

POSITIVO

A photograph of two women walking from left to right in a modern office or public space. The woman on the left has long dark hair and is wearing a dark blue coat, holding a smartphone. The woman on the right has curly hair and is wearing a grey coat with a white bag, also holding a smartphone. The background is blurred, showing shelves with books or papers. A thin black line with three circular nodes connects the top of the 'POSITIVO' text to the women's heads.

Positivo Tecnologia
1Q20 Results

1Q20 Highlights

POSITIVO

- **Net Income of R\$ 4.4 million in 1Q20** (+195.1%)
- **Net Revenue of R\$ 378.6 million in 1Q20**, growth of 8.9% vs. 1Q19
- **Core Business:** good PC sales volume, with growth in all segments in 1Q20:
 - **Retail:** + 14.0%
 - **Public Institutions:** + 41.3%
 - **Corporate:** + 8.4%
- **New baseline for PCs Market in Brazil:** covid-19, *home office* and *homeschooling* movements generate demand growth for IT and communication devices in Brazil, with a growth in the ecommerce channel
- **Servers:** business unit posts R\$ 34,7 million revenue in 1Q20 (+72.8% vs. 1Q19)
- **Educational Technology:** business unit posts revenue of R\$ 9.7 million in 1Q20 (+58.2% vs. 1Q19)
- **Net debt reduced to R\$ 184.5 million**, with a 1.6x Net Debt / Adjusted EBITDA multiple (- 0.4 p.p.)
- **New VAIO PCs launch:** with versions FE14 and FE15, devices that are designed for work, study and entertainment
- **Hi Technologies completed new investment round**, and Positivo invested with its Investment and Participation Fund
- **Follow On:** reinforced cash position with a R\$ 354 million primary offering operation

* The comparisons, except otherwise indicated, are related to the 1Q19

Positivo Tecnologia and the covid-19

POSITIVO

Company's actions to protect workers, partners and the society.

➤ **COVID Free:** measures to preserve employees and partners health:

- Home Office for most of administrative staff
- Entrance and circulation protocol, for a high security level in the industrial na administrative sites

➤ **Collective agreement following Governments measure n. 936:** for temporary suspension and working hours reduction. Without layoffs, and aiming to lower the impact in employees income , mainly for the lowe income ones

➤ **Support on the payments flow to smaller suppliers**

➤ **PCs donation for social initiatives**

➤ **Support in the manufacture of 6.5 Thousand ICU ventilators,** in partnership with Magnamed, Suzano, Klabin, Flex and others



Photo: FAPESP publication

Covid-19 effects to the market

POSITIVO

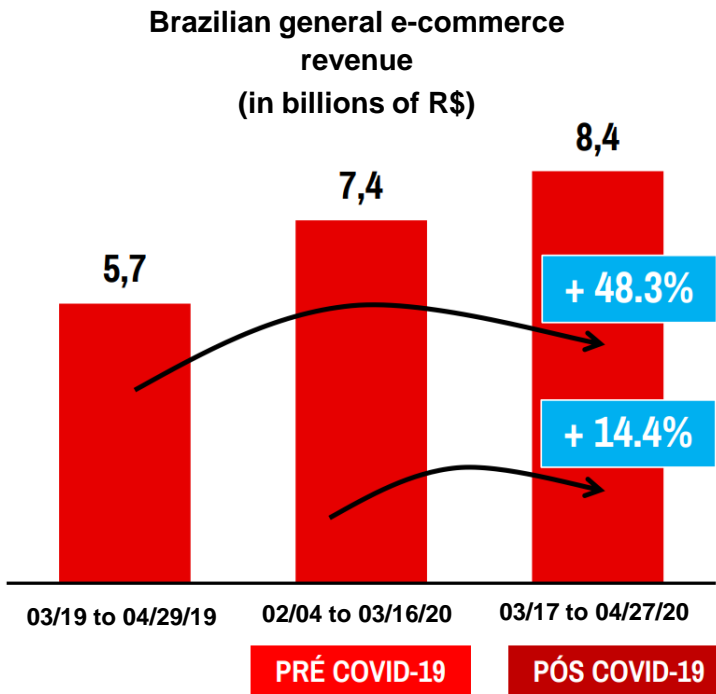
Buying habits change with social isolation, accelerating the consumption of some products

- Initial impacts on the supply flow, with the temporary closure of factories in China in 1Q
- Online market expanded 48.3%, earning R \$ 8.4 billion in the post covid period

