DEAR SHAREHOLDERS,

Saraiva Livreiros S.A. – em Recuperação Judicial (“Company”) (B3: SLED3 and SLED4), controller of Saraiva e Siciliano S.A. – em Recuperação Judicial (“Retail”), one of the largest retailers in content focused on culture and education in Brazil, announces its financial results for the third quarter and first nine months ended on September 30, 2020 (3Q20).

The financial information contained herein refers to the third quarter and first nine months ended on September 30, 2020 (3Q20), and the comparisons are made in relation to the same period last year unless otherwise stated.

The financial information has been prepared in accordance with the International Financial Reporting Standards (IFRS) and accounting practices adopted in Brazil.

Any non-accounting information or information derived from non-accounting figures has not been reviewed by the independent auditors.

Message from Management

During the last 15 years, the Company underwent several transformation processes. Since the acquisition of Siciliano, in 2008, Saraiva has invested in strengthening its brand, growing its operation, and increasing the number of stores, its presence in e-commerce, and the range of products offered, always focusing on the client, who has always been faithful to the brand.

The economic crisis that began in 2015 was one of the most challenging periods in the country's recent economic history, with significant repercussions on the Company's operations. In recent years, the Company has adopted several initiatives to reverse the negative effects caused by the economic crisis: at the end of 2015, it completed the sale of its publishing segment and, with the persistent scenario of economic crisis in the following years, implemented a robust project of transformation, which led to the achievement, at the beginning of 2018, of growth in gross sales and market share in the categories of Books, Games, and in the Back to Class segment. Other emergency measures were taken in early November/18, in the development of a restructuring plan designed to make the operation lean, dynamic and aimed at obtaining operational profitability and strengthening the cash.

However, the impacts caused by the economic crisis, associated with the effects of events in time, such as the increase below expectations in the average price of books, the shrinkage of some segments of products that had significant representation in the billing, the difficulties we faced for the realization of tax credits and in contracting new lines of credit, and the important reduction in the billing due to difficulties in the implementation of a new internal management system, compromised the achievement of the desired results, which undermined the Company's prospect of meeting its short-term obligations.

Due to the worsening of this situation, we believe that the presentation of the request for judicial reorganization, in November/18, was the most appropriate measure in the context of the crisis in the publishing market, which reflects the country's economic scenario. The purpose of the transaction was to protect the cash by making the Company regain its stability and, subsequently, its economic growth, as well as guarantee and protect the continuity of its operation.

With the approval of the request for judicial reorganization, the Company intensified negotiations with its main creditors in order to establish commercial conditions and payment models that could facilitate common interests, mainly aiming at the successful approval of the judicial reorganization plan, in addition to implementing several actions to ensure the sustainability of the business. We achieved important improvements in 2019 in comparison with previous years, through initiatives such as:

Re-adjustment of the product mix: we discontinued the categories that had lower profitability and increased demand for working capital. This revision of categories also enabled us to further reduce the Company's staff, as well as close 2 Distribution Centers.

Reduction of Operating Expenses: renegotiation and review of our main contracts with service providers, reduction of scope with prioritization of alternatives with higher cost/benefit ratio, and revisions and optimizations in the logistics network, adapting our supply system to the new product mix. In our headquarters, we lowered costs by reducing the number of occupied floors.

Restructuring of the Number of Stores: prioritization of higher-yielding units with EBITDA greater than 5.0%, closing down stores with a low value generation perspective that did not fit the Company's new product mix. In the quarter, we evolved in terms of negotiations with shopping malls where, through partnerships, we optimized the areas of our units and increased their profitability without needing to invest heavily.

Migration to a New E-Commerce Platform: In order to mitigate the inconsistencies of our e-commerce channel, we began, in April 2019, the implementation of a new e-commerce platform, which has a lighter, more agile and stable system than the one currently used and contributes with improvements in performance and increases in the website visits.

Product Supply: Following the filing for Judicial Reorganization, the Company, with the support and partnership of our suppliers, began an extensive process to standardize the supply of products of all categories, with a greater focus on Books, our main line of business.

