Desde 2013

Seeking For Alpha

Investor Letter

3rd Quarter 2025

"Changes, turn and face the strange"

Excerpt from the song Changes by David Bowie

The Fund **Porto SFA FIF CIC Ações** closed the third quarter of 2025 with a cumulative return of 2.15%, versus a gain of 5.32% by the Ibovespa.

Period	Porto SFA	Ibovespa	CDI
3Q25	2,15%	5,32%	3,70%
Last 3 years	23,00%	34,02%	43,03%
Last 5 years	34,70%	52,75%	63,09%
Since inception	365,73%	173,31%	210,80%

Introduction

The third quarter of 2025 was marked by greater volatility in the local market, as the 2026 electoral cycle begins to gain prominence and behind-the-scenes movements come to occupy relevant space in the news and in the expectations of economic agents. Electoral scenarios tend to bring uncertainty, but the anticipation of debates and the intensity of current noise reinforce the need for discipline and patience.

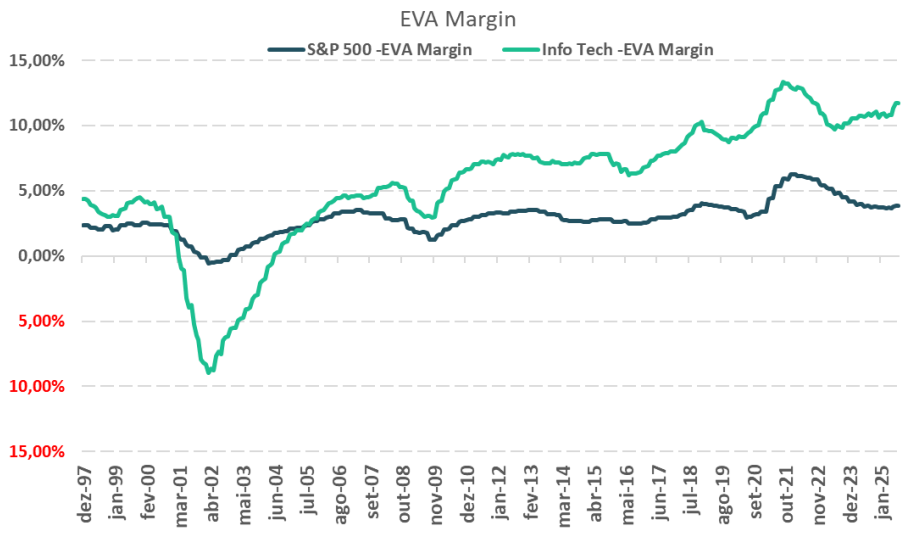
In the international environment, the United States remains at an important inflection point: after years of more restrictive monetary policy, signs of economic slowdown and greater debate around the pace and depth of the interest rate normalization cycle are beginning to emerge. At the same time, geopolitical tensions and discussions about tariffs and sanctions add layers of complexity to an already challenging global context.

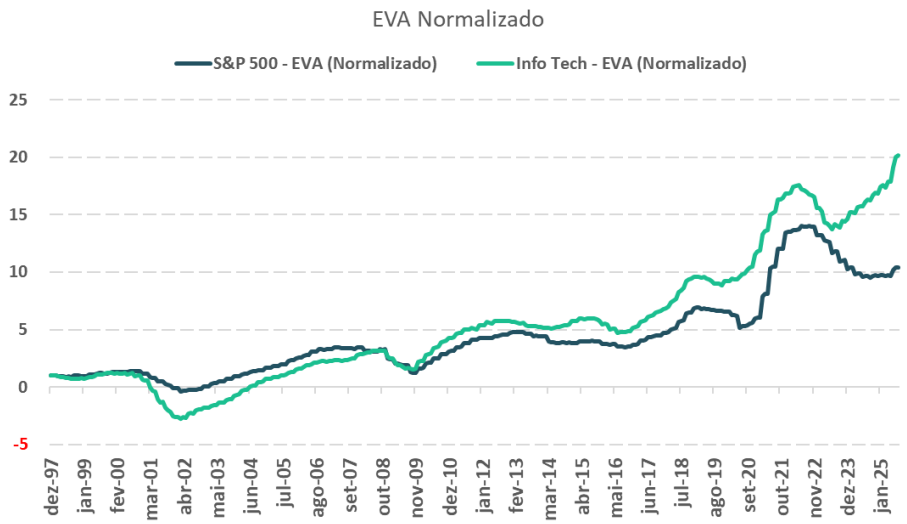
We know that long-term fiscal sustainability is a key piece for Brazil to maintain credibility and structural attractiveness. Therefore, as we approach 2026, we expect the public debate to intensify important discussions.

As long-term investors, it is essential to recognize this moment, but without losing focus on the essence: identifying good businesses, with good governance, proven execution capacity and traded at attractive prices. In periods of greater noise, patience, conviction and analytical rigor become even more valuable and time tends to reward those who remain faithful to their philosophy and investment process.

Technology Sector

Concluding our trilogy of letters on important topics in SFA's history — after covering the financial sector with BR Partners and the domestic economy with GPS — we turn to technology. Technology stocks have built and destroyed many fortunes. Some investors still remember the spectacular and tragic burst of the technology bubble in the early 2000s. However, since the failure of dot.com companies, some technology companies have been able to generate exponential value for their shareholders as never before in the history of investing. Looking at the last 10 years of the S&P 500, the contribution of the so-called "*Magnificent Seven*" (shares of Alphabet, Amazon, Apple, Tesla, Meta, Microsoft and Nvidia) to the American stock market was significant and drove record-breaking performance year after year.





The financial analysis of technology companies is complex. Generally, they are companies that have high expectations of future value delivery embedded in the price, possess more intangible assets such as intellectual property, patents and brands than physical assets such as factories and machines. Moreover, it is a rapidly changing sector. It is not easy to predict the return of technology companies in the long run, but, as in all SFA investments, we seek to identify competitive advantages of the company, good management, solid governance and *valuation* attractive. Our investment process is the foundation of analysis in this rapidly transforming sector, which makes us less susceptible to the movement of company news.

When analyzing the technology sector, it is important to note that there are several players and operating segments. Each may have distinct competitive advantages within its own dynamics, but here we present some common advantages of technology companies that have been good investments:

Key Competitive Advantages of Technology Companies

1. Intangible Capital (*Intangible Assets*)
    - Patents, brands and intellectual property: Protect technological innovations against copying and create barriers to entry.
    - Proprietary software and algorithms: Difficult to replicate, especially when combined with continuous learning. Example: Google, Microsoft.

2. Network Effect (*Network Effect*)
    - The more users a platform has, the more value it offers to each new user.
    - Example: Facebook, Uber, Amazon, LinkedIn.
    - This creates an exponential advantage that is difficult to compete with.
3. Switching Costs (*Switching Costs*)
    - Complex software or integrated services create high costs (financial, operational and learning) for customers to switch providers.
    - Example: Salesforce, SAP, Adobe.
4. Cost Efficiency (*Cost Advantage*)
    - Companies operating at large scale can offer products/services at lower prices.
    - Example: Amazon (logistics + cloud), Google (data infrastructure).
5. Efficient Scale (*Efficient Scale*)
    - In niches or markets where only a few players can operate efficiently.
    - Example: Data centers, cloud providers (AWS, Azure).

Other relevant observations for the technology sector:

- Rapid growth does not always indicate a "*moat*" — many startups grow but do not have a lasting competitive advantage.
- Technology changes fast: *moats* need to be constantly analyzed, as they can deteriorate with disruptive innovations.
- Companies with *moats* tend to have above-average returns on invested capital over time.

SFA's history is marked by strong investments in technology companies off investors' radar, such as Sinqia, TSMC and Linx, as well as more obvious names such as Google and Amazon. In all of them, we identified strong competitive advantages combined with competent and motivated management.

In this letter, we present a new technology company in our portfolio, whose opportunity we believe is off investors' radar. Positivo Tecnologia, which still carries the stigma of a low-cost computer manufacturer, has undergone a transformation and is today a provider of hardware and IT infrastructure services for the corporate market.

It is worth briefly noting that for Positivo we conducted more than 50 interviews with *stakeholders*, including employees, former employees (mainly), shareholders, board members (in their entirety), competitors and supply chain. We believe qualitative work is essential, and we had the opportunity to visit 3 trade fairs (Autocom, Febraban, Exposec) somehow linked to the company's activities, where we also interacted with dozens more chain participants. We also visited Positivo's headquarters in Curitiba, where we immersed ourselves in the people, business and culture of the company. We eventually also plan to visit the factories in Manaus. Positivo presents a unique thesis. Understanding its various growth avenues requires some investment of time, as the company has changed significantly relative to what it was in the past.