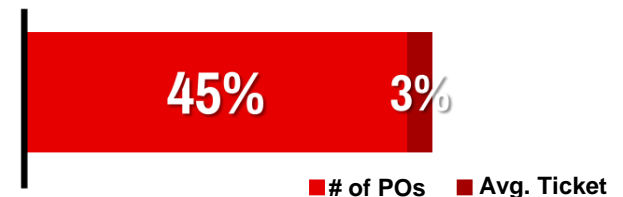
- *Home Office* and *Home Schooling* generated increased demand for technology devices, creating a new level of consumption in Brazil

The Top 4 categories that boosted the e-commerce revenue, when compared to 2019, were Eletronics, Home&Decor, Computing and FMCG

- Revenue growth with average ticket maintenance indicates an increase in sales of products with lower final prices



Contribution percentage to Revenue growth, 2020 vs. 2019



Source: E-bit | Nielsen: Webshoppers Ed.41

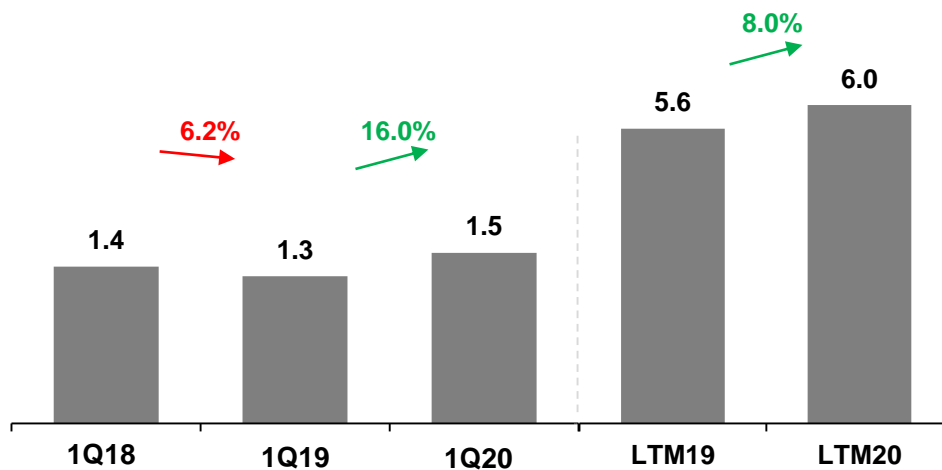
1Q20 PCs market

POSITIVO

PC Market - Brazil

- 1.5 million units in 1Q20 (+ 16.0%), and 6.0 million in LTM (+8.0%)
- Retail: +15.4%,
- Public Institutions: +20.4%
- Corporate: +15.9%

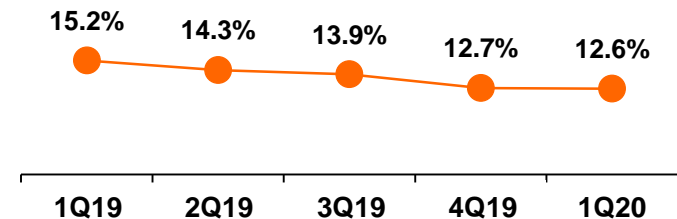
Total PCs Market – Brazil¹
(in millions of units)



Positivo's Performance

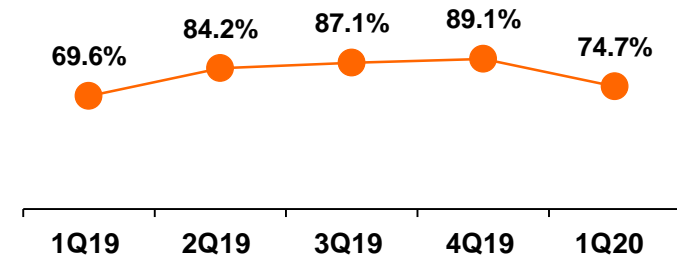
- Market Share of 12.6% in 1Q20

Annual Market Share
PCs total – Brazil¹



- Positivo is the leader for entry-level devices, posting a 74,7% Market share in Notebooks priced until R\$1,200

