	(568)
Taxes and charges	(4,048)	(557)
Other expenses by nature	(4,419)	(326)
	(156,206)	(32,728)

c) General and administrative expenses

	Parent 06/30/2020	Consolidated 06/30/2020	Consolidated 06/30/2019
Personnel	(1,035)	(27,951)	(3,350)
Professional services	(305)	(20,823)	(3,239)
Rentals and common area maintenance fees	-	(457)	(240)
Electric power, water and telephone	-	(586)	(490)
Depreciation and amortization	-	(10,390)	(3,702)
Taxes and charges	(529)	(8,987)	(1,369)
Other expenses by nature	(322)	(1,039)	(1,136)
	(2,191)	(70,233)	(13,526)

18. SEGMENT REPORTING

The Group's activities are conducted in one single operating segment, i.e., the retail industry. The Group is organized as a single business unit for commercial and managerial purposes, and its performance is evaluated on such basis. The information is consistently provided to the Group's chief decision maker, i.e., the CEO, who is in charge of allocating funds and assessing the operations.

Such view is based on the following factors:

- The plant's production is exclusively targeted at the group's retail stores, online sales and B2B sales.

- The Group's strategic decisions are focused on:
  - Seeking remarkable quality, certified inputs, as well as new technologies to be deployed in the production lines.
  - Conducting analyses on business expansion opportunities, jewelry market trends, international fashion trends and distribution channels.
- The Group's revenue is measured by category and sales channel.

The Group's products are controlled and overseen by Management as a single business segment. Those products are distributed by category and through different sales channels; however, the CEO evaluates the Group's performance as a whole, as well as the selling, managerial and administrative results, taking into account that the structure of costs and expenses is entirely shared among all product categories.

For managerial purposes, Management monitors the consolidated gross revenue by category and sales channel, as shown below:

Gross revenue, less returns	Consolidated 06/30/2020	Consolidated 06/30/2019
Jewelry	216,354	67,508
Life	130,268	39,055
Watches	70,713	22,164
Accessories	14,359	3,659
Services	1,838	498
Total	433,532	132,884
Stores	297,862	125,500
Online	130,558	6,370
Other	3,274	516
Services	1,838	498
Total	433,532	132,884

19. OTHER OPERATING INCOME (EXPENSES), NET

	Parent 06/30/2020	Consolidated 06/30/2020	Consolidated 06/30/2019
Tax credits (*)	-	12,821	103,658
Provision for civil, labor and tax risks	-	(760)	735
Write-off of property, plant and equipment items	-	(478)	-
Expected credit losses	-	-	(108)
Other income	501	1,780	492
Total	501	13,363	104,777

(*) Recognition and utilization of temporary PIS and COFINS credits on purchases of goods imported by Conipa.

20. FINANCE INCOME

	Parent 06/30/2020	Consolidated 06/30/2020	Consolidated 06/30/2019
Income from short-term investments	25	7,742	51
Inflation adjustment	56	4,069	50,784
Discounts obtained in leases	-	9,275	-
Exchange gains	-	828	-
Discounts obtained	-	13	-
Other finance income	-	782	913
Total	81	22,709	51,748

21. FINANCE COSTS

	Parent 06/30/2020	Consolidated 06/30/2020	Consolidated 06/30/2019
Interest on borrowings and financing	-	(8,562)	(926)
Exchange differences on translating borrowings and financing	-	(37,317)	-
Finance charges on derivative instruments	-	29,825	-
Charges on right-of-use leases	-	(13,661)	(2,081)
Tax on financial transactions (IOF)	-	(163)	(634)
Bank fees	(1)	(608)	(245)
Interest and fines on taxes and accessory obligations	(45)	(191)	(942)
Exchange losses	-	(2,305)	(465)
Other finance costs	(4)	(683)	(2,365)
Total	(50)	(33,665)	(7,977)

22. EARNINGS PER SHARE

The table below shows the profit attributable to shareholders and the weighted average number of outstanding shares used to calculate basic and diluted earnings. The Group does not enter into any transactions affecting the dilution of earnings.

