

## Notebook market grows in 2Q20 driven by Home Office and Homeschooling

*Even with physical stores closed, the online market surprises; there is a tendency for consumption to change from one PC per household to one PC per person.*

**Curitiba, August 13, 2020** – Positivo Tecnologia S.A. (“Company”) (B3: POSI3) announces today its financial and operating results for the second quarter of 2020. The information is presented in IFRS and in Brazilian Reais (R\$). Except where otherwise indicated, all comparisons herein refer to 2Q19.

### 2Q20 HIGHLIGHTS

- **Domestic market recovers and accelerates demand for PCs, with Home Office and Homeschooling:** the new need of families has increased the number of PCs per household, with a tendency to migrate from 1 PC per family to one per person
- **Strong exchange rate volatility affects part of profitability,** despite this, there was a reduction of **R\$ 107.7 million** in the Company's net debt, reaching R\$ 150.7 million in 2Q20
- **June's performance was better than that of May, which was higher than that of April:** the market showed a strong recovery with the reopening of stores and the return of activities in various sectors of the economy, in parallel with the growth of the domestic market
- **Electronic voting machines:** Positivo won the TSE bid and will provide electronic voting machines for the 2022 elections
- **Net revenue R\$ 440.5 million in 2Q20 (-20%) and R\$ 819.1 million in 1H20 (-8.8%)**
- **Net income R\$ -8.6 million in 2Q20 (-177.7%) and R\$ -4.2 million in 1H20 (-165.3%),** losses partly reflect an initial strategy for preserving and strengthening cash, at the expense of growth, given market uncertainties
- **Core Business: acceleration of retail PC sales in May and June,** other channels show a slower recovery pace. Volumes in 2Q20:  

**Retail: +2.7%   |   Public Institutions: -42.1%   |   Corporate: -31.6%**
- **Hi Technologies grows significantly with the development and sale of rapid tests for COVID-19, recording revenue of R\$ 55 million in 2Q20**
- **Servers: business unit grows 28.3% in 2Q20, recording net revenue of R\$ 38.9 million**
- **IoT: Positivo Casa Inteligente** is one of the best-selling items in the category in Brazilian e-commerce in 2Q20, recording sales of R\$ 4.6 million

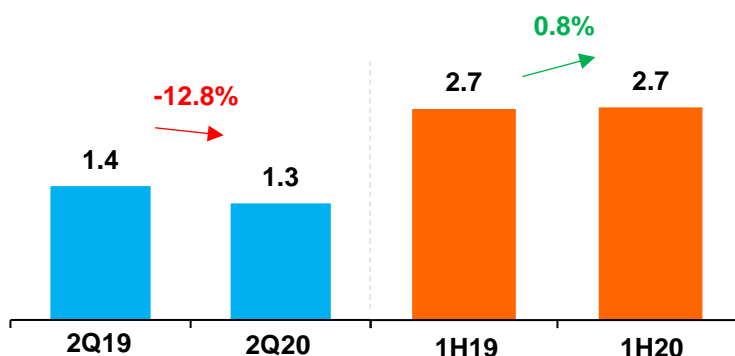
## 1) CURRENT INDUSTRY AND COMPANY SCENARIO

### PC Market

The total PC market in Brazil, decreased by 12.8% in 2Q20 compared to the same period of the previous year, mainly due to lower sales in the corporate channels and public institutions, which suffered more from the crisis and have a slower recovery after the negative peak in April.

In the six-month period, there was an increase of 0.8%. It should be noted that the comparative base in 2Q19 has one-off effects from an increase in sales to public agencies, as it was the period following the change of administrative teams due to the 2018 elections, thus contributing to the concentration of demand not realized in 1Q19.

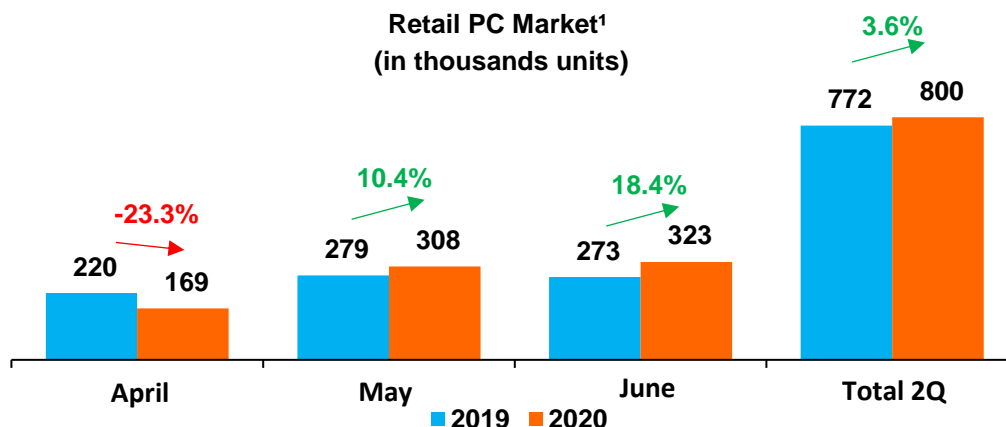
**Total PC Market – Brasil<sup>1</sup>**  
(in million units)