However, even though the Company paid the suppliers and banks indicated in the Court-Supervised Reorganization Plan, all measures adopted by the Company were still not enough to achieve the growth outlook and cash generation, making the projected results for the coming years stay below the expectations presented in the projection of the approved Reorganization Plan.

Given this scenario, and the impacts of the Coronavirus (COVID-19) pandemic, which forced us to temporarily close all our physical stores from March 2020, drastically reducing our revenues, as an immediate measure to preserve cash flow, the Company submitted a request, granted by the judge of the Judicial Reorganization process, for re-presentation of a new Plan adapted to the new general economic situation, in order to avoid major setbacks and protect the continuity of its operation.

The first amendment to the Judicial Reorganization Plan (Amendment Plan) was filed with the Judicial Reorganization Judge on July 3, 2020 and, on October 8, 2020, a new version of the Amendment Plana was filed to include a reformulation of the Isolated Production Units (IPUs) format and the destination of the resources obtained with the sale of the IPUs. As an alternative to enable the settlement of a substantial part of the liabilities, the amendment includes three key measures: i) liability restructuring; b) preservation of investments that are essential for operational continuity; and iii) the sale of Isolated Productive Units (IPUs), which includes our *UPI Lojas* operation, our *UPI Site* e-commerce operation, and our *UPI Mista* mixed store and site operation, pursuant to the terms and conditions established in said Plan. These alternatives provide means of generating cash flow for the maintenance of the Company's activities and the payment of Creditors, Extra-Contractual Creditors and Post-Contractual Creditors.

A Assembleia de Credores está marcada para o dia 24 de novembro de 2020, e a minuta do novo aditivo ao Plano de Recuperação Judicial deverá ser apresentada até 16 de novembro de 2020. O aditivo tem como objetivo viabilizar o pagamento aos credores e o sucesso do processo de recuperação judicial, além de garantir a manutenção da fonte produtora, o emprego de seus colaboradores, o cumprimento da função social das atividades e o estímulo à atividade econômica no País.

Simultaneously, the Company initiated an Action Plan aims for a structural change of processes in all activity levels of the Company, through the introduction of a reorganization culture.

The Action Plan was approved by the Board of Directors at a meetings held on February and May, 2020, and is based on three projects that will be implemented in the next few months.

New Supply Management: decentralized model with great participation of our suppliers, and reducing our expenses.

Full E-Commerce: focus on marketing actions and profitability analysis, favoring lower sales volumes and higher margins, with an operation of a specialized team in e-commerce.

Back-Office Outsourcing: New IT systems, making the Company lighter, more agile and with lower expenses.

Restructuring of the number of store: closing stores with low profitability and where negotiations with shopping mall administrators were not successful, using the inventory of these units and consequently reducing the cost of purchasing goods for the next periods. In the third quarter of 2020, the Company closed 20 stores with a low value generating perspective.

The above-mentioned changes, presented and approved by the Board of Directors, will help shrink the Company without negatively impacting our operation. Among the main impacts of the new action plan, we can name:

Profitability: Increased gross margin, especially in e-commerce, to the detriment of gross revenue, increasing absolute gains in gross profit and contributing to an increase in the Company's profitability. In the 3Q20, excluding non-recurring effects of sales actions carried out with the objective of reducing the levels of obsolete inventories, we obtained significant results, where gross and contribution margins, as well as revenues reached the projected levels.

Personnel Expenses: With a reduced operation in terms of revenue, we have the possibility to reduce the Company's personnel expenses.

Occupancy Expenses: Regarding physical stores, we continue to constantly work on renegotiating with shopping mall managers, in order to increase the profitability of our units by reducing, changing or transferring the current locations, as well as analyzing activities to generate additional revenues. At our head office, we reduced the occupancy expenses in May 2020, by vacating three floors, and, at the Distribution Center, we already lowered costs by reducing approximately 60% of the occupied space in January 2020.