Annual Market Share
Notebooks < R\$ 1,200¹



¹ Source: IDC

VAIO PCs launching

POSITIVO

Company anticipated the campaign of VAIO versions FE14 and FE15

VAIO® FE14 e FE15

- Performance and design designed for use at work and at home



VAIO® FE14

**Empodere
seu mundo.**



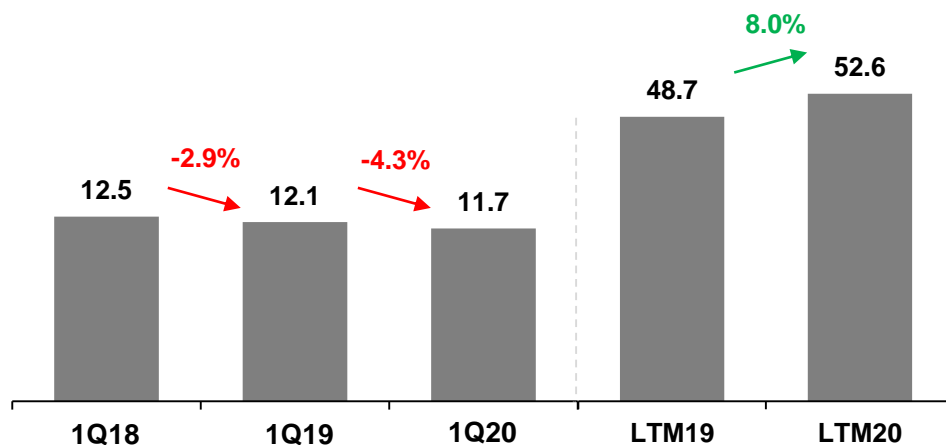
1Q20 Cellphones market



Brazilian Cellphone market

- Cellphone Market in Brazil decreased 4.3% in 1Q20 in relation to 1Q19, however with an increase of 8.0% in the accumulated of 12 months
- Supply limitation contributed to the quarterly decline

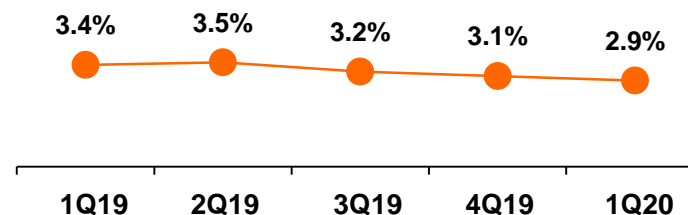
Cellphone Market – Brazil¹
(in millions of units)



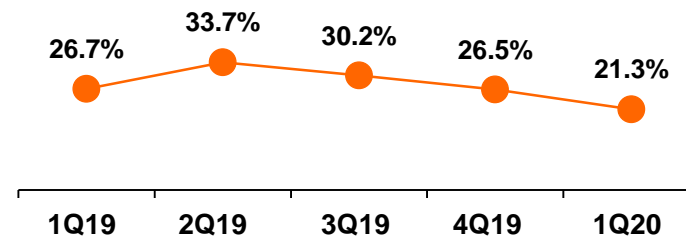
Market Share Positivo

- Market Share of 2.9% in 1Q20, 0,5 p.p. reduction

Annual Market Share
Cellphone Market – Brazil – Total¹



Market Share Anual Positivo
Celulares <R\$ 450,00 – Brazil¹



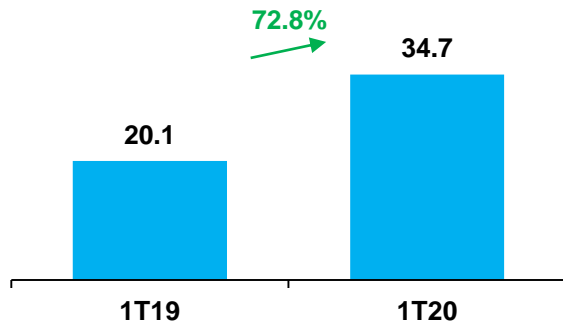
Growth avenues: Servers and HaaS

POSITIVO

Servers



- Revenue of R\$ 34.7 millions in 1Q20 (+72.8%)



- Social Isolation and Home Office increase data traffic, generating the need to expand IT structures in Brazil



- Constantly expanding business unit
- Good penetration in the market of corporate clients looking for an alternative to capex
- More restrictive budgets due to the crisis may increase the focus for IT equipment leasing in Brazil

Growth Avenues: IoT e Educational Technology

POSITIVO

IoT – Casa Inteligente



- Consumption of products for Home & Decoration had increased demand in the post-covid period, in the ecommerce channel
- With Home Office, consumers spend more time at home and purchases of devices for home automation and comfort tend to grow

Educational Technology



- Revenue growth of 63.4% no 1Q20, posting R\$ 9.1 million
- Schools' need to adapt to Home Schooling increases the demand for educational programs and portals
- Company intensified the availability of licenses for testing in the isolation period