<sup>1</sup> Source: IDC

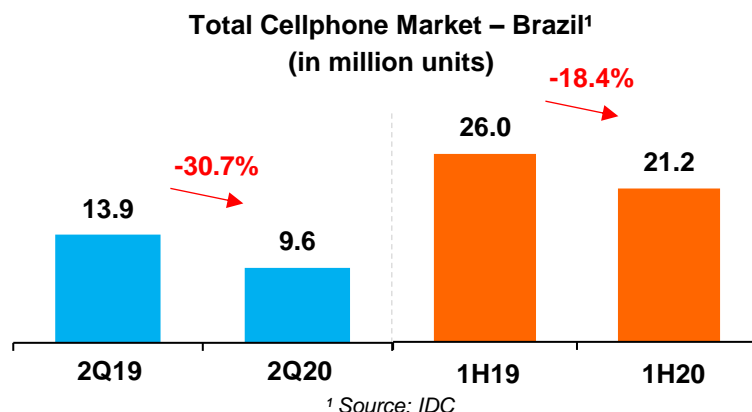
The retail market showed an accelerated recovery at the end of 2Q20, despite modest numbers in April. After applying measures to close stores and social distance, the movements of home office and homeschooling contributed to an acceleration of sales in the period, several families that previously had a computer per home realized the need to increase the quantity to one device per person, in addition to renewing their devices for current technologies, since the average age of computers in Brazil was between 5 and 6 years. The movement generated growth of 10.4% in May and 18.4% in June compared to the same months in 2019. In the consolidated quarter there was an increase of 3.6%.

**Retail PC Market<sup>1</sup>**  
(in thousands units)



## Cellphone Market

The cellphone market was impacted by the effects of the COVID-19 crisis in 2Q20, with a reduction of 30.7% when registering 9.6 million units sold, and a reduction of 18.4% in 1H20, with a total volume of 21.2 million devices sold. The behavior of cell phone sales confirms the preference for PC purchases in the period, in addition to supply limitations due to the closing of factories in China and adequacy of supply schedules in the period.



## Outlook – Core Business

- Computers in retail: the market was surprised by a resumption in demand for PCs during 2Q20. The new projections of the Company and the retail chains point to a continuation of this movement of very strong recovery in demand, with home office and homeschooling dictating a new growth trend in the market. Positivo remains alert to the potential new impacts resulting from the pandemic for this segment, in addition to the macroeconomic indicators that will be registered from the activity of the next months, such as employment rate, wages and credit availability, which have a high correlation with the sales performance in the segment. Retail is supplying below normal, and manufacturers are in a race to restore stocks. It is important to point out that the demand in the domestic market is strong worldwide, with no problem in supplying components so far, but that leads us to anticipate some purchases and be aware of possible shortages.
- Cellphones: the Company believes that the cell phone market may return to its previous average levels, after overcoming the economic effects of the COVID-19 pandemic, the current quarter showed a return of consumer focus to PCs for work and study tasks, however the generation and availability of content for mobile platforms should boost this segment in the future.
- Public Institutions: the Company continues to monitor the postponement impacts of the delivery schedules of the portfolio contracts. There are already signs of the return of activities by the administrations of public agencies towards the end of 2020, which may result in concentrations in the last quarter in case of relaxation of the social distancing measures of the institutions. Positivo monitors the resumption of online auctions and prioritizes participation in public notices with secure budget allocations, which consequently are less exposed to the economic downturn caused by the crisis, which should affect the budgets of states and municipalities more severely. Additionally, the absence of technological renewal verified in agencies that have not made purchases of IT equipment for several years makes this segment a priority in a post-crisis recovery scenario.

- Corporate: the Company invests in a broad and versatile portfolio to offer solutions that meet the needs of diverse company profiles. After the race to adapt and expand the IT parks that support the practice of home office, the demand of corporate clients should gradually recover. Future sales will depend on the economic recovery of post-pandemic companies.

## Outlook – Growth Avenues

- Positivo As a Service: the IT devices rental business unit should remain on a growth trajectory, despite being highly correlated to the economic recovery of the segments in which corporate clients operate. Solutions for IT structure that offer an alternative to capex should continue to be in high demand, especially in times of more restrictive budgets.
- Servers: The Company's investments in this market have proven to be quite assertive. The server unit continues to show revenue growth and expects to maintain good performance in 2020. Movements such as social distancing and home office contribute to the increase of data traffic on the network, which also requires expansion of the IT structures it maintains this information available for consumption by users. It is worth mentioning that most of the server sales contracts are traded in dollars, which protects the sales margin.
- IoT: Positivo Casa Inteligente's line of solutions should continue to benefit from the increased sales volume via e-commerce in Brazil, a channel in which these products are in high demand. Additionally, IoT devices have gained more space among Brazilian consumers, who now spend more time inside their homes.
- Educational Technology: The Company intensified the promotion of educational software during social distancing due to the pandemic, by making licenses available for school experiences and adding support tools for homeschooling.

In the short term, the volume of demand from the educational market will depend on the economic situation of states and municipalities, as well as on private schools in the post-crisis scenario. In the medium and long term, the Company has good prospects due to the successful experiences with homeschooling and distance learning.

- Corporate Venture: the Company plans to make new investments in technology-based companies, with the application of part of the required R&D investment obligations, through the equity investment fund set up at the end of 2018. With the new investees the Company aims to open new fronts for diversifying and complementing its businesses.