Deactivation of the Distribution Center operations: In August 2020, the Company migrated its e-commerce operations to a full-commerce model, in which all activities on the platform are carried out directly by a commercial partner. Despite the negative initial impact on sales reported in September 2020, the migration will contribute to a more profitable and agile operation in the future.

Agreements with Non-Production Suppliers: We exhaustively assessed all our existing contracts with non-production suppliers, keeping and renegotiating only the contracts that are essential to the Company's business activities.

Sale of Fixed Assets: The Company concluded, in April 2020, the sale of one of its fixed assets, contributing to the generation of R$25.5 million in cash in the next few months.

Monetization of Tax Credits: we expect tax credits to be monetized between the fourth quarter of 2020 and the first quarter of 2021.

We continue to make every effort to carry out the necessary adjustments to ensure operational continuity. The measures already taken, along with the approval of the Judicial Reorganization Plan, which establishes efficiency measures for the balancing and settlement of our corporate liabilities, such as the restructuring of liabilities and preservation of investments that are essential for the continuity of our operations, and changes in our Corporate Governance structure prove the Company's capacity of generating cash and feasibility for the future.

The Company's Management is aware of its significant challenges and engaged in making the necessary adjustments to ensure the success of the Company's financial recovery and operational continuity, pursuant to the financial plan that enabled the approval of the Judicial Reorganization Plan, and the recovery and maintenance of the Company's operating activities.

Significant market challenges exist, but we fully believe in the recovery of the book market in Brazil, and the new Saraiva is being built. We know that this will be an intense process, which will be realistic and determined in terms of searching for a promising future for the company and its stakeholders, and we have the full support and engagement of all our employees.

Impacts of the Coronavirus - COVID-19

The Management is closely monitoring the possible impacts of the Coronavirus (COVID-19) on the Company's operation. Given the increase in the number of cases and fatalities, both at national and international levels, the Company is now constantly communicating through a specific internal Committee and reporting to the Board of Directors on a daily basis to discuss necessary measures and assess possible impacts on the operation.

In this scenario, the contingency plan is focused on five main pillars: (i) taking preventive measures, (ii) encouraging and boosting e-commerce sales, which were not paralyzed and fulfil all their commitments to customers, (iii) structuring action and contingency plans, and (iv) monitoring the daily evolution of Coronavirus infection cases and the recommendations of government agencies and retail associations. We can highlight the following measures:

Physical Stores: Closing of all of our units for an indefinite period, in conformity with the guidelines published by municipal and state governments. Due to the rapid escalation of cases and the fact that most of our stores are located in shopping malls and/or in the states of São Paulo and Rio de Janeiro, all our units were closed on March 23, 2020. At the beginning of August, we reopened 48 units, but most of them with reduced service hours. Currently, all chain stores are open and operating, strictly following the prevention and safety rules to reduce the risk of contamination of clients and employees, and operating hours are established by state and municipal authorities.

E-Commerce: It continues to operate normally, honoring our commitments to our clients. In addition, we are working on promotional actions to increase traffic on the channel.

Employees: We started a preventive action to raise the awareness of all our employees. As stores have been closed, all employees have been sent home. At our Distribution Center and Head Office, as a safety measure, the Company's operational activities are running with as few employees as possible. At the Head Office, we have adopted remote work. We have also suspended trips and face-to-face meetings and provided extensive information to our employees on good practices against the virus and support related to the labor legislation in force. At our Distribution Center, we also restricted the number of employees and adopted shorter and alternating shifts until its deactivation in September 2020.

Revenue Generation: As physical stores have been closed, we are strongly supporting, through promotional and marketing actions, the transition of sales from physical stores to the online channel, which is currently fully equipped to meet our clients' demands.