	Parent and Consolidated 06/30/2020	Parent and Consolidated 06/30/2019
Profit for the period	17,343	125,753
Basic denominator:		
Weighted average number of outstanding shares for the period	236,197,769	257,332,929
Basic and diluted earnings per share (in R$)	0.07343	0.48868

23. RIGHT-OF-USE LEASES

The Company initially recognized its lease right-of-use assets and liabilities based on the net portion deducted by PIS and COFINS credits. After analyzing the guidance in Circular Letter CVM/SNC/SEP 02/2019, the Company carried out the accumulated adjustment as at December 31, considering in the initial measurement and subsequent remeasurements the gross lease portion, without deducting PIS and COFINS credits.

As at June 30, 2020, the Group entered into 264 agreements (258 agreements as at December 31, 2019) for the lease of their stores, kiosks, factory and administrative center with third parties. Of this total, 86 agreements (80 agreements as at December 31, 2019) were eligible to the exemption criteria for the recognition of the right of use and were classified as operating leases.

The variable rentals, determined under short-term leases or leases of low-value assets that were not recognized as rights of use for the period, are recorded in line item "Rentals and common area maintenance fees", in the total amount of R$4,928, as stated in note 17.

The Company determined its discount rates based on the BM&FBovespa benchmark rate of DIxpre, 252 business days, obtained at B3, for the first-time adoption date (risk-free interest rate in the Brazilian market), over its agreement terms, adjusted to the Company's reality (credit spread). Spreads were obtained based on surveys with the main banks with which the Company enters into loan transactions.

As at June 30, 2020, the 178 lease agreements (178 lease agreements as at December 31, 2019), classified as right-of-use leases, mature between 4 and 10 years and the weighted average discount rate in the period is 11.49% per year (11.50% per year as at December 31, 2019).

The table below shows the discount and future inflation rates adopted, compared to the contractual terms:

Agreements per term and discount rate			
Agreement term	Number of agreements	Discount rate	Future average inflation rate
4 years	1	10.09%	3.66%
5 years	10	10.67%	3.77%
6 years	38	11.05%	3.79%
7 years	16	11.36%	3.86%
8 years	30	11.55%	3.98%
9 years	49	11.72%	3.96%
10 years	34	11.88%	3.94%
Total	178		

The balances and variations in right-of-use liabilities for the period are broken down as follows:

	Consolidated 06/30/2020
Balance at the beginning of the period	249,400
Addition of new agreements	2,791
Remeasurement	11,730
Write-offs	(424)
Finance charges recognized	13,660
Lease discounts	(9,275)
Interest payment	(9,066)
Lease payments	(6,240)
Balance at the end of the period	252,576
Current liabilities	26,919
Noncurrent liabilities	225,657
Total	252,576

As prescribed by CPC 06 (R2)/IFRS 16, the Company shows in the table below the analysis of its agreement maturities, undiscounted installments, reconciled with the balance in the balance sheet as at June 30, 2020:

Agreement maturity	Consolidated 06/30/2020
Installment maturity:	
2020	22,100
2021	44,198
2022	44,198
2023	43,538
2024	42,908
2025 and thereafter	106,178
Total undiscounted installments	303,120
Embedded interest	(50,544)
Balance of right-of-use lease liability	252,576

As at June 30, 2020, the potential PIS and COFINS credit on the gross contractual flow is R$28,038 and that adjusted to present value over the weighted average term is R$23,363.

The variations in the balances of the right-of-use assets are shown in the table below:

	Consolidated 06/30/2020
Balance at the beginning of the period	274,996
Addition of new agreements	2,791
Remeasurement	11,730
Write-offs	(550)
Balance at the end of the period	288,967
Amortization expenses in the period	(17,311)

The Company, in full compliance with CPC 06 (R2)/IFRS 16, in measuring and remeasuring its lease liability and right-of-use asset, used the discounted cash flow method considering the statutory rate and without considering the effects from the projected future inflation on discounted flows.

Accordingly, in view of the current scenario for long-term interest rates in the Brazilian economic environment, in order to protect the fair presentation of the information and to comply with the guidance from CVM's technical areas, the Company calculated the amounts considering the future projected inflation, based on the average inflation between the CDI x IPCA rate obtained at the B3's website, as at June 30, 2020.