The advance in Hi Technologies operations stands out with the conduct of diagnostic tests of COVID-19 through the HiLab platform. The investee posted a sales jump in 2Q20 to R\$ 55 million, and has a high volume of contracts to be delivered in subsequent months.

## Company's performance

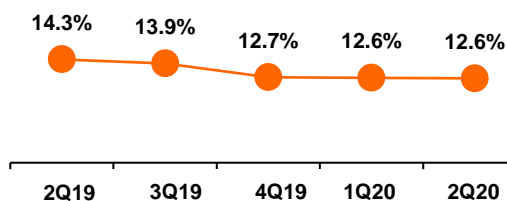
### PCs

PC sales totaled 177.2 thousand units in 2Q20, a reduction of 12.8% in relation to the same period of the previous year, resulting in a 12.6% market share in the total market. The volume of sales in the period has effects of postponement in the schedule of deliveries to public institutions, in addition to budget reviews of clients in the corporate segment given the uncertainty about the direction of the economy. It should be noted that, as reported in item 1, the 2Q19 period represents a strong basis for comparison.

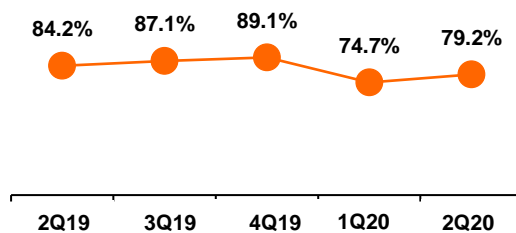
In the six-month period, sales volume reached 334.8 thousand units, a small reduction of 1.2% in relation to the same period of the previous year.

Positivo maintained a dominant position in the input devices marketed at retail, registering a 79.2% share

**Positivo's Annual Market Share**  
**PCs Market – Brazil – Total<sup>1</sup>**



**Positivo's Annual Market Share**  
**Notebooks Market – Brazil – < R\$1,200.00<sup>1</sup>**



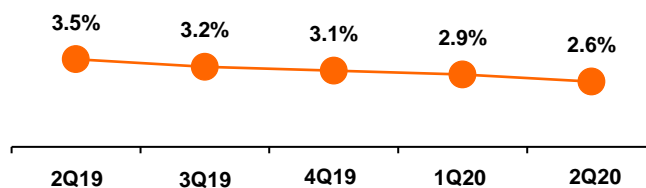
<sup>1</sup> Source: IDC

### Cellphones

The Company's cell phone sales posted a volume of 220.9 thousand units in 2Q20, a 54.5% reduction compared to 2Q19. The reduction is in line with the market behavior for the period, with a reduction in the demand for these devices mainly in the retail channel. In 1H20, the volume was 544 thousand units and represented a 39.9% reduction compared to the same period in 2019.

Positivo Tecnologia's annualized market share in the cell phone market reached 2.6% in 2Q20, a reduction of 1.1 pp compared to 2Q19.

**Positivo's Annual Market Share**  
**Mobile Phones Market – Brazil – Total<sup>1</sup>**

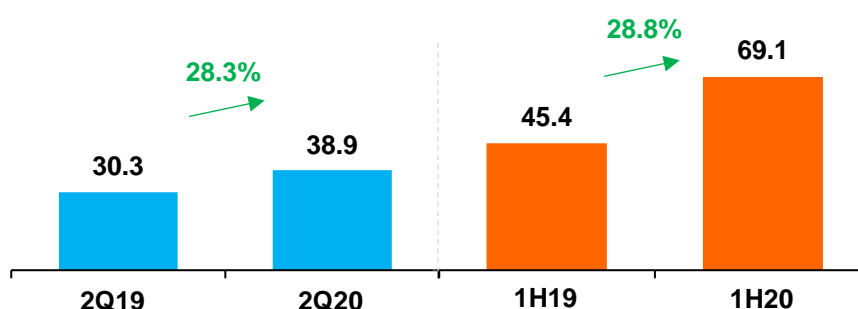


<sup>1</sup> Source: IDC

## Servers

Sales of servers totaled R\$ 38.9 million, an increase of 28.3% in 2Q20. In the six-month period, revenues were R\$ 69.1 million (+ 28.8% vs. 1H19). The performance of the server business unit remained consistent with the Company's expectations, showing gains in scale with the synergy of the Positivo + Accept relationship in cost optimization with the integration of the supply chain and the union of Accept's sales forces with the sales channels of Positivo Tecnologia (Positivo Tecnologia acquired an 80% stake in Accept's capital at the end of 2018).