Hi Technologies: new round of investments

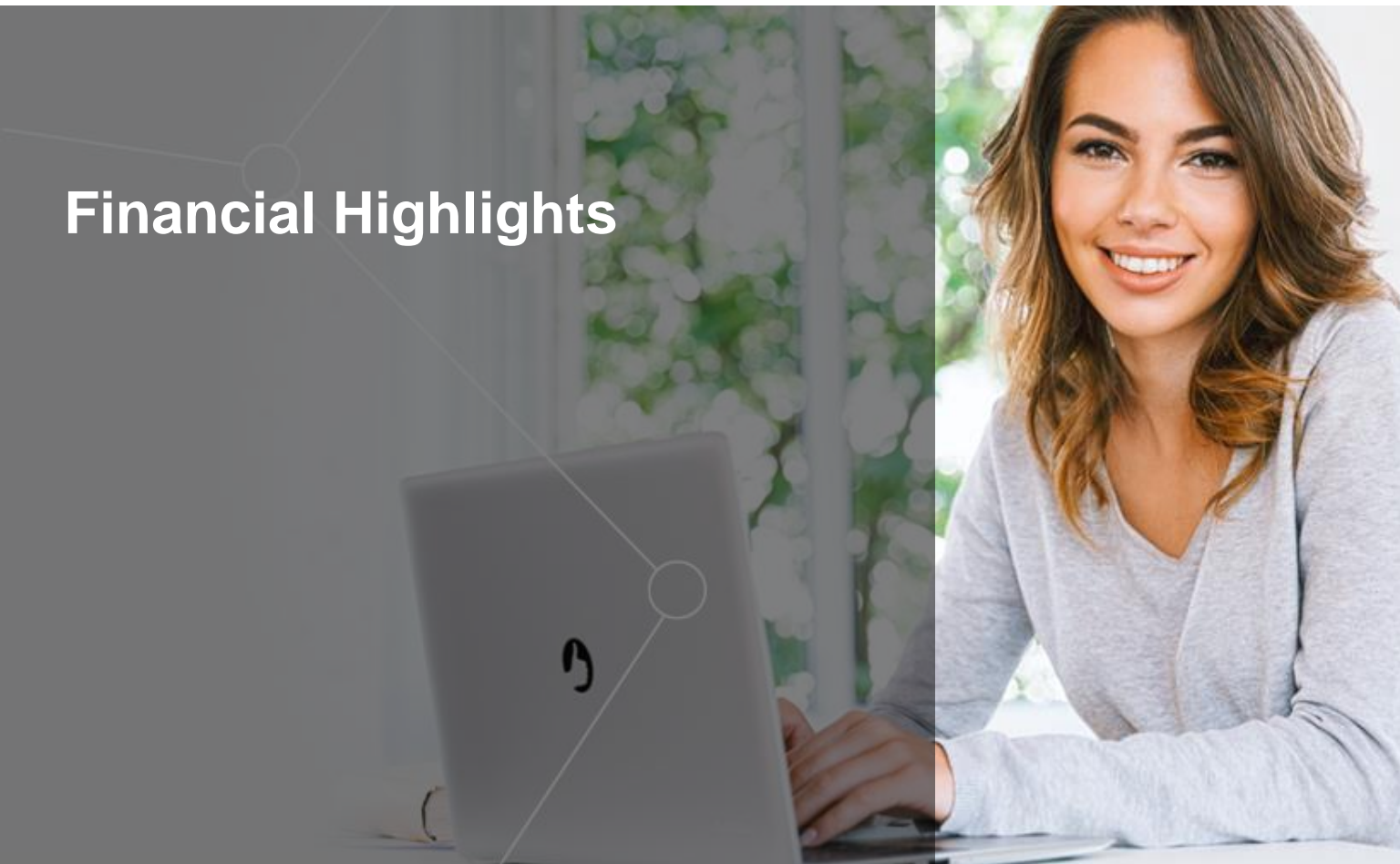
POSITIVO

With the FIP contribution, Positivo now holds 28.1% of the business, considering direct and indirect stakes



- Launch of the Quick Test for COVID-19
- Accurate laboratory tests with just a drop of blood
- About 15 types of blood tests available
- Exam plans for companies
- Available in major pharmacy chains
- HiLab Go