Cash: In face of the current scenario, in which our revenue sources have been strongly impacted, the Company has adopted initiatives to retain cash:

- **Review** of **contracts with suppliers**;
- **Renegotiation** of all the Company's **occupancy expenses**;
- **Suspension, renegotiation** and, consequently, **restructuring** of **installment of overdue and due payments**. As of September 30, 2020, the Company held an outstanding balance of R$66.7 million, composed largely of productive suppliers and occupancy costs;
- **Reduction** of the **Working Hours** of employees at the head office and regional managers of physical stores;
- **Suspension** of the **Employment Contract** of closed store employees due to the pandemic;
- **Suspension,** as allowed by the Federal Government, of **payment of FGTS** to our employees;
- **Installment payments,** based on negotiations with some Unions, of employee **terminations**, mitigating negative effects on Cash Flow;
- **Daily review** of **sales** and **expenses forecasts** for the coming months, in order to mitigate unexpected impacts on Cash Flow.

We understand that the scenario in the country is changing fast and we are quickly adapting to the ideal scenario despite the crisis. We reiterate that we continue to monitor the situation of the Company and our stakeholders, including all the risks arising from the pandemic, which could result in losses or changes in the estimates about the businesses.

Non-Recurring Impacts

During 3Q20 several adjustments were made to the operation in order to improve profitability by generating financial impacts, with no cash effect. Among the main impacts in the results, we can highlight:

- Sale of Products and Sale of Truncated Stocks: R$ 11.9 million positive in Net Revenue and in R$ 19.7 million negative in Gross Profit.
- Impairment: R$0.7 million negative in Expenses.
- Contingencies: R$ 12.8 million negative in Expenses.
- Other impacts: R$ 2.9 million negative in Expenses.

Thus, in order to perform a more reliable analysis of the Company's operation, all the results in this Management Report consider 3Q20, 2Q20, and 3Q19 recurring amounts, excluding the impacts listed above. The table below illustrates the reconciliation of results:

Reconciliation - 3Q20 (R$ MM)	3Q20	CPC 06 (R2) IFRS 16	Non-Recurring Impacts	3Q20 Adjusted
Gross Revenue	**41,799**	**-**	**(11,940)**	**29,859**
Taxes	(131)	-	70	(61)
Net Revenue	**41,668**	**-**	**(11,870)**	**29,798**
Cost of Goods Sold	(36,755)	-	19,689	(17,066)
Gross Profit	**4,913**	**-**	**7,819**	**12,732**
Gross Margin (%)	*11.8%*	*0.0%*	*0.0%*	*42.7%*
Operating Expenses	**(40,851)**	**(11,650)**	**16,409**	**(36,092)**
EBITDA	**(35,938)**	**(11,650)**	**24,228**	**(23,361)**
EBITDA Margin (%)	*-86.2%*	*0.0%*	*0.0%*	*-78.4%*
Other Operating Expenses/Revenues	**(12,990)**	**11,650**	**-**	**(1,339)**
Net Financial Result	(4,968)	4,022	-	(946)
Depreciation and Amortization	(8,022)	7,628	-	(393)
Net Income (Loss) before Before Tax	**(48,928)**	**-**	**24,228**	**(24,700)**
Income tax and social contribution	700	-	-	700
Net Income (Loss) before Before Minority inte	**(48,228)**	**-**	**24,228**	**(24,000)**
Minority interest	4	-	-	4
Adjusted Net Income (Loss) before Disc. Operations	**(48,224)**	**-**	**24,228**	**(23,996)**
Net results from Discontinued Operations	(3,023)	-	-	(3,023)
Net Income (Loss)	**(51,247)**	**-**	**24,228**	**(27,019)**
Net Margin (%)	*-123.0%*	*0.0%*	*0.0%*	*-90.7%*