**Servers Revenue**  
(R\$ millions)



## 2) FINANCIAL AND OPERATIONAL HIGHLIGHTS

(R\$ million)	2Q19	2Q20	% Chg. 2Q20x2Q19	1S19	1S20	% Chg. 1S20x1S19
NET REVENUE *	550,280	440,519	-19.9	897,933	819,085	-8.8
COGS	(410,920)	(357,212)	-13.1	(670,442)	(661,512)	-1.3
<b>GROSS PROFIT</b>	<b>139,360</b>	<b>83,307</b>	<b>-40.2</b>	<b>227,491</b>	<b>157,573</b>	<b>-30.7</b>
	25.3%	18.9%	0.0	25.3%	19.2%	0.0
OPERATING EXPENSES	(103,306)	(89,213)	-13.6	(183,178)	(174,755)	-4.6
EQUITY INCOME	1,948	4,752	143.9	571	3,071	437.8
<b>OPERATING INCOME</b>	<b>38,002</b>	<b>(1,154)</b>	<b>103.0</b>	<b>44,884</b>	<b>(14,111)</b>	<b>-131.4</b>
	6.9%	-0.3%	0.0	5.0%	-1.7%	0.0
FINANCIAL RESULT	(23,955)	(8,522)	64.4	(35,432)	11,417	-132.2
TAX	(2,979)	1,076	136.1	(2,979)	(1,533)	-48.5
<b>NET INCOME (LOSS)</b>	<b>11,068</b>	<b>(8,600)</b>	<b>177.7</b>	<b>6,473</b>	<b>(4,227)</b>	<b>-165.3</b>
	2.0%	-2.0%		0.7%	-0.5%	
<b>EBITDA</b>	<b>45,548</b>	<b>10,175</b>	<b>77.7</b>	<b>64,043</b>	<b>9,075</b>	<b>-85.8</b>
	8.3%	2.3%		7.1%	1.1%	
<b>ADJUSTED EBITDA **</b>	<b>49,545</b>	<b>7,871</b>	<b>84.1</b>	<b>67,940</b>	<b>(1,978)</b>	<b>-102.9</b>
	9.0%	1.8%		7.6%	-0.2%	

\* Total Net Revenue excludes the effects from Customer Perceived value (CPV) and Discounts and for analysis purposes were maintained in the Sales – Marketing Expenses account. This adjustment applies to all analyzes based on net revenue presented in this document and details are provided in note no. 6 of the Financial Statements.

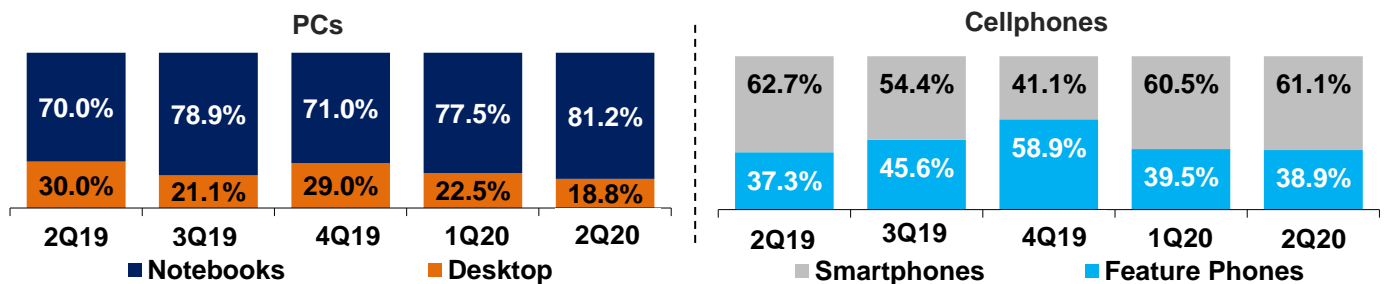
\*\* Adjusted for the cash effect of the foreign exchange hedge for inputs and includes 50% of the EBITDA of the IFSA joint venture. More details provided in section 2.5 – EBITDA.

## 2.1) VOLUME AND NET REVENUE BREAKDOWN

### VOLUME

Sales Volume (units)	2Q19	2Q20	% Chg. 2Q20 x 2Q19	1H19	1H20	% Chg. 1H20 X 1H19
<b>PCs</b>	<b>203,147</b>	<b>177,161</b>	<b>-12.8</b>	<b>338,766</b>	<b>334,837</b>	<b>-1.2</b>
Desktops	60,916	33,358	-45.2	93,589	68,912	-26.4
Notebooks	142,231	143,803	1.1	245,177	265,925	8.5
<b>PCs - Channel</b>	<b>203,147</b>	<b>177,161</b>	<b>-12.8</b>	<b>338,766</b>	<b>334,837</b>	<b>-1.2</b>
Retail	126,822	130,309	2.7	222,980	239,936	7.6
Government	50,910	29,470	-42.1	66,898	52,063	-22.2
Corporate	25,415	17,382	-31.6	48,888	42,838	-12.4
<b>Mobile Phones</b>	<b>485,922</b>	<b>220,902</b>	<b>-54.5</b>	<b>905,189</b>	<b>544,006</b>	<b>-39.9</b>
Smartphones	304,588	134,981	-55.7	537,158	330,618	-38.5
Feature Phones	181,334	85,921	-52.6	368,031	213,388	-42.0
<b>Tablets</b>	<b>1,421</b>	<b>43,330</b>	<b>2,949.3</b>	<b>3,984</b>	<b>90,813</b>	<b>2,179.4</b>

Share of Devices in Sales (units)