Financial Highlights

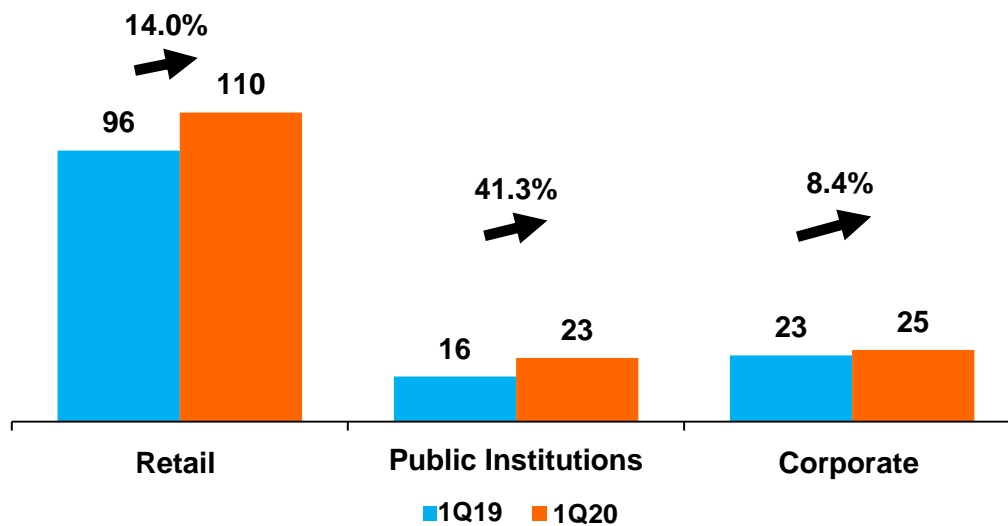


POSITIVO

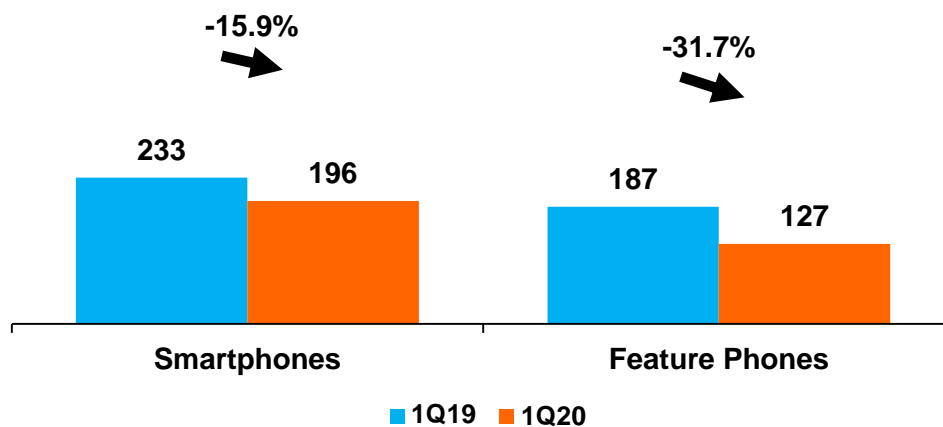
1Q20 sales volume

POSITIVO

PC Sales – channel breakdown (millions of units.)



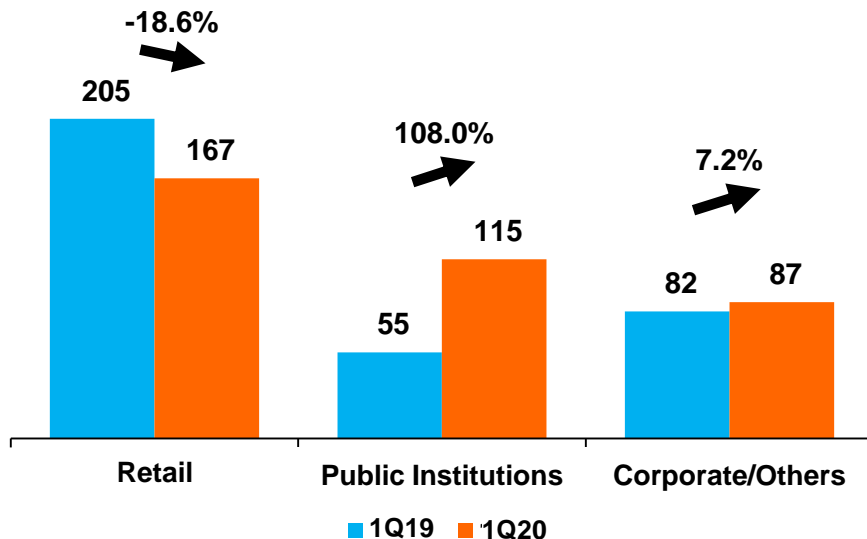
Cellphone sales – product breakdown (thousands of units.)