HIGHLIGHTS

- 61.3% decrease in 2Q20 Recurring Operating Expenses when compared to 3Q19.
- R$ 9.2 million improvement in 3Q20 adjusted EBITDA when compared to 3Q19.
- 20 days improvement in Accounts Receivable when compared to 3Q19.
- On July 3, 2020, the Company and its subsidiary filed, with the 2nd Bankruptcy and Judicial Reorganizations Court of the Judicial District of São Paulo, an amendment to the Judicial Reorganization Plan.
- At the Ordinary General Meeting held on July 6, 2020, the following directors were elected: Olga Maria Barbosa Saraiva (Chairman of the Board of Directors), Jorge Saraiva Neto (Vice-Chairman of the Board of Directors), Frederico Wickert, João Elek, and Olavo Fortes Campos Rodrigues Júnior, for the new 2-year term.
- At meetings of the Company's Board of Directors held on July 31, 2020 and August 28, 2020, it was resolved: (i) the conversion of the Subscription Bonuses exercised by its holders between June 1, 2020/ June 30, 2020 and July 1, 2020/ July 31, 2020, respectively; (ii) the Increase in the Company's capital stock, within the limit of the authorized capital, due to the exercise, by some holders, of their respective subscription bonuses; and (iii) the authorization for the Company's Executive Board to practice all acts necessary for the implementation of the resolution taken.

SUBSEQUENT EVENTS

- On October 8, 2020, the Company and its subsidiary filed, with the 2nd Bankruptcy and Judicial Reorganizations Court of the Judicial District of São Paulo, a second version of the amendment to the Judicial Reorganization Plan.
- At meeting of the Company's Board of Directors held on October 05, 2020, it was resolved: (i) the conversion of the Subscription Bonuses exercised by its holders between September 1, 2020/ September 30, , respectively; (ii) the Increase in the Company's capital stock, within the limit of the authorized capital, due to the exercise, by some holders, of their respective subscription bonuses; and (iii) the authorization for the Company's Executive Board to practice all acts necessary for the implementation of the resolution taken.

Main Indicators

Table 1. (R$'000, unless otherwise specified)

Consolidated - Adjusted	3Q20	3Q19	Y/Y	2Q20	Q/Q	9M20	9M19	H/H
Gross Revenue *(Stores + E-commerce)*[2]	29,859	159,638	-81.3%	27,960	6.8%	199,084	533,628	-62.7%
Store Sales	22,239	109,954	-79.8%	4,637	379.6%	125,584	346,223	-63.7%
E-commerce Sales	7,620	49,684	-84.7%	23,323	-67.3%	73,501	187,405	-60.8%
Net Revenue *(Stores + E-commerce)*[2]	29,798	152,663	-80.5%	27,702	7.6%	194,182	513,252	-62.2%
Store Sales	22,194	105,534	-79.0%	4,608	381.6%	121,938	333,905	-63.5%
E-commerce Sales	7,604	47,129	-83.9%	23,094	-67.1%	72,244	179,347	-59.7%
Adjusted Gross Profit[1]	12,732	60,566	-79.0%	10,535	20.9%	74,023	154,710	-52.2%
Adjusted Gross Margin (%)	42.7%	39.7%	3.0 p.p.	38.0%	4.7 p.p.	38.1%	30.1%	8.0 p.p.
Recurring Operating Expenses[1]	(36,092)	(93,152)	-61.3%	(41,076)	-12.1%	(154,803)	(290,814)	-46.8%
Adjusted EBITDA[3]	(23,361)	(32,587)	-28.3%	(30,541)	-23.5%	(80,779)	(136,104)	-40.6%
Adjusted EBITDA Margin (%)[1]	-78.4%	-21.3%	-57.1 p.p.	-110.2%	31.9 p.p.	-41.6%	-26.5%	-15.1 p.p.
Adjusted Net Income (Loss) before Disc. Operations[1]	(23,996)	(58,991)	-59.3%	(66,449)	-63.9%	(131,739)	(192,741)	-31.6%
Adjusted *Net Margin (%)* before Disc. Operations [1]	-80.5%	-38.6%	-41.9 p.p.	-239.9%	159.3 p.p.	-67.8%	-37.6%	-30.3 p.p.
Net results from Discontinued Operations	(3,023)	160	-	(855)	253.6%	(3,549)	(1,612)	120.2%
Adjusted Net Income (Loss)[1]	(27,019)	(58,831)	-54.1%	(67,304)	-59.9%	(135,288)	(194,353)	-30.4%
Adjusted Net Margin (%)[1]	-90.7%	-38.5%	-52.1 p.p.	-243.0%	152.3 p.p.	-69.7%	-37.9%	-31.8 p.p.
SSS - Same Store Sales Growth (%)	-65.9%	-36.3%	-29.7 p.p.	-94.7%	28.8 p.p.	-30.9%	-48.0%	17.0 p.p.
E-Commerce Sales Growth	-84.7%	-57.7%	-27.0 p.p.	-58.3%	-26.4 p.p.	-60.8%	-64.2%	3.4 p.p.
Number of Stores – End of Period	44	73	-39.7%	64	-31.3%	44	73	-39.7%
Sales Area – End of Period (m²)	24,326	49,259	-50.6%	38,161	-36.3%	24,326	49,259	-50.6%