Below are the comparative balances between the amounts calculated in accordance with CPC 06 (R2)/IFRS 16 and the projected inflation scenario for the period ended June 30, 2020:

	Lease liability balance	
Analysis of the difference impact	IFRS 16	CVM Official Letter
2020	249,151	275,630
2021	226,369	247,570
2022	191,758	214,928
2023	153,519	176,952
2024	111,317	133,635
2025	73,421	93,283
2026	43,716	59,863
2027	18,536	28,976
2028	3,509	8,348

	Finance costs	
	IFRS 16	CVM Official Letter
2020	(27,411)	(28,317)
2021	(26,040)	(26,424)
2022	(23,344)	(23,961)
2023	(19,180)	(20,831)
2024	(14,625)	(16,931)
2025	(10,105)	(12,502)
2026	(6,611)	(8,715)
2027	(3,632)	(5,152)
2028	(1,324)	(2,150)
2029	(181)	(401)

	Right of use, net	
	IFRS 16	CVM Official Letter
2020	234,674	257,339
2021	204,347	227,335
2022	165,670	193,914
2023	127,494	156,868
2024	88,351	116,608
2025	56,622	79,882
2026	34,069	50,530
2027	15,341	24,317
2028	3,995	7,109
2029	-	-

	Depreciation expenses	
	IFRS 16	CVM Official Letter
2020	(35,862)	(39,285)
2021	(38,744)	(41,127)
2022	(39,060)	(43,033)
2023	(38,508)	(45,013)
2024	(37,507)	(46,439)
2025	(32,018)	(41,034)
2026	(23,177)	(32,245)
2027	(18,640)	(27,823)
2028	(11,369)	(17,792)
2029	(3,996)	(7,168)

24. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

	Parent		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Financial assets				
Amortized cost:				
Cash and cash equivalents	1,823	8,239	584,679	435,844
Trade receivables	-	-	212,012	425,833
Due from related parties	60,775	60,775	-	-
Subtotal	62,598	69,014	796,691	861,677
Fair value through profit or loss:				
Derivatives	-	-	18,276	9,511
Total financial assets	62,598	69,014	814,967	871,188
Financial liabilities				
Amortized cost:				
Trade payables	-	-	18,604	36,421
Right-of-use leases payable	-	-	228,751	249,400
Interest on capital payable	35,563	8,124	35,563	8,124
Borrowings and financing	-	-	320,500	270,354
Total financial liabilities	35,563	8,124	603,418	564,299

b) Financial risks

In the normal course of business, the Company and its subsidiaries are exposed to several financial risks: market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's risk management strategy focuses on the unpredictability of the financial markets and aims to minimize any adverse impacts on its financial performance.

c) Foreign exchange risk management

Due to the financial obligations assumed by the Company, which are denominated in U.S. dollars (US$), a foreign exchange hedging policy was implemented, establishing exposure limits associated with this risk, under which transactions involving swap derivatives are entered into.

The Company's net foreign exchange exposure is shown below:

	Consolidated			
	06/30/2020			
Type of transaction	Financial institution	Debt amount	Derivative	Net exposure
Resolution 4131	Santander	33,661	-	33,661
Resolution 4131	Banco Itaú	55,068	(55,122)	(54)
Resolution 4131	Banco Itaú	63,730	(63,843)	(113)
Total borrowings and financing		152,459	(118,965)	33,494
Foreign suppliers (*)	-	9,494	-	9,494
Total foreign exchange exposure		161,953	(118,965)	42,988
US dollar quotation - balance sheet		5.4760	5.4760	5.4760
Total exposure in US dollars		29,575	(21,725)	7,850

(*) The Company's subsidiaries import goods, raw materials and inputs for manufacturing and sale from foreign suppliers. These purchases are substantially denominated in U.S. dollars (US$) and are exposed to exchange rate changes.

i) Derivatives

The Company entered into swap transactions to minimize the foreign exchange risks arising on foreign currency-denominated borrowings and financing. These transactions consist of swapping the exchange rate changes for a percentage rate equivalent to the CDI fluctuation.