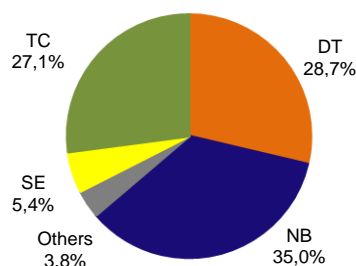


### NET REVENUE

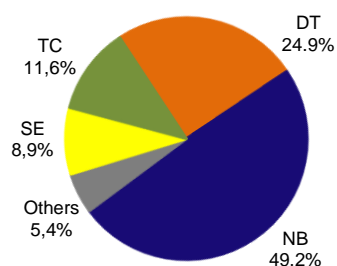
Net Revenue (R\$ million)	2Q19	2Q20	% Chg. 2Q20 x 2Q19	1H19	1H20	% Chg. 1H20 X 1H19
<b>Total Net Revenue</b>	<b>550.3</b>	<b>440.5</b>	<b>-20.0</b>	<b>925.3</b>	<b>819.1</b>	<b>-11.5</b>
<b>Devices by product</b>	<b>543.8</b>	<b>437.5</b>	<b>-19.5</b>	<b>913.2</b>	<b>807.0</b>	<b>-11.6</b>
Desktops	160.3	108.8	-32.1	238.5	193.9	-18.7
Notebooks	191.1	215.4	12.7	326.3	369.9	13.4
Mobile Phones	147.6	50.7	-65.7	257.6	121.2	-53.0
Others	30.3	23.7	-21.8	45.4	52.9	16.5
<b>Devices by channel</b>	<b>543.8</b>	<b>437.5</b>	<b>-19.5</b>	<b>913.2</b>	<b>807.0</b>	<b>-11.6</b>
Retail	287.8	225.4	-21.7	513.7	392.3	-23.6
Government	146.3	131.4	-10.2	201.2	246.4	22.5
Corporate	109.7	80.7	-26.4	198.3	168.2	-15.2
<b>Educational Technology</b>	<b>6.5</b>	<b>3.0</b>	<b>-54.5</b>	<b>12.1</b>	<b>12.1</b>	<b>0.4</b>

## Breakdown of Net Revenue – Devices

### Product



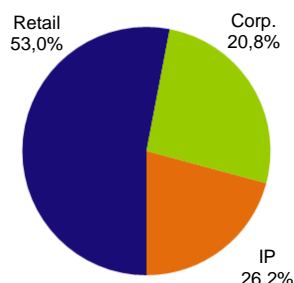
2Q19



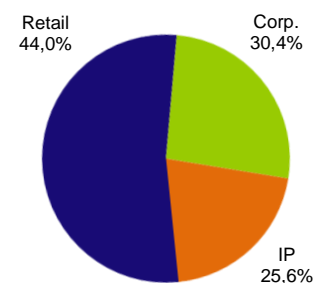
2Q20

NB: Notebooks  
DT: PCs  
TC: Mobile Phones  
SE: Servers

### Channel



2Q19



2Q20

Corp : Corporate  
PI.: Public Institutions

## 2.2) COGS

Cost of Goods Sold (R\$ million)	2Q19	2Q20	% Chg. 2Q20 x 2Q19	1H19	1H20	% Chg. 1H20 X 1H19
Raw materials and consumables used	(391.4)	(340.3)	(13.1)	(637.2)	(626.1)	-1.7
Depreciation and Amortization	(2.0)	(2.2)	8.5	(4.3)	(4.2)	-3.0
Others	(17.4)	(14.7)	(15.3)	(28.9)	(31.2)	8.1
<b>Total</b>	<b>(410.9)</b>	<b>(357.2)</b>	<b>(13.1)</b>	<b>(670.4)</b>	<b>(661.5)</b>	<b>-1.3</b>
<b>Conciliation - adjusted COGS</b>						
(+) Cash Effect of raw material hedging*	3.7	(2.4)	-165.0	2.8	(11.2)	-500.1
<b>Total adjusted</b>	<b>(407.2)</b>	<b>(359.6)</b>	<b>-11.7</b>	<b>(667.6)</b>	<b>(672.7)</b>	<b>0.8</b>
<i>in % of Net Revenue</i>	<i>74.0%</i>	<i>81.6%</i>	<b>0.0</b>	<i>74.3%</i>	<i>82.1%</i>	<b>0.0</b>

\* Represents the amounts received (or paid) by the company in instruments of exchange hedge contracted to cover dollarized inputs. These figures are net of exchange rate change on invoices in US dollars.

### Raw Material and Inputs

The account of raw materials and inputs with hedge adjustment corresponded to 77.8% of net revenue in 1Q20, an increase of 7.3 pp in relation to 2Q19, mainly due to the abrupt increase in the dollar between the periods, whose transfer in prices in retail, it occurs gradually, presenting a normalization in the medium term as the price reshuffles.

The Company understands that the analysis of this account with adjustment for the result of the hedge and the exchange variation is the most adequate way to understand the dynamics of the margins. The pricing is established considering the hedge positions contracted, which are required by internal policy.

### Other Costs

Other costs totaled 3.8% of net revenue in 2Q20, an increase of 0.3 pp compared to 2Q19. The variation is due, among others, to the addition of labor costs in the period, due to the start of operations at the Ilhéus plant, where the initial phase of the production process is on a productivity ramp.



## 2.3) GROSS PROFIT

The Company recorded gross profit of R\$ 83.3 million in 2Q20, accompanied by a gross margin of 18.9% (- 6.4 p.p.).

Adjusting for the result of the hedge and exchange variation, the gross margin registered 18.4% in 2Q20 (- 7.6 p.p.).