Note 1: Adjusted including non-recurring impacts.
Note 2: Includes the Depreciation and Interest accounts (CPC 06 (R2) - IFRS 16).

RESULTS

REVENUE – Gross revenue totaled R$ 41.8 million in 3Q20, down 73.8% when compared to 3Q19. Net revenue followed the same trend, decreasing 72.7% in the quarter. It should be noted that a portion of the reduction in sales is explained by the Coronavirus pandemic (COVID-19), which strongly impacted store operations in the third quarter of 2020, and the migration of the e-commerce operation to a full-commerce model at the end of August 2020.

In recurring terms, excluding the impact from the sale of low turnover products aimed at demobilizing the Distribution Center and the clearance of products aimed at capitalizing inventory, gross revenue reached R$ 29.9 million, down 81.3% when compared to 3Q19.

PHYSICAL STORES REVENUE – In 3Q20, gross revenue from physical stores reached R$ 27.0 million, which represents a 75.4% decrease over the same period of the previous year. In terms of comparable stores, we had a decrease of 65.9%. In the same period, net sales decreased 74.3%. The Coronavirus pandemic (COVID-19) was responsible for the closing of all of our units for an indefinite period, in conformity with the guidelines published by municipal and state governments. Due to the rapid escalation of cases and the fact that most of our stores are located in shopping malls and/or in the states of São Paulo and Rio de Janeiro, all our units were closed on March 23, 2020. Even with the gradual reopening of our units, client flow has not yet returned to previous levels, thus negatively impacting physical store operations.

Recurring gross revenue reached R$ 22.2 million, decreasing 79.8% versus 3Q19.

E-*COMMERCE* REVENUE – In 3Q20, gross sales and net sales of our website Saraiva.com decreased 70.3% when compared to the same period last year. Net revenue followed the same trend, decreasing 69.0% in the quarter. Sales in our e-commerce channel, one of the most significant in the country, covering the entire national territory, were impacted mainly by the lack of product supply over the last months, in addition to the migration to a full-commerce model. However, Saraiva continues with its profitability strategy, with lower revenue in the channel but higher gross margins and lower variable expenses, generating an additional gain in the contribution margin for the coming quarters.

Recurring gross revenue reached R$ 7.6 million, down 84.7% when compared to 3Q19.

GROSS PROFIT – Excluding the impact from the sale of low turnover products aimed at demobilizing the Distribution Center, and the clearance of products aimed at capitalizing inventory, adjusted gross profit reported an increase of 3.0 p.p. in gross margin, from 39.7% in 3Q19 to 42.7% in 3Q20, with a 79.0% reduction in absolute terms. In addition to the strategy that prioritizes profitability for the online channel, we will continue to focus on our book business, which has higher margins than the other categories that were discontinued.

OPERATING EXPENSES – The recurring operating expenses totaled R$ 36.1 million in 3Q20, representing a strong decrease of 61.3% as a response to the Company's initiatives. It is important to mention that we remain focused on rationalizing our expenses in order to improve results, and we are already reaping the gains of the measures recently taken. We continue to make ongoing adjustments to our structure, always aiming for improvements in performance and productivity that solidify the basis for the Company's recovery.

EBITDA – Adjusted EBITDA, strongly affected by the Coronavirus pandemic (COVID-19) where we had a reduction in revenues, totaled a negative R$23.4 million in 3Q20, presenting an improvement of R$ 9.2 million when compared to 3Q19.