Positivo Tecnologia: More Than Meets the Eye

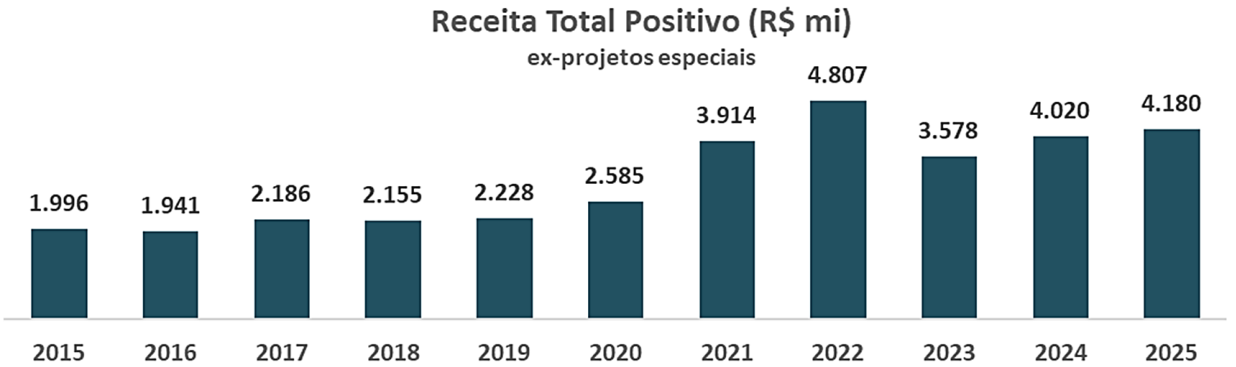
Positivo Tecnologia represents a classic transformation story, the effects of which should become visible in the coming quarters. Initially known for its affordable PC lineup sold in major retail chains, from 2017 Positivo redirected its operations to serve mainly the corporate segment (large companies). The engine of this transformation was the company's entry into and maturation in some “new avenues”: markets or business models more profitable and less cyclical than the legacy business. These new avenues leverage qualities Positivo already had: agility, good management, deep knowledge of the Brazilian market, structured sales channels, tax efficiency, broad scale and a strong, established supply chain. In the past, the cyclical and low-margin nature of the main market historically limited the company's ability to consistently generate value for shareholders.

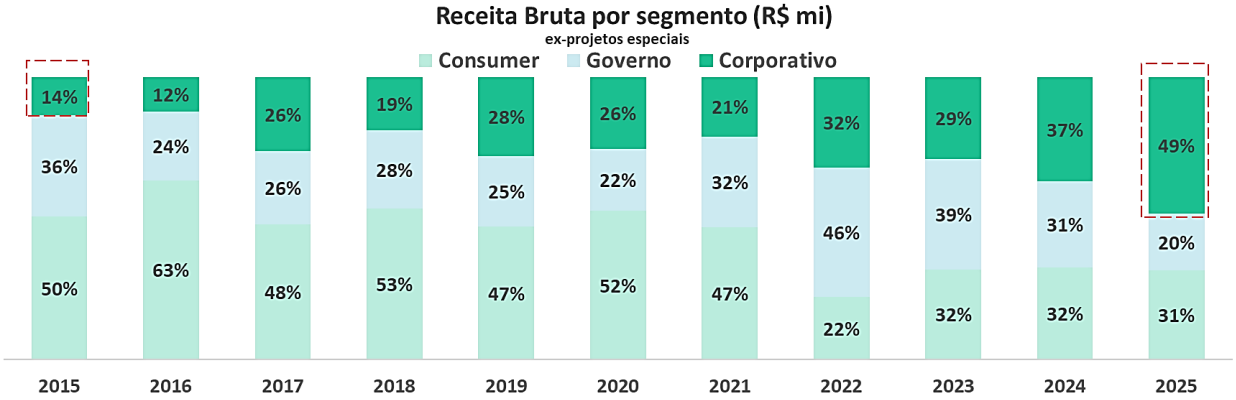
With more than 30 years of operation, Positivo offers a diversified portfolio of products and services encompassing development, manufacturing, marketing and distribution of hardware, software and integrated solutions. Its portfolio includes computers, mobile phones, tablets, accessories, servers, educational technologies, smart home and environment devices, payment terminals, IT and mobility equipment rental (Hardware as a Service – HaaS), as well as special projects on demand. Recognized for popularizing the PC in Brazil, the company has established itself as a standout in the Brazilian computer market, earning among international competitors the nickname “local king”, and in the past was the target of several acquisition offers.

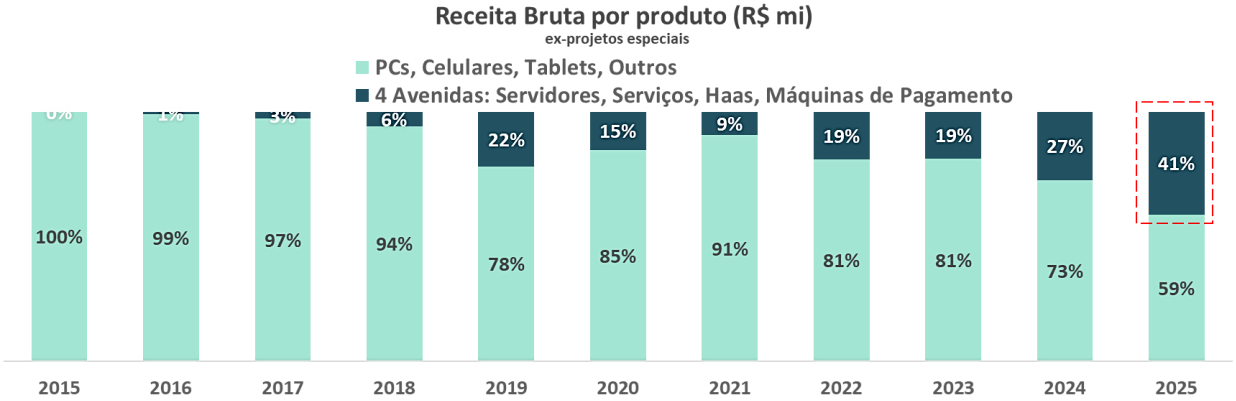
After retail computer sales in Brazil plummeted between 2013 and 2017, the company underwent a strategic transformation to position itself as a hardware infrastructure provider for the corporate market, while preserving its retail presence. Since then, it has been expanding its B2B market presence and consolidating as a complete provider (one-stop-shop). Positivo continues to expand in the corporate market, with new business lines beyond PCs — such as IT Services, Payment Solutions, Security, Servers and Hardware as a Service (HaaS) — which offer greater recurring revenue, higher margins and capital efficiency. With an addressable market of R$121 billion versus revenue of R$4 billion, the company has great growth potential. In 2024, the corporate segment represented 37% of revenue; in 2025 close to 50% of revenue and we expect it to continue gaining share

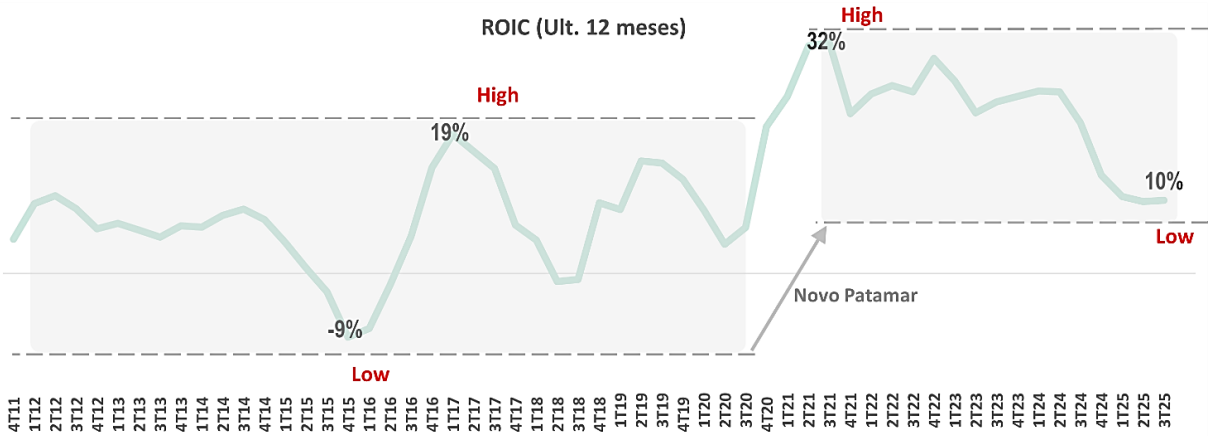
The core of our thesis is the strategic shift initiated in mid-2017. Management began leveraging existing strengths to penetrate higher-value-added markets, focusing on new growth avenues primarily targeting the corporate segment. The IT Services, Servers and Payment Solutions divisions have moved beyond being bets and become growth engines, with margins and expansion rates significantly higher than the legacy retail PC market. This transition has been structurally changing Positivo's profitability profile. Even during a low point in the PC sales cycle and government demand, the company already shows a return on invested capital (ROIC) higher than peaks of previous cycles, strong evidence of structural improvement. We therefore

see an opportunity to invest in the "new Positivo" at a price that still reflects the old one, stigmatized as a "PC supplier for department stores".









Our thesis on Positivo is simple: it is a company with competitive advantages and good management, undergoing a transformation process, moving away from being a retail-focused computer manufacturer to becoming one of the leading providers of technological infrastructure for corporate clients.

Brief History of Positivo

Positivo Tecnologia is a Brazilian company founded in 1989 in Curitiba, Paraná, as part of Grupo Positivo, which has been active in the educational sector since 1972. The creation of Positivo Informática had as its initial objective the development of technological solutions for education, such as educational software and school management systems.