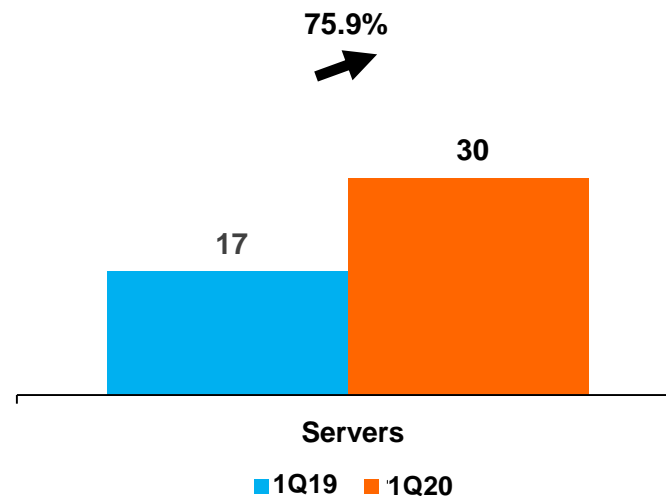
Net Revenue growth of 8.9% in 1Q20

POSITIVO

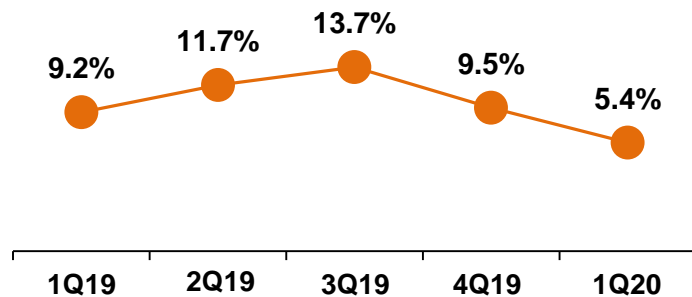
PCs sales – channel breakdown (R\$ millions)



Servers Sales (R\$ millions)

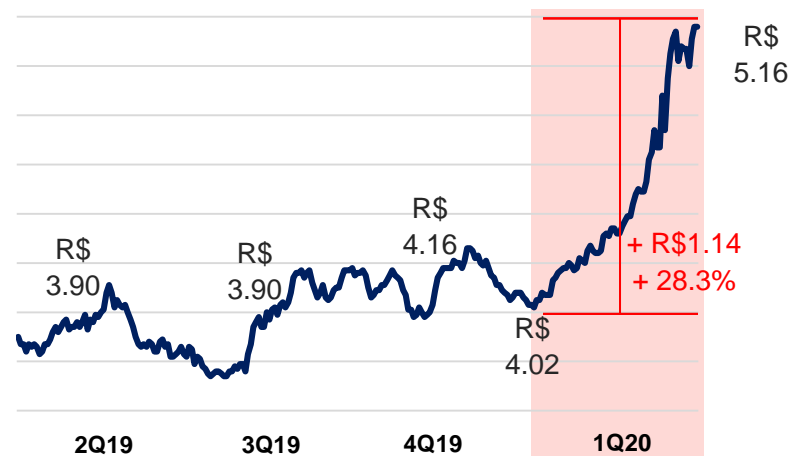


Sales Margin¹



¹Calculated by deducting hedge-adjusted COGS, selling expenses and depreciation from net revenue.

Dólar vs. R\$ in 1Q20

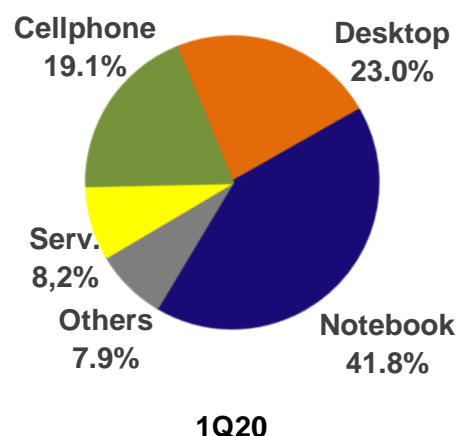
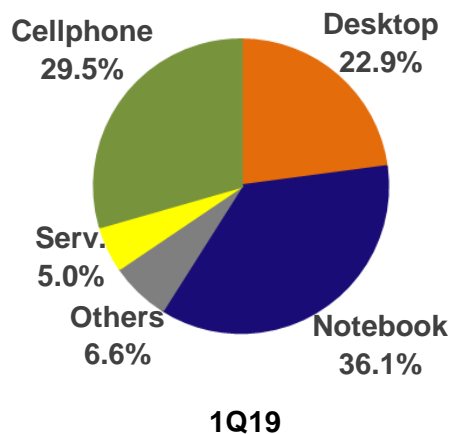