The Company entered into a loan agreement for which no swap derivatives were contracted, due to the interest rates applicable to such transaction.

As at June 30, 2020, the outstanding swap transactions are broken down as follows:

		Consolidated		
Description	Rates	Notional amount	Fair value	Cumulative effect up to 06/30/2020 marked to market
Swap contracts				
Long position:				
Exchange rate changes - US$	US$3.24% p.a.	50,478	55,122	4,645
Short position:				
CDI fluctuation	CDI + 0.9% p.a.	50,478	50,478	-
Net amount receivable				4,645
Swap contracts				
Long position:				
Exchange rate changes - US$	US$2.29% p.a.	50,764	63,843	13,079
Short position:				
CDI fluctuation	CDI + 1.0% p.a.	50,764	50,764	-
Net amount receivable				13,079
Future NDF				
Long position:				
US dollars	R$5.4760	32,304	32,856	552
Short position:				
US dollars	R$5.3840	32,304	32,304	-
Net amount receivable				552
Total net amount receivable				18,276

The asset balance totaling R$17,724 refers to the net adjustment receivable, calculated at fair value as at June 30, 2020, of derivatives outstanding on that date, which was recorded in line item "Derivatives".

d) Sensitivity analysis

Foreign exchange risk

For purposes of conducting a sensitivity analysis of financial instruments, Management believes that the equivalent liabilities recorded in the balance sheet should be considered, combining both transactions, as shown in the following table:

Total foreign exchange exposure	161,953
Notional amount of derivatives	(118,965)
Foreign exchange exposure, net	42,988

Accordingly, as a result of the considerations above, only the amount of R$42,988 is being applied for the sensitivity analysis purposes. The US dollar foreign exchange rate was R$5.4760 at the balance sheet date.

In order to measure the expected net impact on profit or loss for the next 12 months, arising on potential foreign currency fluctuations, a sensitivity analysis considering three scenarios was prepared as to the Company's exposure to the foreign exchange risks underlying its borrowings.

Under scenario I, an exchange rate of R$5.4421 was defined based on the future U.S. dollar quotation on B3, limited to 12 months. Under scenarios II and III, a 25% and 50% appreciation in the U.S. dollar was projected, respectively.

Group's risk	Scenario I	Scenario II	Scenario III
Notional amount of the net exposure (in foreign currency)	7,850	7,850	7,850
Notional amount of the net exposure (in local currency)	42,988	42,988	42,988
Projected fair value (in local currency)	42,721	53,401	64,082
Effects of exchange rate changes	(266)	10,414	21,094
U.S. dollar rate	5.4421	6.8026	8.1631

Interest rate risk

Considering that almost all foreign currency-denominated borrowings and financing are hedged by swap contracts as at June 30, 2020, exchanging the foreign-currency liability index for the CDI rate fluctuation, due to the Company's policy to hedge against foreign exchange risks, the Company is, therefore, exposed to the CDI rate fluctuation. The exposure to interest rate risks underlying the transactions pegged to the CDI rate fluctuation is as follows:

	Consolidated
Total borrowings and financing pegged to the CDI fluctuation	168,041

Although the Company's Management believes there is a low risk of significant fluctuations in the CDI rate throughout 2020, two scenarios were projected for the sensitivity analysis on the risk of CDI rate increase that would affect finance costs, stressing 25% and 50% increases in such rate, respectively.

Group's risk	Scenario I	Scenario II	Scenario III
Financing pegged to the CDI fluctuation	168,041	168,041	168,041
Projected fair value	168,041	169,975	171,909
Effects of CDI fluctuation	-	1,934	3,868
CDI rate	4.60%	5.75%	6.90%

e) Credit risk management

The proceeds from sales made to many customers are substantially derived from credit and debit cards, which minimizes the credit risk.

f) Liquidity risk management

Effectively managing liquidity risks implies maintaining funds available through committed credit facilities and the ability to settle market positions. Management monitors the continuous forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet its operating needs.