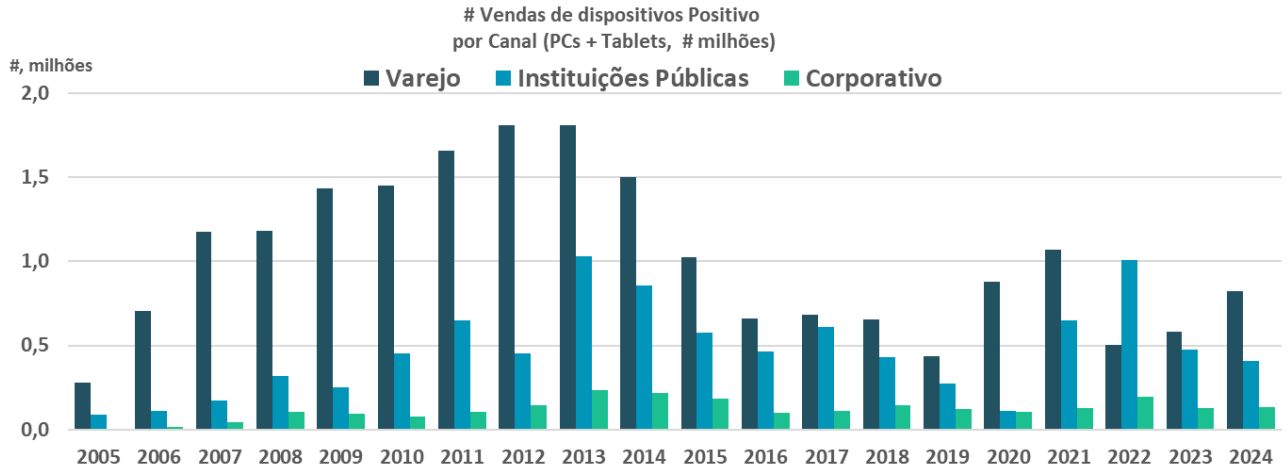
In the 1990s, with the growth of the IT market in Brazil, Positivo expanded its focus and began manufacturing and selling personal computers (PCs). This strategic shift occurred during a period when access to technology was still limited in the country, and the company stood out for offering equipment at more affordable prices to the Brazilian public.

Throughout the 2000s, Positivo consolidated itself as the leader in computer sales in Brazil, especially in the retail segment. Its products gained ground in stores across the country thanks to the combination of competitive pricing, partnerships with retail chains and the inclusion of educational content in its equipment, which added value to its offerings.

In 2006, the company underwent a restructuring and went public on the São Paulo Stock Exchange (B3) under the name Positivo Informática, through a primary offering of R$640 million in the Novo Mercado segment.

Investment Thesis

Since its IPO, the history of Positivo as a publicly listed company can be divided into two phases. In the first phase, Positivo was the main driver behind the popularization of computers among the Brazilian lower-middle class between 2006 and 2016, in parallel with the expansion of consumer credit during the Lula and Dilma administrations. By mid-2013, however, the Brazilian computer market, which had been growing, began to change. In a market that sold around 15 million microcomputers per year, sales plummeted to around 5 million annually. This led the company to face financial difficulties in 2016, and Positivo found itself in need of diversifying its business. To understand our thesis on Positivo, it is essential to note that the company went through a *turnaround* in 2017.



Despite lower computer sales, the ROIC chart previously presented on page 6 shows that the Company has been generating higher returns even with lower computer sales volumes.

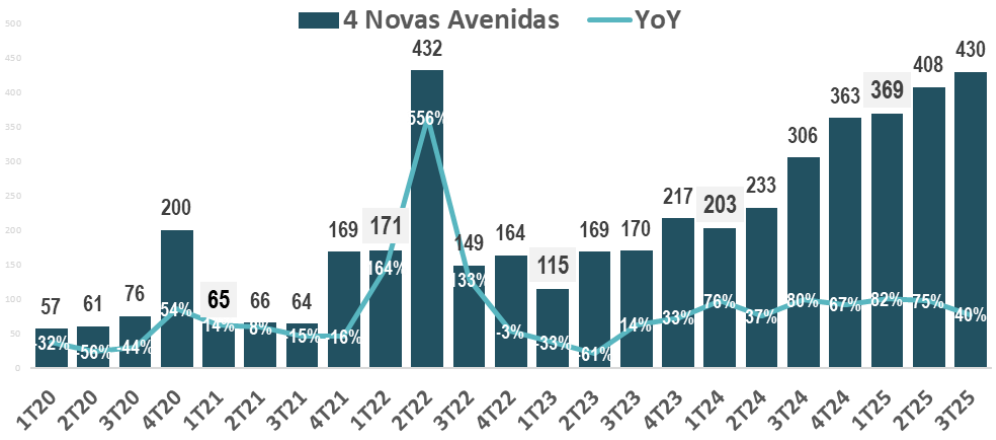
The retail computer market is difficult. It requires significant working capital, operates with low margins, is extremely cyclical and dependent on large retailers such as Casas Bahia and Magazine Luiza. Even during periods of strong volumes with the lower-middle class, Positivo did not create value for shareholders,

as measured by EVA. In other words, returns did not exceed the cost of capital employed. It was therefore an unattractive business for SFA, due to the difficulty of seeing potential for future value creation.

For this reason, in 2017, the company underwent a strategic overhaul and began diversifying its business. Positivo could no longer depend exclusively on retail PC sales to remain a national hardware manufacturer. The company decided to look inward and identify its competitive advantages and how it could use those strengths to reinvent itself. Over the decades, Positivo built knowledge and relationships within the global hardware supply chain, a manufacturing complex with production capacity, and a distribution structure covering the entire national territory, considering the tax and logistics complexities inherent to Brazil. These characteristics are unreplicable for any domestic company wishing to compete in the hardware market in the country. They are advantages that make Positivo the *player* lowest-cost, which lead it to be called "local king" by its main international competitors (Dell, Lenovo and HP), and which made it the target of acquisition offers in the 2000s.

The Company began to exploit its advantages and started changing its business model, implementing adjustments to achieve more sustainable profitability:

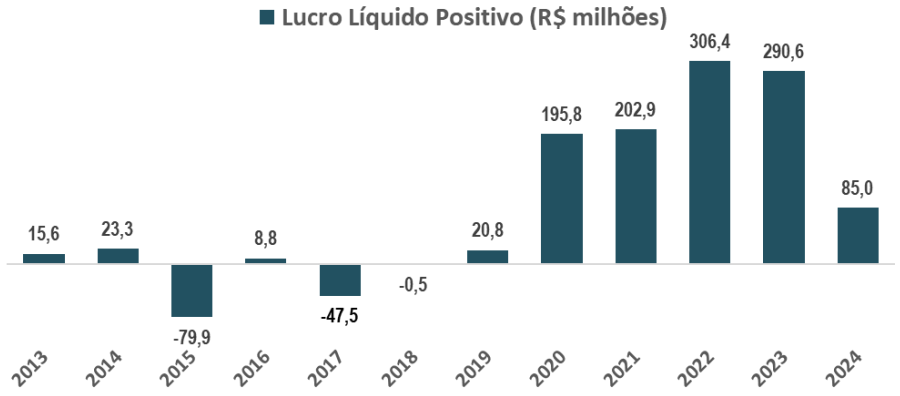
- Entry into the corporate segment: competing with the main rivals in a market with better margins, lower working capital needs and lower sales cyclicality, supported by a strategy of greater customization, better service and enhanced technical support.
- Portfolio diversification: expanded beyond computers, focusing on mobile phones and tablets, infrastructure services, new lines such as IoT for smart homes, corporate servers (Accept) and "*as a service*".
- Brand repositioning: in 2017, the company changed its name from Positivo Informática to Positivo Tecnologia to reflect a broader scope of operations.
- Debt reduction and deleveraging: reduction in net debt observed in the 2016 and 2017 balance sheets, cost cuts and improved financing conditions.
- Operational improvements: reduction of old inventories, fixed cost control and production efficiency gains.
- Expansion into new markets and channels: direct retail sales, international operations in selected segments, serving government and corporate segments with new offerings, brand licensing such as VAIO and forming partnerships.



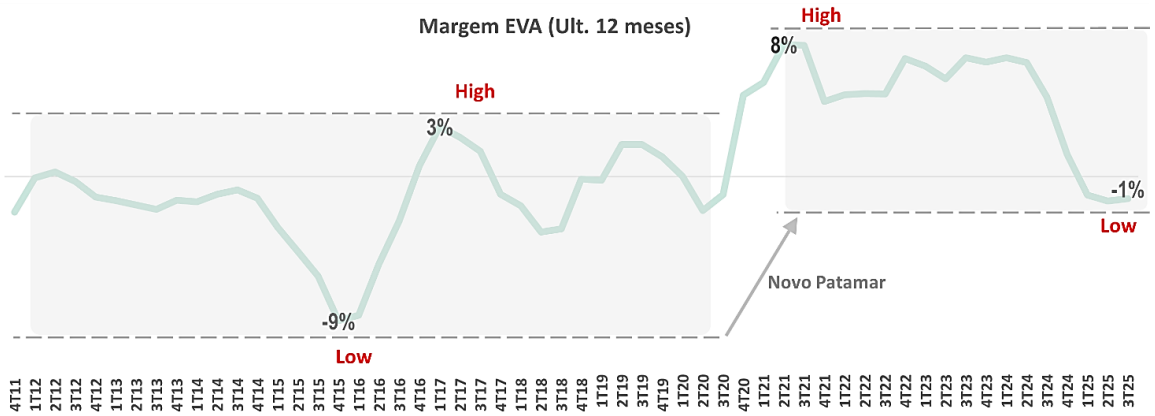
Gross Revenue: 4 New Avenues (R$ mn) – PSS (servers), S+ (services), HaaS (rental) and Payment machines

After years of losses between 2015 and 2018, the results of the new strategy began to emerge in 2019. Positivo reversed the 2018 loss of approximately R$500,000 and recorded net income of R$20.8 million. Since then, the company has not returned to the red. Entry into the corporate segment was decisive in lifting the

Company's profitability to a new level, with more efficient use of capital. It is notable that, after 2018, the return on capital did not fall below the cost of capital, whereas in the previous period, in unfavorable cycles, there was value destruction. Thus, it can be considered that the *turnaround* of Positivo was successful.