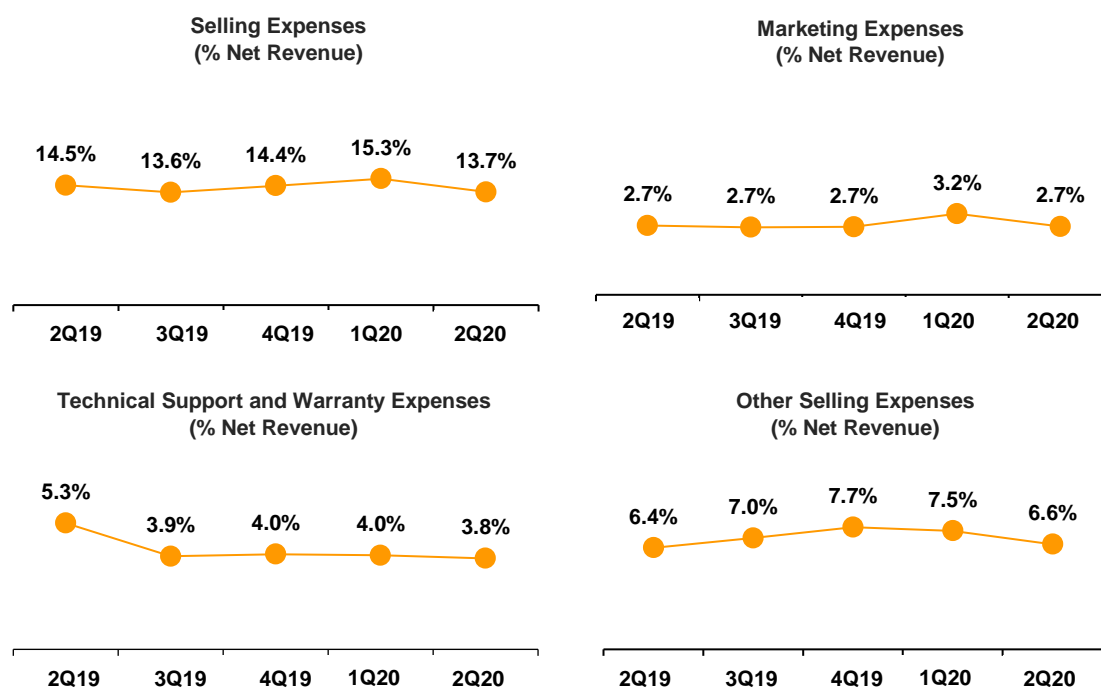
## 2.4) OPERATING EXPENSES

Operating Expenses (R\$ million)	2Q19	2Q20	% Chg. 2Q20 x 2Q19	1H19	1H20	% Chg. 1H20 X 1H19
Selling Expenses	(78.2)	(61.0)	-22.0	(134.8)	(118.7)	-11.9
General and Administrative Expenses	(24.7)	(26.6)	7.8	(48.2)	(54.4)	12.9
Other Revenue (Expenses)	(0.4)	(1.5)	285.8	(0.2)	(1.5)	671.7
<b>Total</b>	<b>(103.3)</b>	<b>(89.2)</b>	<b>-13.6</b>	<b>(183.2)</b>	<b>(174.7)</b>	<b>(4.6)</b>

### Sales Expenses

Selling Expenses (R\$ million)	2Q19	2Q20	% Chg. 2Q20 x 2Q19	1H19	1H20	% Chg. 1H20 X 1H19
Marketing	(15.1)	(11.9)	-21.0	(28.0)	(24.1)	-13.8
Tech. Assistance and Warranties	(29.2)	(16.8)	-42.3	(47.0)	(31.8)	-32.3
Deprec. and Amortization	(0.3)	(2.2)	641.0	(0.5)	(4.5)	804.6
Others	(33.7)	(30.0)	-10.9	(59.3)	(58.3)	-1.6
<b>Total</b>	<b>(78.2)</b>	<b>(61.0)</b>	<b>-22.0</b>	<b>(134.8)</b>	<b>(118.7)</b>	<b>-11.9</b>
<b>% of Net Revenue</b>	<b>14.2</b>	<b>13.9</b>	<b>-0.3 p.p.</b>	<b>15.0</b>	<b>14.5</b>	<b>+0.5 p.p.</b>

\* For the purposes of analysis, Marketing expenses were reclassified, excluding the effects of co-op advertising expenses and discount expenses, which are now included in the reduction of gross revenue accounts.



## Marketing

Marketing expenses totaled R\$ 11.9 million in 2Q20 and represented 2.7% of net revenue, in line with what was presented in 2Q19.

## Technical support and warranty

Technical assistance and warranty expenses totaled R\$ 15.0 million in 1Q20, and represented 4.0% of net revenue, down 1.1 pp from 1Q19, the variation is due to a reduction in the average warranty period contractual sales to the corporate markets and public tenders in the period.

## G&A

In 2Q20, general and administrative expenses totaled R\$ 26.6 million, an increase of 8% over 2Q19. Excluding depreciation and amortization expenses, mandatory Research and Development (R&D) expenses and extraordinary expenses for preparing the plants for COVID-19 restrictive measures, general and administrative expenses totaled R \$ 10.0 million in the period, a reduction of 7.1%.