The table below shows in detail the maturity of outstanding financial liabilities:

Transaction	Up to 1 year	Up to 2 years	From 2 to 5 years	Over 5 years	Total
Trade payables	18,604	-	-	-	18,604
Borrowings and financing	303,573	10,523	7,609	-	321,704
Interest on capital payable	35,563	-	-	-	35,563
Right-of-use leases payable	22,101	44,198	130,644	106,177	303,120

g) Fair value of financial instruments

When applicable, the Company adopts CPC 40/IFRS 7 - Financial Instruments: Disclosures for financial instruments measured in the balance sheet at fair value, which requires the disclosure of fair value measurements based on the following hierarchy level:

- Level 1 inputs: are quoted prices (unadjusted) in active markets for identical assets or liabilities that the subsidiaries can access at the measurement date.
- Level 2 inputs: are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs: are unobservable inputs for the asset or liability.

As at June 30, 2020, all derivative financial instruments were grouped into Level 2.

25. SHARE-BASED PAYMENT

On September 18, 2019, the Company approved the share-based compensation plan ("Plan"), which is subject to the following terms and conditions:

a) General terms and conditions

The Plan will be managed by the Board of Directors.

To the extent prescribed by the law and the Company's bylaws, the Board of Directors will have full powers to adopt all measures necessary and appropriate to manage the Plan, including:

a. The creation and imposition of general rules related to the granting of Options, under the Plan, and the resolution of doubts related to the Plan's interpretation.

b. The election of the Beneficiaries and authorization to grant Options on their behalf, establishing all terms and conditions of the Options to be granted.

c. The approval of the Option Agreements to be entered into among the Company and each one of the Beneficiaries, subject to the Plan terms and conditions.

d. The issuance of new Shares within the limit of the authorized capital or authorization to sell Shares held in treasury to fulfill the exercise of the Options granted, pursuant to the Plan and ICVM 567.

In fulfilling its duties, the Board of Directors will be subject only to the limits prescribed by the law, the regulations issued by the CVM and the Plan, and it is understood that Board of Directors can treat differently the officers and employees of the Company or other companies under its control who are in similar condition, without being required, by any isonomy or analogy rule, to extend to all the terms and conditions it considers to be applicable only to some officers and employees on its sole discretion. The Board of Directors can also establish special treatment for those exceptional cases during the validity period of each Option, provided that the rights already granted to the Beneficiaries or the Plan basic principles are not affected. Such exceptional measure shall not constitute precedent to be invoked by other Beneficiaries.

The resolutions of the Board of Directors are binding upon the Company in relation to all Plan-related matters.

As at June 30, 2020, no shares were granted to the beneficiaries.

26. INSURANCE COVERAGE

The Company adopts an insurance policy that considers mainly the risk concentration and its materiality, according to the nature of their activities and advice from insurance brokers. As at June 30, 2020, the insurance coverage is broken down as follows:

- Inventory damages - R$96,402 (effective through February 2021).
- Property and fleet damages - R$126,240 (effective through April 2021).
- Civil liability - R$110,000 (effective through October 2020).

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

- 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.
- Healthy inventory mix, ensuring the protection of Gross Margin, which reached **67.5%,** in the quarter, 460 bps of expansion.
- **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.
- 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.
- Strong cash generation in the quarter of **R$111.1 million**.
- 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.

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

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.

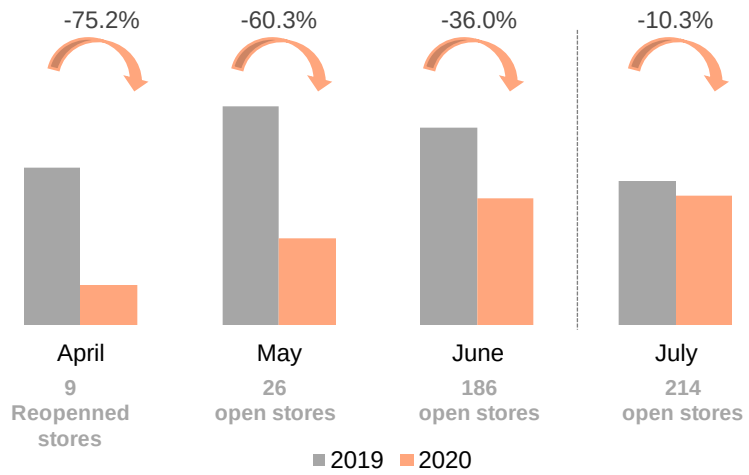
VIVARA

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%.