Source: Company



SFA Estimates

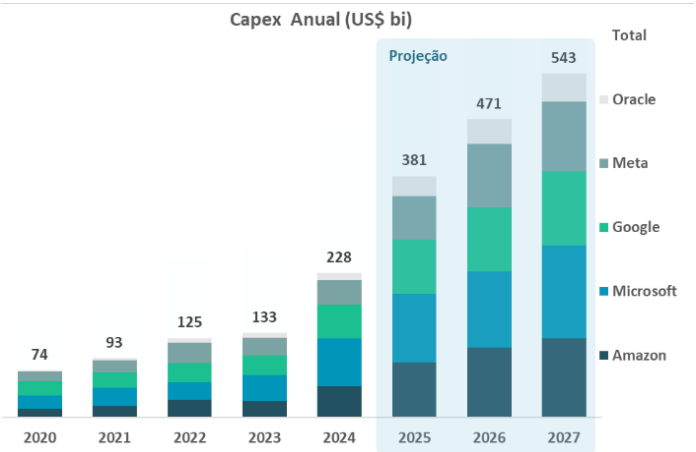
Currently, the Company continues pursuing growth in new avenues: servers, services, hardware-as-a-service (HaaS) and payment machines, which we will detail later in this letter. These fronts are already relevant in Positivo's revenue composition and make the offering of a unique and integrated solution for corporate clients increasingly strategic. Even so, the cyclicality of legacy segments, such as retail and public sector computer sales, has been negatively affecting results and pressuring profits over the last three quarters. We consider the current period opportune to build a position in Positivo: the continued growth of the new avenues, which have higher margins, tends to make results less volatile. With the normalization of the retail and public sector demand cycle, we see significant value creation potential. Progress in these new segments should be sufficient to dispel the stigma of being a computer manufacturer for department stores and position the company as a hardware infrastructure provider for large companies. If Positivo were still only a computer manufacturer for the lower-middle class, we would not view the company as an attractive investment. Today, however, despite maintaining the legacy business, Positivo is capable of delivering cutting-edge technology, as in the Petrobras supercomputer, a tender it recently won. We believe that, in the second wave of AI evolution, marked by the development of AI tools on companies' own servers, along with initiatives such as PBIA and REDATA, Positivo is well-positioned to capture this opportunity as one of the leading hardware and infrastructure services providers.

AI: From Software to Hardware

Beyond Positivo's own qualities, we believe in the thesis that the technology world is undergoing a disruption, a revolution, in how it works. While over the past 10 years we saw the growth of highly value-generating software companies with virtually zero marginal reproduction costs, we believe that over the next 10 years we will move toward a reality far more intensive in physical capital. A world with high CAPEX levels, where depreciation of tangible assets consumes a larger share of results and where variable costs become one of the technological and growth bottlenecks.

In this scenario, assets linked to the hardware production chain, where Positivo sits, gain value. As a consequence, hardware knowledge, manufacturing assets, scale and relationships with Asian suppliers tend to become increasingly valuable. In the context of Positivo, which operates factories at scale, we understand that the company is positioned to benefit from this long-term trend, enabling even greater value generation.

In the recent past there was software supremacy, with companies like Meta, Google and Microsoft operating with relatively low marginal replication costs and generating great value. Today, those same companies have been investing colossal sums in AI-related hardware, and the trend for coming years is for this to only increase.



Source: Companies

Although there is debate about the return on these investments, we believe that AI is a technological revolution that is here to stay and that, as it matures, it should generate great value for companies and for society. Therefore, we believe that higher variable costs linked to hardware tend to be more prevalent, making factories more valuable assets in general.

Positivo is not usually seen as an AI beneficiary, but we see some vectors that may favor it. Starting with the computer market, this AI wave should accelerate the renewal cycle, with greater demand for more powerful machines. Additionally, the average ticket of new machines should rise, with part of the processing migrating to the edge of devices, the so-called *edge* AI, which requires more expensive components such as NPUs in processors. In addition, the server market also benefits. Positivo already has a relevant server operation, which we will address in detail later in this letter, and this is a business that naturally benefits from AI data centers when that demand arrives with greater force in Brazil. Brazil, due to its characteristics of abundant energy, space and demand, is a promising candidate to receive massive investments in AI-oriented data centers.

People and Culture

Positivo's business is challenging, but the Company has been active in this segment since the 1990s, being the only domestic manufacturer that has weathered various economic cycles and today holds a relevant

position in the Brazilian hardware market. In our view, there is something different about the company that explains this resilience. Good management is an essential condition in any company that preserves market leadership. What first impressed us about Positivo was the executive team and the Company's culture, something we did not expect, as we started the analysis with some bias. We spoke several times with both first and second-tier executives and, without exception, all demonstrated genuine pride in working at the company and championed the banner of being the domestic hardware manufacturer. We believe the main driver of this culture is its chief executive and founder, Hélio Rotenberg.

Hélio Bruck Rotenberg graduated in Civil Engineering from the Federal University of Paraná in 1983 and obtained a master's degree in Computer Science from PUC-Rio in 1987. His trajectory in Grupo Positivo began in 1988, when he took over the direction of the Computer Science program at Faculdades Positivo, today Universidade Positivo. In 1989, he led the creation of Positivo Tecnologia, envisioning a company to manufacture computers with an initial focus on education. Since then, he has led the Company through phases of growth, strategic transformations and adaptations to market changes. In Hélio, we found three attributes we value in leaders of SFA-invested companies: innovation, resilience and discipline. From his trajectory, the following characteristics stand out as an executive:

1. long-term strategic vision and adaptability;
2. innovation and portfolio expansion;
3. focus on results and operational efficiency;
4. capacity to lead organizational transformation;
5. resilience in the face of external challenges;

It is impossible to talk about Positivo without talking about Hélio. He is the *key man* (key figure) of the Company, transmitting culture, sense of urgency and entrepreneurship. In addition to Hélio, we were impressed by the quality of the executive team and the diversity of skills. During the research, we had the opportunity to speak with Norberto Maraschin, responsible for the Consumer area and one of the architects of the payment machines business, which has been very successful in recent years. Norberto is an example of the entrepreneurship that Positivo so strongly encourages among its executives. We also spoke with Leandro Rosa, who highlighted the company's strategic direction and the shift in focus toward corporate clients, in addition to directing the company to benefit from AI. Marielva Dias, with 33 years of experience at the company, is a focal point for Positivo in government relations, with broad knowledge of Positivo's operations. Carlos Maurício came from Algar Tech following the acquisition and is an executive with extensive experience in the corporate market, bringing significant knowledge of the services sector. Rodrigo Guércio is a sector veteran with a strong background in corporate business. We also spoke with Silvio Campos, the entrepreneur behind Positivo Server Solutions; he has decades of experience in his market and today coordinates one of the company's most important new growth avenues.

Overall, the executive team surprised us positively and, especially for a company with Positivo’s market capitalization, we found highly skilled and motivated talent, something that is generally difficult to find in the technology sector in Brazil. We believe the executive team is essential in the transformation that Positivo is undergoing.

Source: company

In addition to a strong team, it is essential that executive compensation be aligned with shareholders' interests, and we were impressed to see an incentive program well aligned with the company's value creation. In the new incentive program, implemented in 2018, all performance targets and capital allocations are directed at generating a return on capital above the cost of capital; this is the foundation of variable executive

compensation. In other words, one of the executive incentive targets is directly tied to value creation itself. It is one of the few Brazilian companies that adopts return on capital as the main measure in its executive incentive program.

Positivo and Its Differentials

We like companies that have *moats* that are enduring. The *moat*, understood as a strong competitive advantage, increases the chance of a *compounding* effect through superior returns over a prolonged period and reduces the risk of capital destruction. Looking at Positivo, we initially believed the company did not have *moats*, but what caught our attention, as we deepened our analysis, was the company's resilience in a difficult sector that is working capital-intensive, subject to rapid product cycles and the volatility of the Brazilian macroeconomy. In this context, Positivo showed great resilience and adaptability, even though it did not generate value. We therefore kept trying to understand what Positivo might have that was different, something that would explain its struggle to consolidate itself as the unique "*local king*" alongside international giants such as Dell, Lenovo and HP.

Since we have a thesis based on new growth avenues in the corporate segment, we will divide the analysis between the distinct strengths the Company has for the retail and corporate segments. In the retail segment, we did not find in Positivo the same *moats* of international giants that have enduring superior returns such as Apple and Samsung, which have brand and switching cost advantages through an entire ecosystem built around their products. Since *hardware is a commodity*, we found in Positivo a cost advantage with a scale that makes it resilient in a highly competitive market, consistent with its positioning in the retail market. Positivo has unique expertise in hardware manufacturing and sales, being the third-largest manufacturer of IT equipment in Brazil and the only domestic company among the top five. It has the scale to work with industry-leading companies, mastery of the global supply ecosystem, solid hardware and software engineering capabilities, large manufacturing capacity and nationwide reach: over 12,000 points of sale, over 4,000 suppliers, over 6,000 support professionals; and six manufacturing units in Manaus, Ilhéus and Curitiba.

We identified a competitive advantage that makes it irreplicable, linked to its manufacturing and distribution capacity, an entry barrier that requires time, investment, certifications and supply chain mastery. Furthermore, the company belongs to a select group of brands that enter the research and consideration phase, meaning that very few are even considered. It takes a great deal of scale and time to get onto that "*shortlist*", which contributes to the strength of this *moat*. In Brazil, industrial presence and knowledge of the so-called basic production process add tax incentives and quality requirements that new entrants cannot quickly replicate. The result is the so-called *flywheel effect*: Scale → Operating leverage → More competitive proposals → More sales → Scale sustaining. Thus, we believe that today Positivo combines characteristics that are difficult to replicate for a new entrant and competes with already-consolidated international manufacturers.

Positivo Tecnologia has assets that make it irreplicable in the Brazilian market, resulting in a process distinct from competitors and generating a cost advantage for Positivo. Below are some of the main advantages:

1. Strong Domestic Market Presence

Positivo has a consolidated brand in Brazil, with broad retail presence and strong penetration in the educational and corporate segments. Its national recognition facilitates the acceptance of new products.