Higher share for new businesses in 1Q20 revenue breakdown

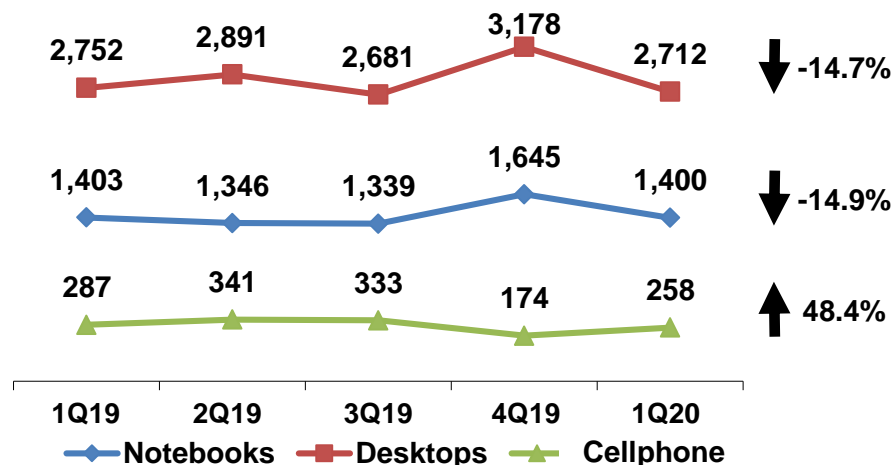
POSITIVO

Net Revenue – by product

- Net revenue in 1Q20 registered a higher share of other businesses in revenue breakdown, as well as an increase in Desktops, due to higher sales for public institutions in the quarter
- The performance of the servers business unit contributed to the share of other devices in the 1Q20 net revenue breakdown.



Avg Price¹ (R\$)



Desktops: -14.7% vs. 4Q19:

- Higher proportion of sales to public biddings in the period w/o Desktop + Monitor pack.

Notebooks: -14.9% vs. 4Q19:

- Higher proportion of entry-level devices in the mix of products

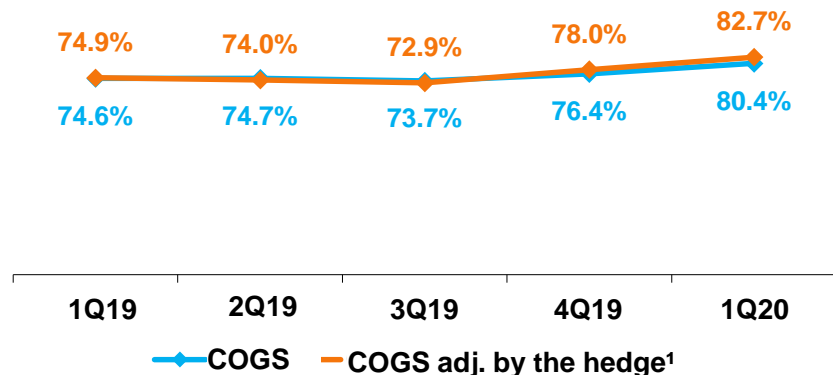
Cellphones: +48.4% vs. 4Q19:

- Due to higher proportion of smartphones compared to feature phones

Gross Margin, Sales expenses and G&A

POSITIVO

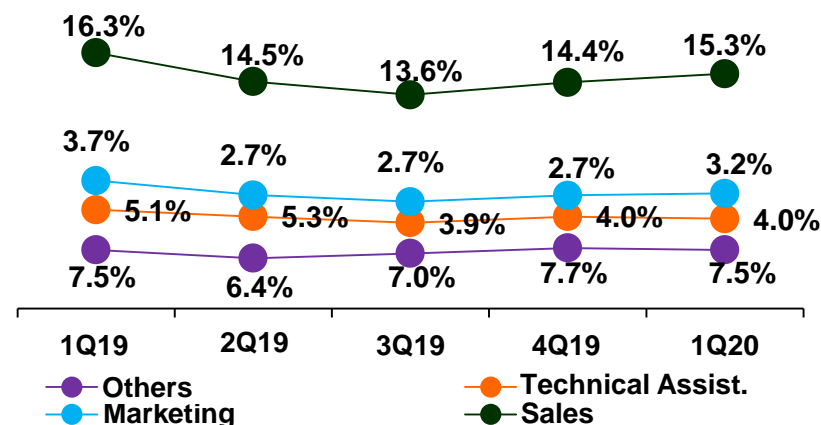
COGS



G&A

R\$ million	1Q19	4Q19	1Q20	Var% 1Q20 x 1Q19	Var% 1Q20 x 4Q19
Personnal	(9)	(12)	(11)	17%	-11%
Others	(1)	(2)	(1)	56%	-28%
Subtotal	(10)	(14)	(12)	20%	-14%
(+) Non-recurring items/R&D	(7)	(10)	(8)	17%	-20%
(+) Deprec. And Amortization	(6)	(8)	(8)	21%	-4%
Total Geral	(24)	(33)	(28)	20%	-13%

Sales expenses²



COGS: + 7.8 p.p. in 1Q20, due to the fast USD appreciation, which pass-through on prices happens in a slower pace