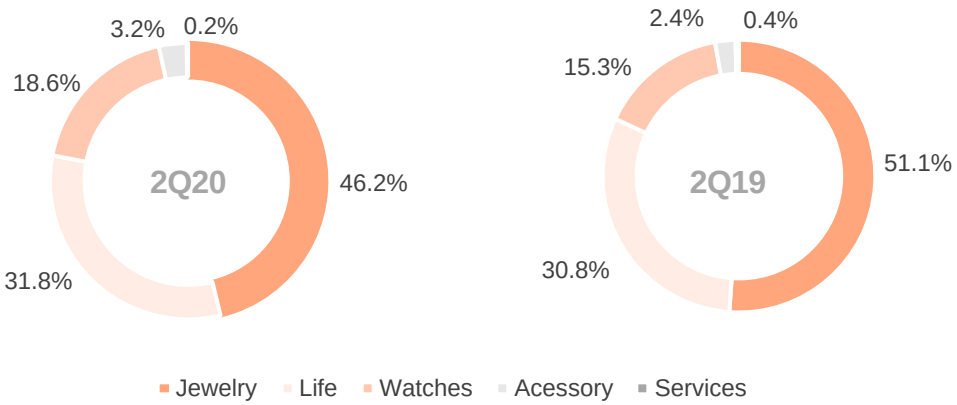
Revenue per chanel (R$, 000)	2Q20	2Q19	Δ %	1H20	1H19	Δ %
Gross Revenue (net of return)	**169,703**	**385,773**	**-56.0%**	**433,532**	**659,615**	**-34.3%**
Physical Stores	59,496	354,498	-83.2%	297,862	606,170	-50.9%
E-commerce	108,416	22,260	387.0%	130,559	39,445	231.0%
Others	1,791	9,015	-80.1%	5,111	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.

VIVARA

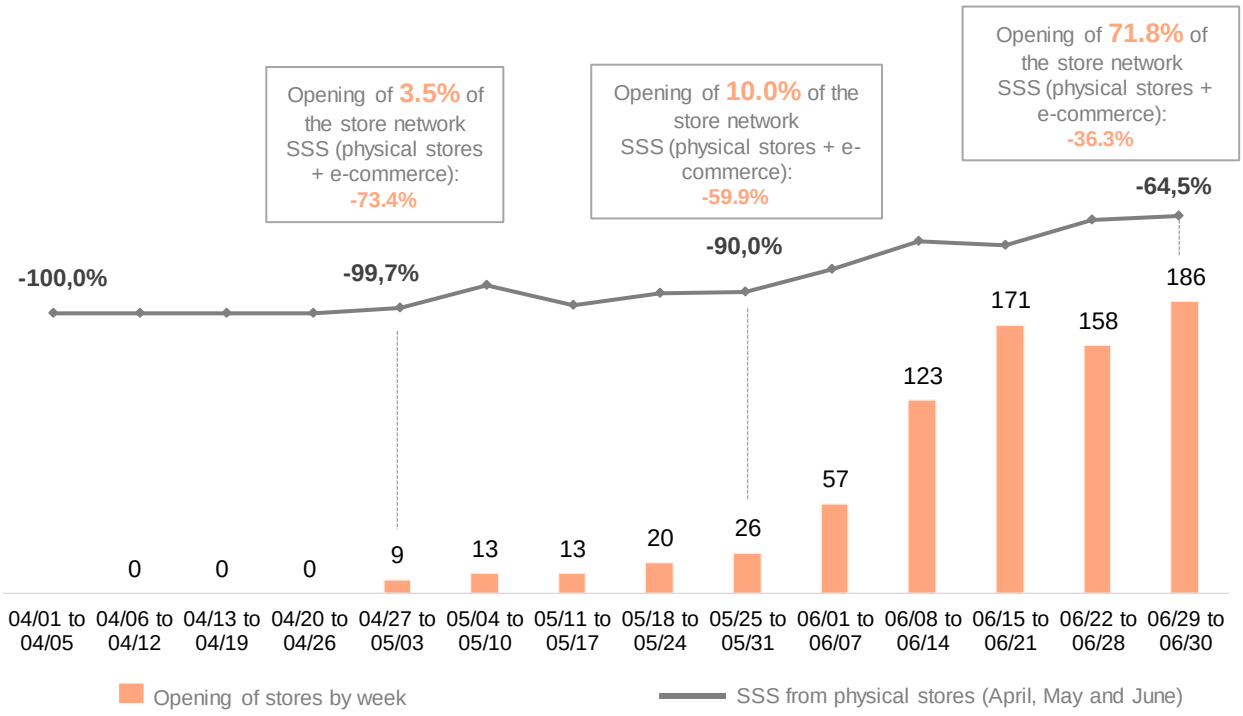
GROSS REVENUE (Net of Returns) (contd)