Table 2. EBITDA (R$'000, unless otherwise indicated)

Consolidated – Adjusted[1]	3Q20	3Q19	Y/Y	2Q20	Q/Q	9M20	9M19	H/H
Net Income (Loss)	**(27,019)**	**(58,831)**	**-54.1%**	**(67,304)**	**-59.9%**	**(135,288)**	**(194,353)**	**-30.4%**
(+) Financial Result	946	4,935	-80.8%	1,150	-17.6%	7,386	14,397	-48.7%
(+) Income Tax / Social	(700)	11,114	-	32,460	-	35,959	11,114	223.5%
(+) Depreciation Amortization	393	10,356	-96.2%	2,308	-83.0%	7,633	31,137	-75.5%
(+) Net Income from Discontinued Oper./Other	3,019	(161)	-	845	257.3%	3,531	1,600	120.7%
Adjusted EBITDA	**(23,361)**	**(32,587)**	**-28.3%**	**(30,541)**	**-23.5%**	**(80,779)**	**(136,104)**	**-40.6%**
Adjusted EBITDA Margin (%)	-78.4%	-21.3%	-57.1 p.p.	-110.2%	31.9 p.p.	-41.6%	-26.5%	-15.1 p.p.

Note: 1. Adjusted excluding the effect of non-recurring items as previously mentioned..

WORKING CAPITAL* – The average term of accounts receivable went from 35 days in 3Q19 to 15 days in 3Q20. The average inventory coverage period increased by 23 days, from 101 days in 3Q19 to 124 days in 3Q20.
* to calculate the operating cycle days, we used the average of the last 12 months

NET FINANCIAL REVENUE (EXPENSES) – Adjusted Net financial result, excluding the impact of the accounting change due to the CPC 06 (R2) - IFRS 16, was an expense of R$ 0.9 million in 3Q20, representing a reduction of 80.8% when compared to same period of the previous year, due to the renegotiation of the Company's indebtedness.

NET INCOME (LOSS) FOR THE PERIOD – Net Loss before the results of discontinued operations reached R$ 66.4 million in 3Q20.

INVESTMENTS (CAPEX) – The investments made totaled R$ 12.6 thousand in 3Q20 versus R$ 3.4 million in 3Q19, confirming the lower investments levels indicated by the Company.

LIQUIDITY – On September 30, 2020, the total balance of available cash, blocked cash and credit card receivables totaled R$ 36.7 million, against R$ 39.7 million June 30, 2020.

The table below presents the Saraiva's consolidated net debt, which totaled R$ 126.3 million on September 30, 2020, versus R$ 126.3 million on June 30, 2020, and R$ 139.7 million on September 30, 2019. If we consider credit card receivables, net debt came to R$ 122.8 million on September 30, 2020, versus R$ 119.8 million on June 30, 2020, and R$ 119.6 million on September 30, 2019.

Table 4. Evolution of the main CONSOLIDATED debt indicators monitored by the Company (R$'000)

Consolidated[1]	3Q20	3Q19	Y/Y	2Q20	Q/Q
Transaction Type					
Loans and Financing	**159,520**	**156,680**	**1.8%**	**159,536**	**0.0%**
(+) Acquisition Obligations	0	0	-	0	0.0%
(-) Cash and Cash Equivalents / Financial Investments	33,171	16,970	95.5%	33,249	-0.2%
Consolidated Net Debt Before Receivables	**126,349**	**139,710**	**-9.6%**	**126,287**	**0.0%**
(-) Credit Card Receivables	3,510	20,144	-82.6%	6,496	-46.0%
Consolidated Net Debt After Receivables	**122,839**	**119,566**	**2.7%**	**119,791**	**2.5%**
Judicial Reorganization Process Debt	**195,466**	**258,533**	**1.8%**	**219,946**	**0.0%**

Note 1: Excludes the impact of CPC 06 (R2) - IFRS 16).

OUR STORES – Saraiva closed 3Q20 with 44 active stores.