Sales: Higher proportion of contracts with lower warranty terms, generating lower accruals for technical assistance

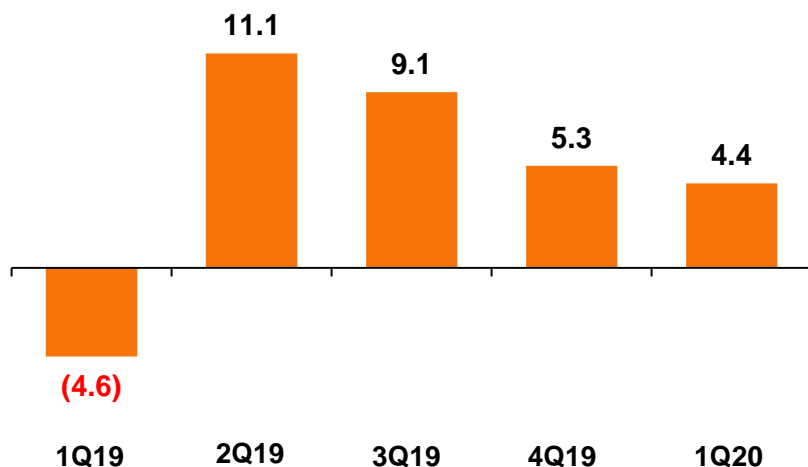
G&A: Consolidation of Accept's operations, as well as extraordinary expenses with assembly lines transfer and terminations in the period

¹Represents the amounts received (or paid) by the company in instruments of exchange hedge contracted to cover dollarized inputs. Such amounts are net of the exchange variation observed on billings in dollar

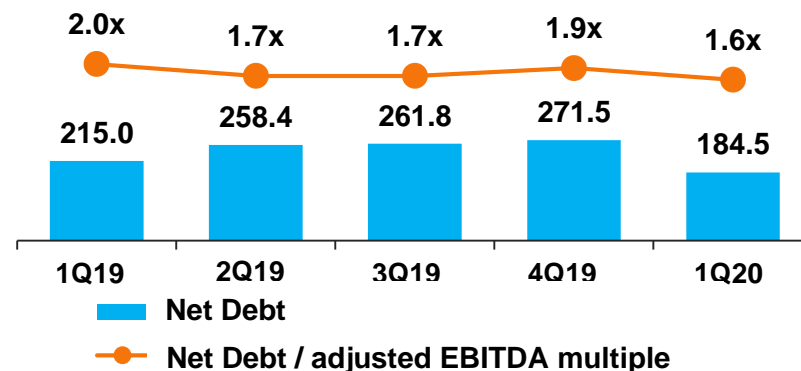
² in % of net revenue

Net Income of R\$ 4.4 million in 1Q20, and Net Debt / Adjusted EBITDA of 1.6x POSITIVO

Net Income (loss) (R\$ millions)



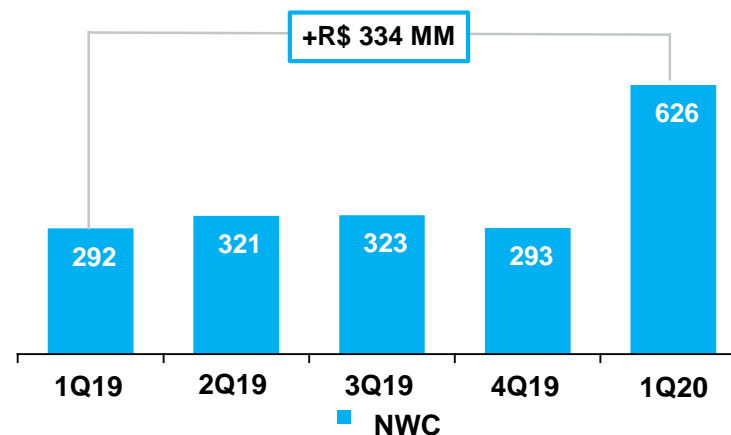
Net Debt (R\$ millions) and multiple



Financial Result (R\$ million)

Financial Result	1Q19	1Q20
Cash effect of raw material hedging	(1)	(9)
Mark to market and other non-cash items	9	43
Subtotal – Exchange rate Variation (a)	8	35
CPC – Lease (b)	-	(1)
Financial Revenues	8	11
Financial Expenses	(27)	(25)
Subtotal - Custo of debt and others (b)	(19)	(14)
Total (a + b)	(12)	20

Net Working Capital (R\$ million)



(1) EBITDA adjusted by the cash effect of the exchange hedge of inputs, by the addition of 50% of EBITDA of the joint venture IFSA and by extraordinary items.

POSITIVO

www.positivotecnologia.com.br