2. Accessible Pricing Strategy

Historically, the company has focused on offering products with good cost-benefit, making technology more accessible to the Brazilian population. This strategy allowed Positivo to reach a broad audience and meet demand often overlooked by international brands.

3. Portfolio Diversification

Positivo is not limited to computer manufacturing. Currently, its portfolio includes:

- Services
- Mobile Phones and Tablets
- Payment Machines
- Servers and corporate solutions
- Equipment for commercial automation
- Educational solutions, with hardware and software for schools and universities
- Participation in special projects such as electronic voting machines and IT kits

This diversification reduces dependence on a single market and broadens its revenue sources.

4. Domestic Production Capacity

Positivo has manufacturing infrastructure in Brazil, with units in Manaus, Ilhéus and Curitiba, which favors:

- Delivery agility,
- Tax and logistics advantages,
- Rapid adaptation to local market demands.

5. Strategic Partnerships

The company has formed partnerships with international brands such as VAIO, Infinix, Nutanix and Supermicro for the production and distribution of products in Brazil, which allowed it to enter segments of higher added value and differentiated technology.

6. Participation in Public Tenders and Projects

Positivo is frequently contracted by government agencies to provide IT equipment and services, which guarantees large-volume contracts and stability during periods of instability in the traditional consumer market.

7. Innovation and Adaptation

The company has been investing in innovation, with product development focused on digital education, public security and corporate digital transformation, demonstrating the ability to adapt to the country's new technological demands.

8. Capacity to Deliver Customized Products

An important characteristic of Positivo in the corporate segment compared to its international competitors, it has the flexibility to deliver products with customized specifications, unlike international players that sell off-the-shelf products.

In the corporate segment, Positivo Tecnologia stands out for its capacity to adapt to the Brazilian market, competitive prices, broad product and services portfolio and strong presence in strategic sectors such as education and government. These competitive advantages allow the company to remain relevant in an increasingly dynamic market contested by major global brands.

New Avenues – Servers: Positivo Server Solutions (PSS)

Positivo's transformation is based on four main growth avenues that consolidate the company's new phase. Among these avenues, the one that draws most attention in the context of AI and the data center explosion is the server vertical. Positivo Server Solutions (PSS) is Positivo's high-performance server solutions and custom project arm. Positivo's entry came with the acquisition of the former Accept in 2019, reinforcing the company's deliberate effort to pivot toward the corporate market.

Accept was founded in 1988 by Silvio Ferraz and migrated early from software to hardware. In 2008, it consolidated its relationship with Supermicro (SMCI), at the time barely established in Brazil, becoming its local commercial and technical representative. After the acquisition in 2019, Positivo was still very retail-oriented, but the arrival of executives with corporate DNA, such as Rodrigo Guércio (VP of Corporate Business), and the portfolio evolution with S+ changed the dynamics. We see room for *cross-sell* (cross-selling) with S+ (managed services) and higher-value-added proposals, combining hardware, software, services and HaaS contracts.

PSS's growth thesis rests on a few vectors. The first vector is the so-called repatriation (cloud repatriation) and the use of hybrid cloud for cost and data sovereignty reasons. In conversations with companies that use cloud services, we identified strong demand, in some cases (especially in larger companies), to keep part of their AI/HPC (*High Performance Computing*) running locally. The reasons vary, and there are reports of cloud costs that become prohibitive depending on the application and the relationship with the provider. We know that current demand for AI GPUs far exceeds supply and, therefore, prices and availability can delay or increase the cost of AI/HPC projects. In our estimates, the TCO (*total cost of ownership*) of acquisition can be, on average, 30% cheaper than using cloud for those with high utilization of these AI systems. Additionally, PSS is one of the few that offers, beyond sales, bundled services (via Positivo S+) and machine rental (HaaS), should the client prefer.

Another vector is that some client profiles, by strategy, tend to prioritize local utilization over 100% cloud use. Banks, in many cases, although there is no legal requirement, prefer to keep data and processing done locally in Brazil. Data sovereignty is a strategic concern for institutions dealing with information as sensitive as financial data. Control and physical security are also factors. Having data in-house gives the bank a greater sense of control and security. One can audit the physical security of the data center and maintain dedicated teams working in proximity to the infrastructure. Another example is a public security agency that uses its own servers to process investigation evidence, dealing with highly sensitive data.

An additional lever is that AI/HPC is no longer a niche. Previously, *high performance computing*, in general, was more focused on research centers; now, AI has become an essential and multifunctional tool, so that GPU projects (HGX/DGX type architectures) have become priorities, with high tickets.

Beyond these vectors, with abundant and increasingly clean energy, Brazil has a strategic asset for the new AI race: the ability to power data centers at scale with cost and predictability. It is worth the reflection of those who live this reality on the *front*: cloud professionals already point out that one of the greatest challenges — as significant as acquiring GPUs — has become ensuring sufficient and stable power supply. If the global race for computing power is shifting into a race for megawatts, Brazil gains a natural competitive advantage, combining a renewable energy matrix, generation expansion, and space for high-energy-density projects, which may unlock significant waves of AI investment here.

A strong foundation for the PSS is the highly visible public sector demand. According to our research, the government's discussions around AI have been intensifying, and one of the outcomes of these conversations is the PBIA. The Brazilian AI Plan (PBIA) was launched in 2024, coordinated by the Ministry of Science, Technology and Innovation (MCTI), within the National Council for Science and Technology (CCT),

envisaging relevant investments for Brazil to have one of the five most powerful supercomputers in the world. The PBIA aims to develop talent and provide the country with its own technological foundation, with stakeholders ranging from the government to the private sector and academia. For Positivo, it represents a major opportunity, given the potential scale of investments. In a table updated by the government in June 2025, planned investments through 2028 total R$23 billion, of which Positivo can capture a portion through PSS. With the publication of the plan, Brazil establishes a landmark for promoting and regulating artificial intelligence, seeking to position itself as a relevant actor in the global technology landscape.

Tabela 2 – Investimentos do PBIA

	Investimentos 2024-28
Ações de impacto imediato	R$ 435,04 milhões
Infraestrutura e Desenvolvimento de IA	R$ 5,79 bilhões
Difusão, Formação e Capacitação em IA	R$ 1,15 bilhões
IA para Melhoria dos Serviços Públicos	R$ 1,76 bilhão
IA para Inovação Empresarial	R$ 13,79 bilhões
Apoio ao Processo Regulatório e de Governança da IA	R$ 103,25 milhões
Total	**R$ 23,03 bilhões**

Source: Brazilian Artificial Intelligence Plan 2025 - Ministry of Science, Technology and Innovation

Alongside the PBIA, there is the REDATA. REDATA is the Special Tax Regime for Data Center Services in Brazil, created by Provisional Measure No. 1318, signed by President Lula in September 2025. It is a federal government program to attract technology companies, including *big techs*, and stimulate the construction of data centers in the country. In simple terms, it seeks to bring to Brazil the data storage and processing infrastructure that today often remains abroad. By offering tax advantages, the intention is for more data centers to be built on national territory. REDATA is more focused on stimulating private sector demand, while the PBIA is mainly linked to public sector demand from the government itself. The main incentive mechanisms are the suspension of PIS/Cofins, IPI and Import Tax on ICT (Information and Communication Technology) goods destined for fixed assets. Among the particularities, the IPI suspension does not apply to ICT goods manufactured in the Manaus Free Trade Zone (MFZ); meaning those goods already have their own regime, and if Positivo produces there, it preserves the MFZ's tax advantages. Another particularity: Import Tax exemption will only apply when there is no domestic equivalent. Positivo works to have its products assembled in Brazil, even using foreign components and design, recognized as domestic equivalents, which would give Positivo a greater chance of gaining market share.

"Art. 11-C. Fica suspenso o pagamento dos seguintes tributos incidentes na venda no mercado interno e na importação de componentes eletrônicos e de outros produtos de tecnologias da informação e comunicação, quando destinados ao ativo imobilizado de pessoa jurídica habilitada no REDATA:

I - Contribuição para o PIS/Pasep e Cofins incidentes sobre a receita;

II - Contribuição para o PIS/Pasep-Importação e Cofins-Importação;

III - IPI, incidente na importação ou na saída do estabelecimento industrial ou equiparado; e

IV - Imposto de Importação – II.

§ 5º A suspensão do IPI prevista no inciso III do *caput* não se aplica a componentes eletrônicos e aos demais produtos de tecnologias da informação e comunicação que tenham industrialização na Zona Franca de Manaus, relacionados em ato do Poder Executivo federal.

§ 6º A suspensão do II somente se aplica a componentes eletrônicos e aos demais produtos de tecnologias da informação e comunicação sem similar nacional e aos que tenham industrialização na Zona Franca de Manaus, desde que relacionados em ato do Poder Executivo federal.

Source: Excerpts from NATIONAL CONGRESS PROVISIONAL MEASURE N° 1318, OF 2025

As we can see, although still early-stage, there are forces that should drive growth in the Brazilian data center market. This leads us to ask: what would Positivo's strengths and differentials be within all of this? Before answering, it is worth commenting on PSS's strategic partnerships with Nutanix (NTNX) and Supermicro (SMCI) to distribute these brands in Brazil. Nutanix and Supermicro are foreign companies broadly involved in the AI and high-performance computing (HPC) value chain. With Nutanix, PSS holds exclusivity for manufacturing, maintenance and use of the brand in Brazil. Supermicro is the global leader in servers for Artificial Intelligence and high-performance computing (HPC), is NVIDIA's main hardware partner, and PSS acts as its industrial and commercial arm in Brazil, bringing to the local market the same platforms used by giants such as Elon Musk's xAI. Nutanix requires a local partner capable of manufacturing to rigorous technical specifications, offering the same globally certified software, with domestic production. In one way or another, these companies use PSS's local market knowledge to operate in Brazil. In field research, we identified that Supermicro prefers to centralize all orders from Brazil through PSS, to facilitate logistics and gain predictability by having a demand aggregator like PSS in the country. It is worth noting that most of PSS's revenue is somehow linked to Nutanix or Supermicro.