G&A Expenses (R\$ million)	2Q19	2Q20	% Chg. 2Q20 x 2Q19	1H19	1H20	% Chg. 1H20 X 1H19
Personnel and Management Compensation	(9.9)	(9.0)	-8.8	(19.3)	(20.0)	3.8
Others	(0.9)	(1.0)	11.1	(1.8)	(2.4)	33.3
<b>Subtotal - before non-recurring items, R&amp;D expenses, depreciation and amortization</b>	<b>(10.8)</b>	<b>(10.0)</b>	<b>-7.1</b>	<b>(21.1)</b>	<b>(22.4)</b>	<b>6.3</b>
(+) Deprec. and amortization	(6.7)	(7.0)	4.6	(12.9)	(14.5)	12.5
(+) Research and Development - R&D	(7.1)	(7.8)	9.9	(13.9)	(15.1)	8.6
(+) Non-recurring items	(0.2)	(1.8)	800.0	(0.3)	(2.4)	700.0
<b>Total</b>	<b>(24.7)</b>	<b>(26.6)</b>	<b>8.0</b>	<b>(48.3)</b>	<b>(54.4)</b>	<b>12.7</b>

As a percentage of consolidated net revenue, general and administrative expenses corresponded to 6.0% in 2Q20 (+1.5 pp), the variation is mainly due to a lower dilution of fixed costs in the period, with lower sales volume for public and corporate institutions.

## 2.5) EBITDA

In 2Q20, Adjusted EBITDA was positive by R\$ 7.9 million, the reduction was mainly due to the impact on margins in the period, as discussed in previous items.

EBITDA (R\$ million)	2Q19	2Q20	% Chg. 2Q20 x 2Q19	1H19	1H20	% Chg. 1H19 X 1H20
Net Income (Loss)	11.1	(8.6)	177.8	6.5	(4.2)	165.2
Deprec. and Amortization	(9.5)	(11.4)	20.0	(19.1)	(23.3)	22.0
Financial Result	(24.0)	(8.5)	64.6	(35.4)	11.4	-132.2
IR e Social Contribution	(3.0)	1.1	-135.9	(3.0)	(1.5)	-49.2
<b>EBITDA</b>	<b>47.4</b>	<b>10.2</b>	<b>-78.5</b>	<b>63.5</b>	<b>9.1</b>	<b>-85.7</b>
<b>Conciliation of Adjusted EBITDA</b>						
EBITDA	47.4	10.2	-78.5	63.5	9.1	-85.7
(1) Cash Effect of raw material hedging	3.7	(2.4)	-165.0	2.8	(11.3)	-501.9
(2) EBITDA Joint Ventures (50%)	0.3	0.1	-66.7	1.1	0.2	-81.8
<b>Adjusted EBITDA</b>	<b>51.4</b>	<b>7.9</b>	<b>-84.7</b>	<b>71.0</b>	<b>(2.0)</b>	<b>-102.8</b>
<b>Adjusted EBITDA margin (%)</b>	<b>9.1%</b>	<b>1.8%</b>	<b>-0.1 p.p.</b>	<b>7.9%</b>	<b>0.0</b>	<b>-0.1 p.p.</b>
<b>Multiple</b>						
Net Debt - end of the period	258.4	150.7				
Adjusted EBITDA - LTM	149.7	86.7				
<b>Net Debt Multiple / Adjusted EBITDA</b>	<b>1.7x</b>	<b>1.7x</b>				

Below is a breakdown of the Adjusted EBITDA account:

- 1) Cash effect of input hedge: Represents the amounts received (or paid) by the company in instruments of exchange hedge contracted to cover dollarized inputs. These figures are net of exchange rate change on invoices in US dollars. The company understands that their result is operational, as they are fully linked to inputs.
- 2) EBITDA Joint Venture Positivo BGH: Refers to half of the EBITDA obtained by Positivo's joint venture BGH's operations in Argentina, Rwanda and Kenya, with a 50% stake in these companies. We have announced this adjustment since 1Q13, due to the introduction of accounting regulations that now deal on joint ventures using the equity pickup method, which is excluded from the calculation of the traditional EBITDA.

## 2.6) FINANCIAL RESULT AND NET DEBT

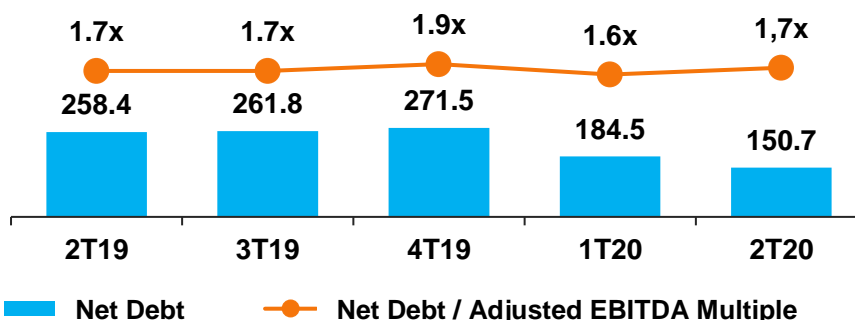
The financial result for 2Q20 was negative by R\$ 8.5 million, 62.7% better compared to 2Q19, a combination of gains in the mark-to-market of derivative instruments with the rise in the dollar and a reduction in financial expenses accompanying the fall in basic interest rate.