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.

Store openings by week and SSS (physical stores) by month



- 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.

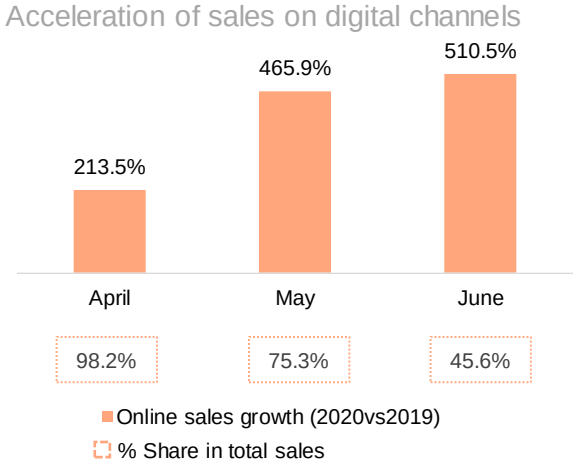
- We ended the quarter operating 19 stores exclusively in the Drive Thru format to offer convenience to customers who still do not feel safe visiting the malls. We also integrated the inventories of 18 markets (5 operating exclusively in the Delivery format) starting from May, which enabled us to optimize 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.

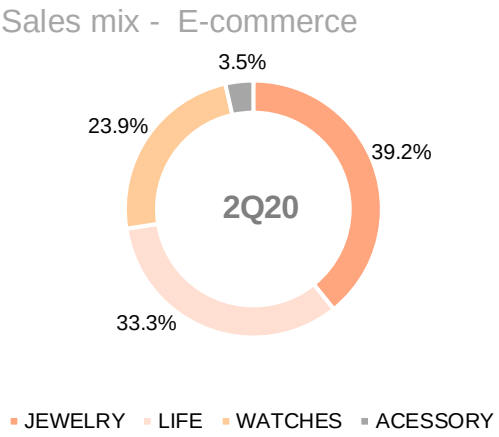
- Currently, over 261 stores are open.

GROSS REVENUE (Net of Returns) (contd)