Below is a simplified diagram of the chain, showing how Positivo positions itself and captures this AI/HPC movement in Brazil, using Nvidia's DGX/HGX systems as an example.

Positivo clients: PSS: Success Cases, Positivo Servers & Solutions and Nutanix join forces for hyperconverged storage

Nutanix develops hyperconvergence solutions, transforming three traditional IT layers — compute, network and storage — into a unified, elastic, software-managed infrastructure. The technology enables efficient resource sharing and automatic reallocation in case of failures, with cloud connectivity. The company is a leader in the Gartner Magic Quadrant and has NPS above 90. The repatriation movement of *workloads* from cloud to *on-premises* environments, driven by costs and data sovereignty, boosts demand for hyperconverged solutions. Broadcom's acquisition of VMware catalyzed Nutanix sales, as post-acquisition VMware implemented aggressive price increases, in some cases exceeding 500%.

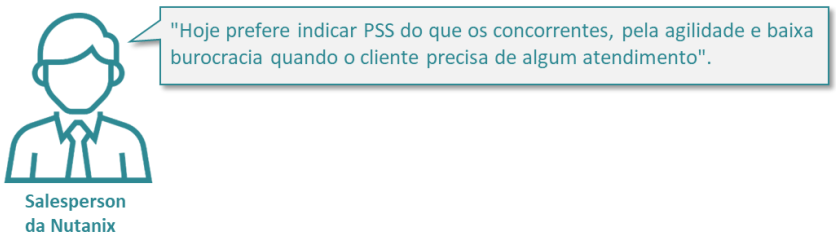
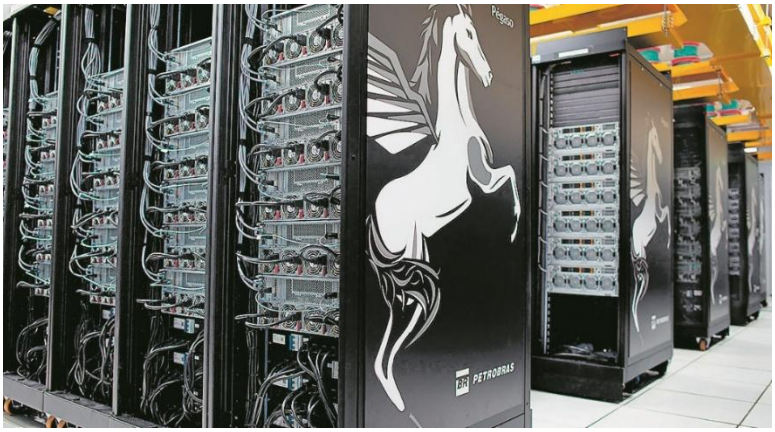


Figure 1: Magic Quadrant for Distributed Hybrid Infrastructure

Source: Gartner® Magic Quadrant™ for Distributed Hybrid Infrastructure



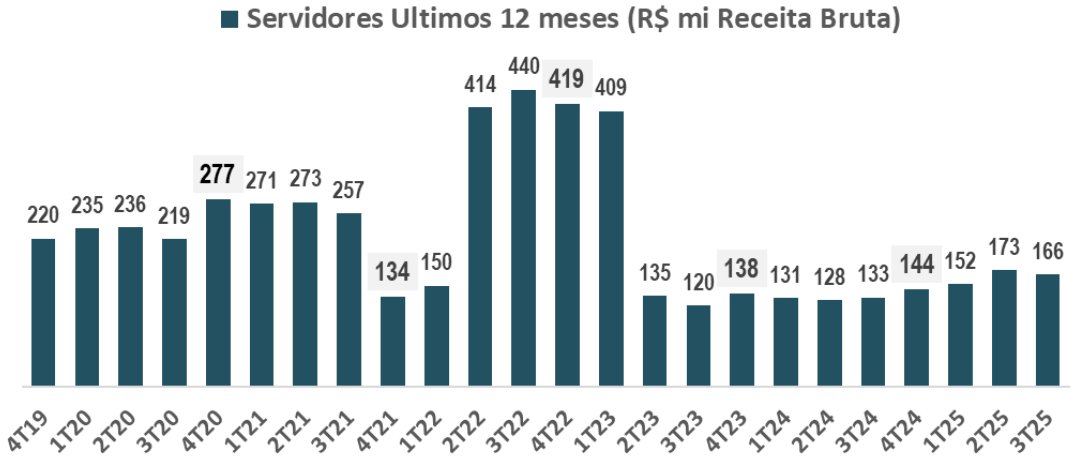
"Supercomputer, weighing 30 tons, [...] equivalent processing power to 150,000 laptops or 6 million mobile phones. Thirty-two trucks were needed to transport all the components, which if lined up would reach the height of a 10-story building (35 meters)." Delivered by PSS.
Source: Petrobras assembles Pégaso, its largest supercomputer, with the capacity of 150,000 laptops - Estadão

AI/HPC has become the trend of the moment and PSS is well-positioned to ride this demand in Brazil. PSS uses the Basic Production Process (PPB), which gives it greater tax efficiency. Unlike other resellers, PSS customizes equipment in Brazil, offering local warranty and differentiated delivery timelines. It is an operation

closer to the customer and less dependent on global decisions. PSS's success rate is above 50% in disputes and RFPs (*request for proposal*) involving GPUs, and a significant portion of its revenue comes from the public sector.

This business line, which did not exist at Positivo a few years ago, has already delivered an average gross revenue of R$220 million over the past 5 years, and we see potential for this average pace to double to R$400 million in coming years, based on the arguments cited. We estimate a ROIC of at least 20% for the division and a contribution margin at least 7% higher than the core business.

PSS is today a strategic asset within Positivo. It combines winning global partnerships (Nutanix and SMCI), local execution with PPB, nationwide reach and sales force, financial offering via HaaS and integration capacity to capture a structurally growing addressable market in AI/HPC and repatriation with hybrid architectures. In our view, this set sustains revenue growth with attractive returns and accelerates Positivo's repositioning toward higher-quality and more predictable corporate solutions.



Source: company. As in 2022, a new large server delivery of similar magnitude is expected in the next 12 months. From the last earnings call: "In servers we started delivering now, this quarter, **the large server, the largest in Latin America, for HPC**"

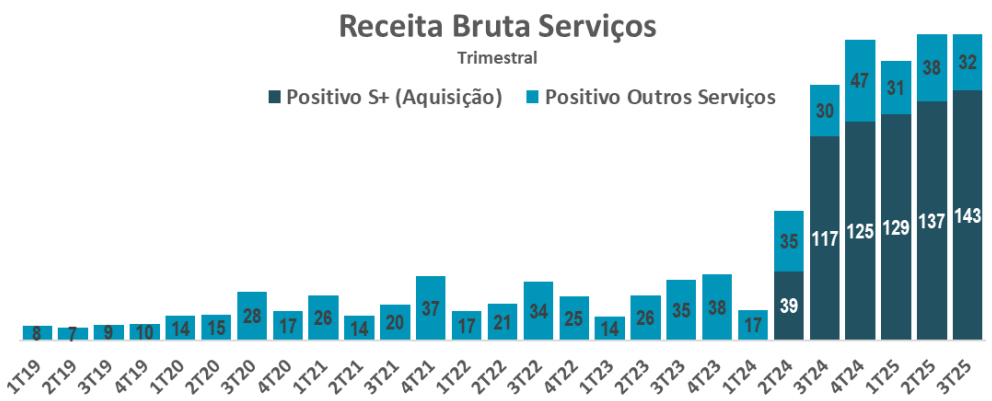
New Avenues – Services: Positivo S+

One of the new avenues is the Positivo S+ services arm, in which Positivo is present today mainly through the acquisition of Algar Tech in 2024. The main highlight here is the capacity to do *cross-sell* and *upsell* of a services structure very present in each client's daily routine, especially in the corporate segment. It is therefore another bet on offering the complete IT solutions package for companies that need this type of offering on a continuous basis. It is a step toward becoming a *one-stop-shop*.

In an increasingly digital world moving toward AI, taking care of IT infrastructure is essential for both companies and government, and it is precisely in this market that S+ operates. Briefly characterizing this market: Brazil has a vast and diversified IT services sector, ranging from software development and specialized consulting to infrastructure management and business process outsourcing (BPO). The country has a significant number of Information and Communication Technology (ICT) companies, mostly small and medium-sized, forming a dynamic and innovative ecosystem.