Financial Result (R\$ million)	2Q19	2Q20	% Chg. 2Q20 x 2Q19	1H19	1H20	% Chg. 1H20 X 1H19
Cash effect of raw material hedging	3.7	(2.4)	-165.0	2.8	(11.3)	-501.9
Mark to market and other non-cash items	(8.0)	8.3	-204.3	0.0	51.7	N/A
Subtotal - Exchange rate (a)	(4.3)	<b>5.9</b>	<b>-238.1</b>	<b>2.8</b>	<b>40.5</b>	<b>1,347.8</b>
Leasing (b)	(0.9)	<b>(0.8)</b>	<b>-2.8</b>	<b>(1.8)</b>	<b>(1.7)</b>	-3.0
Financial Revenue	8.8	7.4	-16.4	16.6	18.7	12.4
Financial Expenses	(26.4)	(21.0)	-20.6	(53.0)	(45.9)	-13.4
<b>Subtotal - Cost of debt and others (c)</b>	<b>(17.7)</b>	<b>(13.6)</b>	<b>-23.1</b>	<b>(38.2)</b>	<b>(29.2)</b>	<b>-23.7</b>
<b>Total (a + b + c)</b>	<b>(22.9)</b>	<b>(8.5)</b>	<b>62.7</b>	<b>(35.4)</b>	<b>11.4</b>	<b>-132.2</b>

## Indebtness

The Company ended 2Q20 with a net debt of R\$ 150.7 million. The multiple Net Debt / EBITDA was 1.7x, the deleveraging and the increase in the liquidity position are the result of the net funding of R\$ 334 million with the Follow On operation carried out in January, and a normalization of part of the receivables flow readjustment placed in March with the start of restrictive social distancing measures.

Evolution of Net Debt and  
Quarterly Debt Ratio (R\$ million)\*



\*Includes financial balance of derivative instruments.

## 2.7) NET INCOME

A loss of R \$ 8.6 million was recorded in 2Q20, a result lower than 2Q19 when a profit of R \$ 11.1 million was recorded.

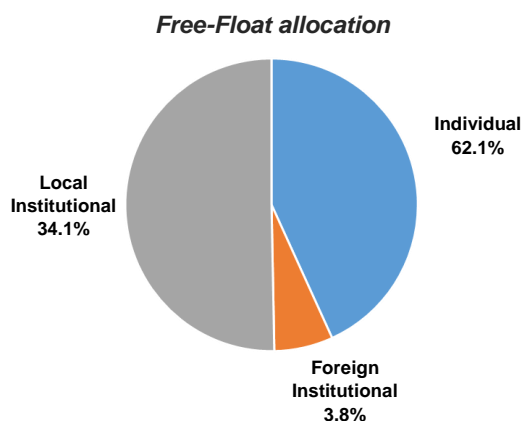
## 3) EQUITY

### Stock performance

Positivo Tecnologia's shares ended 2Q20 quoted at R \$ 5.20, indicating a market value of R \$ 737.4 million (+ 223% vs. 2Q19).

### Free Float Allocation

As of June 30, 2020, the Company had 48,800 individuals in its shareholder base, holding 62.1% of the outstanding shares. Institutional investors held 37.1% of the free-float, as follows:



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## **2Q20 Webcast**

Friday, August 14, 2020

### **> Portuguese**

10h30 (Brasília time)  
08h30 (NY time)

### **> English**

11h30 (Brasília time)  
09h30 (NY time)

Link:

<https://webcastlite.mziq.com/cover.html?webcastId=dc965bfb-e631-420d-abfc-77bfc2bc10a0>

Founded in 1989, Positivo Tecnologia (B3: POSI3) is present both in Brazil and abroad, and offers the most advanced technology solutions, from the production of computers to the development of educational tools. The Company operates through two business divisions: Hardware and Educational Technology. The Hardware division portfolio offers a complete line of personal computers (PCs and laptops), tablets and mobile phones. The company owns or represents the following brands in Brazil: Positivo, Vaio, Anker, Quantum, 2 A.M., Positivo Casa Inteligente and Accept. Positivo has manufacturing facilities in Curitiba and Manaus, as well as in Buenos Aires, Santiago, Nairobi (Kenya), Kigali (Rwanda), Taipei (Taiwan) and Shenzhen (China). To support clients, the company has Positivo Relationship Center (CRP), as well as a technical support network that covers the entire national territory. In the Educational Technology segment, Positivo Tecnologia is renowned for being at the forefront of development and for the high quality of its technological solutions in the three segments in which it operates: Private Education, Public Education, and Retail. The educational solutions of Positivo Tecnologia are present in over 14,000 schools and are exported to over 40 countries. For further information on Positivo Tecnologia go to [www.positivotecnologia.com.br/ri](http://www.positivotecnologia.com.br/ri)

Certain statements herein are forward-looking statements based on Management's current estimates regarding future performance that may result in material differences regarding future results, performance and events. The actual results, performance and events are subject to material variations and may significantly differ from those expressed or implied by these statements as a result of several factors such as the general and economic conditions in Brazil and other countries; the interest rate and exchange rates levels, changes in laws and regulations and general competitive factors (global, regional and national).