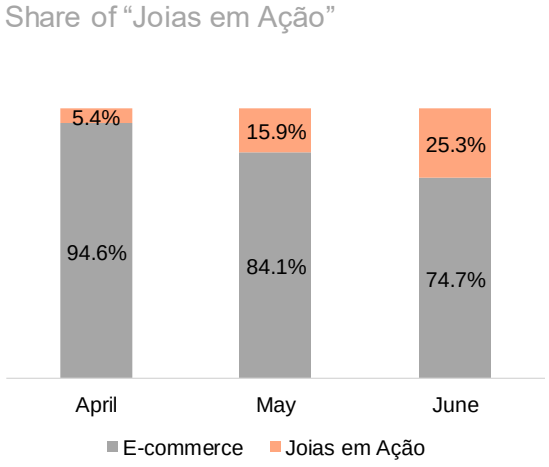
E-COMMERCE

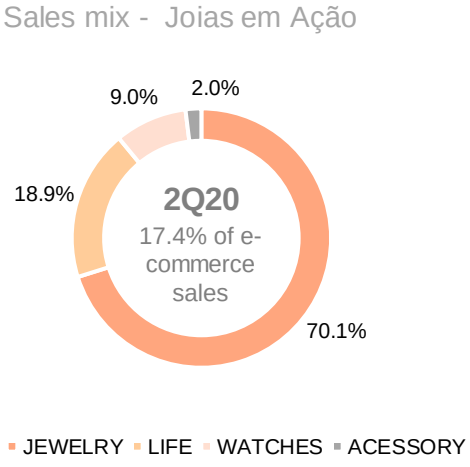
- The positive highlight in the period was e-commerce, which registered strong growth, thus contributing significantly to minimizing the impacts of the closure of physical stores. In 2Q20, e-commerce represented 63.9% of total sales, compared to 5.8% in 2Q19. Revenue from the channel R$108.4 million 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.)

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.

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%**

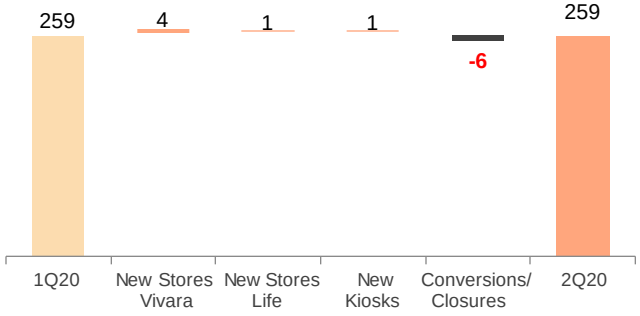
(5) This is a managerial, non-accounting measurement prepared by the Company, which is not in the scope of independent audit.

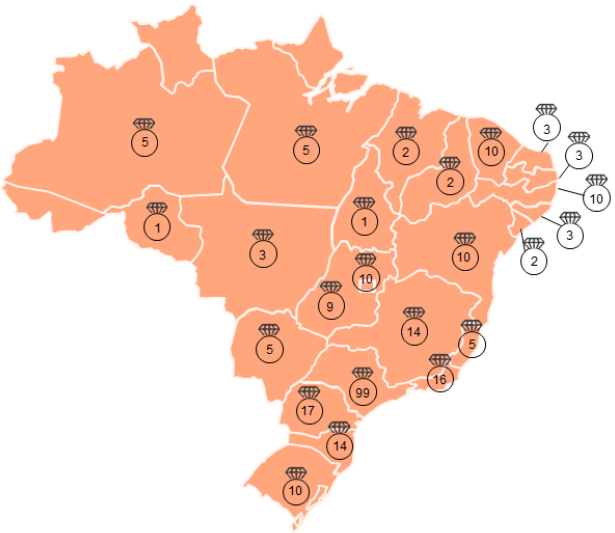
- Vivara generated cash of R$ 111.1 million in 2Q20, R$ 101.9 million higher than in the same period last year, mainly due to the lower allocation of working capital.

- 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.

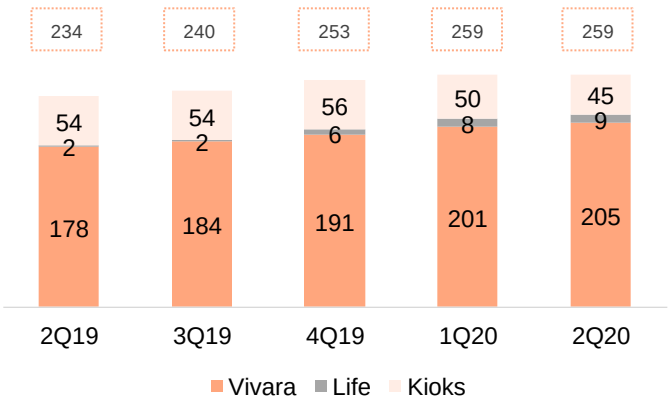
EXPANSION

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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