Positivo mapped this opportunity in its strategic plan in 2018 and, since then, has been refining its service offering for predominantly corporate clients, building traction and consolidating with the acquisition of Algar Tech in 2024. The operation was positive for the company, bringing a good executive team and a relevant revenue level. Over the last 12 months, Positivo Serviços delivered R$654 million in gross revenue, corresponding to 16.3% of Positivo's total gross revenue. In other words, approximately one-sixth of the company is already a services business, with more recurring revenue, lower cyclicality and higher margin and cash generation than the average of the legacy PC business. And we are looking in the rearview mirror; the

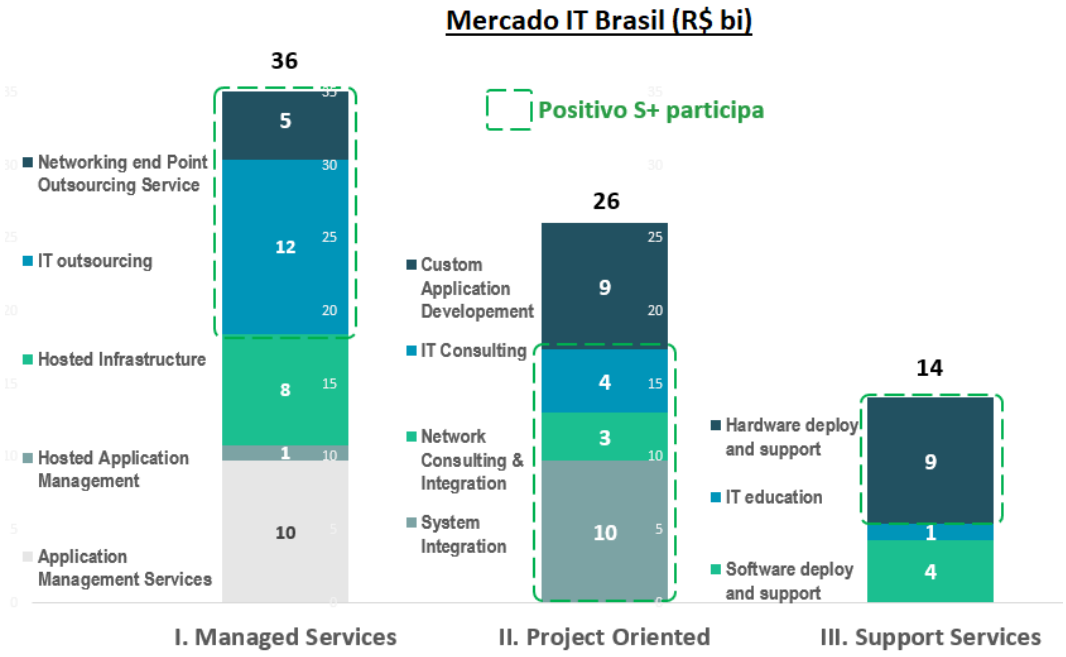
future still promises more. It is worth noting that Positivo S+ grew 18% in 2Q25 and that services growth as a whole has been above market, gaining share.



Source: Company and SFA estimates.

Regarding Positivo's sectors of operation, the IT services market in Brazil is segmented as shown by ABES/IDC below. Positivo operates in the lower-complexity part of the chain, while companies like Kyndryl, Tata and CI&T seek space in the higher-value-added part (digital projects and consulting), which ends up creating a vacuum in the range where Positivo S+ operates. The company operates mainly in managed services (*managed services*), with strong presence in IT *outsourcing.*

As mentioned, this market is marked by strong outsourcing. Many companies hire third parties for infrastructure, *help desk, cloud management* and business processes, which creates recurring, long-term contracts (with relatively stable SLAs and margins). Furthermore, it is a typical services business, more personnel-intensive (COGS and G&A) and less working capital-intensive, creating an interesting diversity within Positivo. It is precisely there that one of the major synergies with the company lies: services bring more recurring revenue, lower working capital intensity and also benefit from the customer base for cross-sell. Moreover, the client proposition becomes more complete and interesting, as many prefer to have one supplier that consolidates three functions rather than three suppliers with one function each.



Source: ABES/IDC

Currently, a large portion of Positivo S+ revenue comes from *digital workplace* (focus on digital experience and productivity) and management of the client's IT operation (includes own hardware and cloud). A smaller portion comes from security, applications and data. Today revenue is predominantly from Brazil, but there is already relevant participation in Latin American countries outside Brazil, and the addressable market in those countries approaches the size of the Brazilian market, indicating ample opportunity ahead.

The central strategy is to be a one-stop-shop focused on client productivity, going beyond traditional technical support to ensure the functioning of the digital work environment as a whole. The synergy with Positivo's hardware manufacturing is a fundamental pillar, enabling competitive offerings such as hardware as a service (HaaS).

Relative to the main competitors (Kyndryl, Stefanini, Tivit, Atos and Capgemini), S+ has developed a cost leadership strategy combined with high service quality. The company wins approximately 90% of RFPs when it reaches the *shortlist*, competing mainly on total price. This contrasts with giants like Kyndryl, which holds about 20% of the digital workplace market in Brazil but has been losing important contracts (ArcelorMittal, Profarma, Michelin, BRF) to S+ for failing to justify price differences. Global competitors like Kyndryl, DXC, Capgemini, Atos and TCS have heavier structures, high costs and large contract focus, and struggle to justify pricing. Domestic players like Stefanini have focused on gaining market share in software development (project-oriented) and digital consulting to capture higher margins, while S+ remains positioned on the infrastructure and productivity shop floor, with strong integration to own hardware and partners like Almaden (AI-assisted digital workplace) and Cervello (a kind of ERP for IT), creating a digital workplace ecosystem.

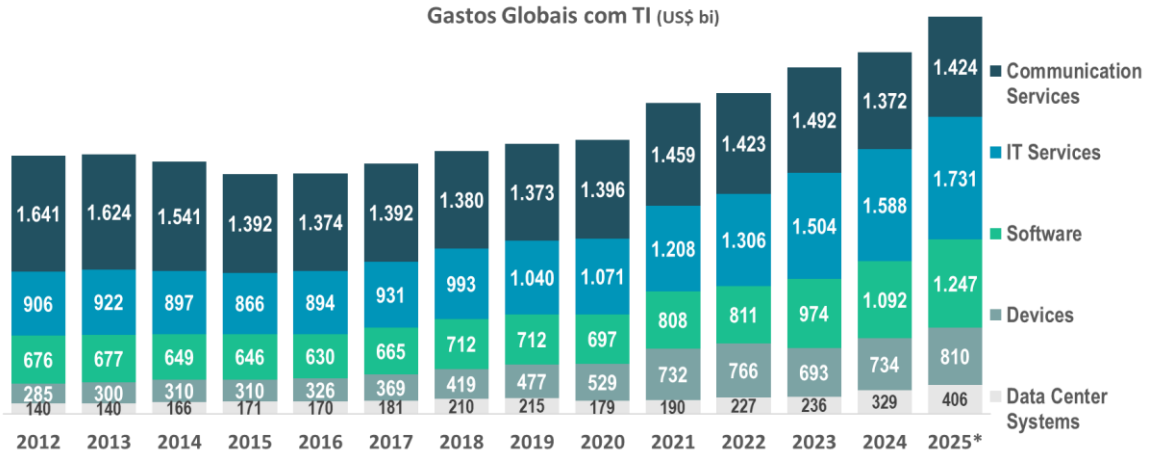
Positivo S+'s main competitive differential is price. S+ wins most disputes against large competitors such as Kyndryl, Stefanini and Tivit by offering lower total cost. This advantage is sustained by a lean administrative structure and operational reach in cities with lower labor costs. Larger competitors are often perceived as arrogant or slow, underestimating S+'s agility.

Beyond cost, the company stands out for its close customer relationships, reflected in a high NPS (Net Promoter Score) and long customer retention, with more than 60% maintaining contracts for more than five years. S+ has been winning important accounts, such as ArcelorMittal, previously served by competitors.

The Market in which Positivo Serviços operates showed a 10-year compound annual growth (*CAGR*) of approximately 6%. There has been acceleration in recent years. The increase in corporate IT spending is occurring in Brazil and abroad. According to Gartner, this reflects an increasingly digital world, with companies prioritizing their digital strategies. At SFA, we believe IT investments will tend to increase as a percentage of revenue, especially in the AI context, which is already hardware-intensive in itself.

Source: ABES/IDC

The technological trends that will shape the sector include the intensification of artificial intelligence use for service automation and personalization, the consolidation of hybrid cloud solutions, the strengthening of cybersecurity strategies to mitigate growing risks and the use of data analytics to support strategic business decisions.



Source: IT spending worldwide by segment 2025 | Statista

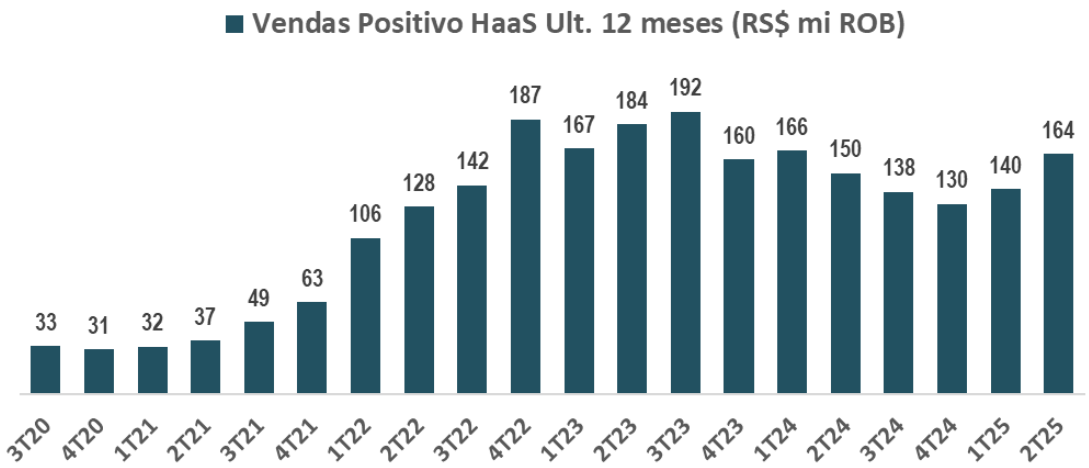
In this context, we interviewed a Positivo S+ client who declared themselves very satisfied and highlighted the existence of a clear learning curve: over time, the supplier deepens its knowledge of the client's operation and gains efficiency. Clients only switch when there are stronger reasons, such as low satisfaction or higher costs.

Cliente da S+

"Temos uma relação de longo prazo com a S+, iniciada em 2019, quando precisávamos de flexibilidade para lidar com a pandemia e o trabalho remoto. O serviço evoluiu de um modelo mais simples, baseado em alocação de pessoas, para uma entrega estruturada e orientada a resultados. ***Hoje contamos com cerca de 80 profissionais dedicados, atendimento nacional via service desk para todas as unidades, suporte presencial e automação de acessos em sistemas críticos, o que traz escala e eficiência.***
O que mais valorizamos é a flexibilidade para absorver demandas imprevistas, como integrações de novas aquisições ou picos de chamados — contratamos cerca de 3.000 tickets/mês, mas chegamos a usar 6.000 sem perder qualidade. A satisfação é monitorada constantemente, e a taxa de insatisfação é de apenas 0,4%. Naturalmente, custo é relevante, mas o que pesa de fato é evitar dor de cabeça: serviço tem que ser bom, confiável e estável. ***O contrato atual vai até 2027, e não há motivadores para troca. Pelo contrário: enxergamos sinergias a explorar e até consideramos, no futuro, ampliar a parceria para outras frentes. A percepção é de um parceiro sólido, com execução consistente e capaz de se adaptar às nossas necessidades."***

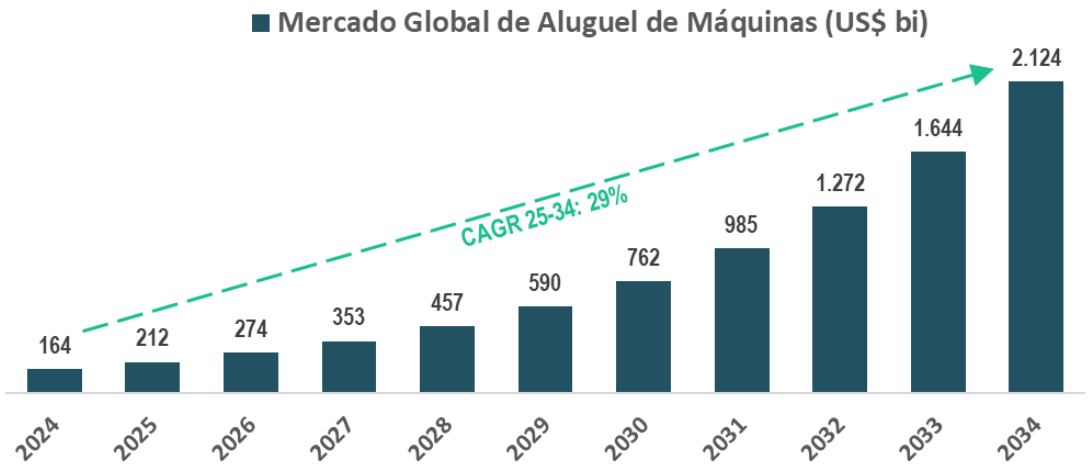
New Avenues – HaaS *(Hardware as a Service)*

A new trend that Positivo is already capturing and should grow significantly in the coming years is machine rental, or HaaS (*hardware as a service*). This vertical emerged as part of the movement to pivot the company toward services in the corporate market. Born in 2018 with estimated revenue of 20 million, since 2023 it has been running at an annual pace of approximately 150 million.



Source: Company and SFA estimates.

What immediately draws attention is that consultancies project a very high compound growth rate. What was a market that barely existed a few years ago is becoming a global trend, originating in the US. According to consultancy Precedence Research, the main reasons are the preference of companies to trade large technology acquisition investments (CAPEX) for recurring operational expenses (OPEX), in a subscription model (*subscription-based*). This shift is driven by the need for lower, predictable and scalable IT costs that easily adjust to business demand. Interestingly, this shift from purchase to subscription happened about 10 years ago in software and is now gaining traction in hardware. Secondly, companies are seeking greater security and better management, as the service also offers enhanced cybersecurity, automatic updates and remote monitoring, which reduces the risk of data breaches and compliance issues. Another argument is rapid access to modern technologies without the high acquisition cost, something that makes even more sense in a world where hardware is updated ever more rapidly, driven by AI.

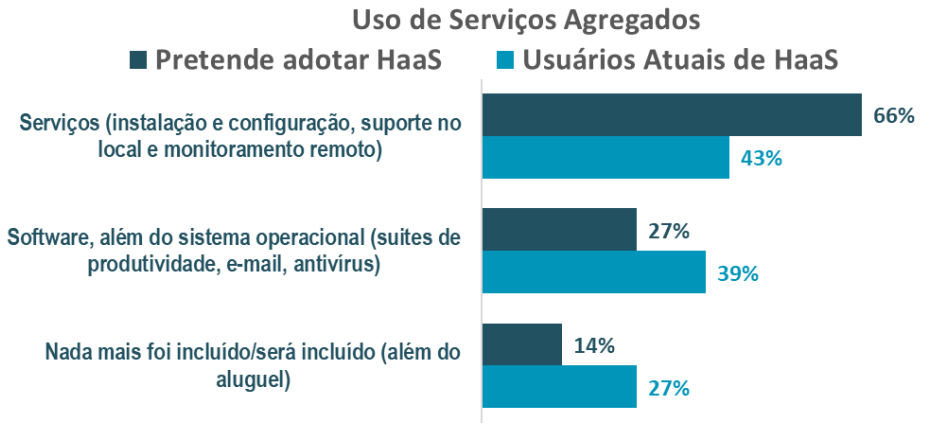


Source: Precedenceresearch – DaaS Market Size to Hit USD 2,123.78 Bn by 2034

Therefore, there is a global backdrop favorable to HaaS (*hardware as a service*). According to the Global Interconnection Index (GXI) 2024, the forecast is that by 2026, 80% of new corporate digital infrastructure investments will adopt a subscription model.

Source: Device as a Service Statistics and Facts (2025)

Another interesting characteristic of this market is that the sale of the rental service creates a strong relationship with the client and reduces the chance of *churn* (losing any client). One of the reasons is that HaaS sales are frequently made with some bundled service. The bundled service, beyond the base hardware, also makes up the value perceived by the client when contracting HaaS. Services beyond the notebook or desktop itself are frequently sold. The contracting is viewed as practical by the client's IT departments because the equipment arrives with the standard image and base software installed, such as Windows, access profiles/permissions, predefined software licenses, antivirus and the installation and configuration of other applications. Although it may seem trivial, when we talk about a fleet of 1,000 to 10,000 machines, performing this work without errors requires man-hour dedication from the internal IT team. Something as simple as the client's logo appearing at machine startup is desired, and receiving this ready from a hardware supplier makes life easier for those who contract it. The data below reinforces this view.



Source: Device as a Service Statistics and Facts (2025)

Bundled services are the true competitive differential of Positivo's HaaS model, transforming a basic rental operation into a robust value proposition. Beyond equipment provision, clients use mainly complete maintenance, ticket management, customized system image configuration and specialized technical support with a 24-hour SLA. Positivo's service is capillary and agile, and constitutes one of its competitive advantages in general, especially vis-à-vis multinational companies, which have less proximity in service delivery.

The services strategy allows Positivo to decouple its prices from competitors, creating non-linear comparisons. While, for example, competitors offer only the equipment for R$100 per month, Positivo can charge R$140 including hardware, network, maintenance and complete ticket management. This package makes the proposition more convenient for the client and less sensitive to direct price comparisons. Services also strengthen exit barriers through day-to-day operational relationships. Clients we spoke with highlighted that switching suppliers is only worthwhile if the price difference exceeds 10% to 15%, given the cost of change. It does not quite reach *moat* in this case, but it helps retain the base and sustain growth. The high NPS and automatic contract renewal stem from this operational proximity. For Positivo, bundled services bring higher margins compared to pure hardware and open up opportunities for *cross-sell*, as we saw in some accounts. Monetization through services is especially relevant considering that the production cost of notebooks is similar across manufacturers, making services the main lever of differentiation and profitability in the medium term.

Cliente HaaS Positivo
1200 máquinas

"O grande diferencial da positivo é o atendimento: é rápido e eficiente, executando manutenções em até 24 horas. Tem estoque de peças próximo e mão de obra mais disponível do que no competidor, que demorava até 5 dias para realizar um conserto simples de uma máquina. Além disso a multinacional questionava mais quando havia necessidade de reparo e a positivo oferece um relacionamento mais próximo. Nos laboratórios, os PCs "All-in-One" dão show pela flexibilidade — fáceis de configurar de mover, também custam menos que notebooks e foram muito bem aceitos por alunos e funcionários. A positivo era a única com "All-in-One" nessa faixa de preço no Brasil. A pré-configuração (imagem dos sistemas) veio redonda e exigiu bem menos retrabalho do que eu costumava ter com o concorrente. O fator decisivo foi também a positivo ter tido uma preço mais baixo na RFP.

Another advantage of HaaS is that, at the end of the 3-to-4-year machine life cycle, Positivo holds an already-depreciated asset that still has resale value. At contract end, it is common to operate for one more year with the same machines, obtaining significantly higher margin, since the asset has already been depreciated. Financially, this implies that in the final stages, the contract tends to be more profitable for the lessor. We estimate that one-third of clients opt for this extra year at the end of the cycle. Additionally, the machines, after use, can be resold by Positivo at a residual value, further improving the return at the end of the full cycle. Positivo also has more efficiency and scale than the client individually to perform the rehabilitation, the so-called *refurbishing*, at the end of the cycle. End-of-cycle sales also benefit from a 95% ICMS discount, resulting from the reduction of the tax base on the exit of used machines.

There is also strong synergy in the HaaS model, as, unlike competitors in Brazil, Positivo is the only one in the group that has its own factory, while the others operate in the multi-brand model. In the same vein, the company has S+'s robust service proposition, which competitors do not have, representing an opportunity for *cross-sell* and *lock-in* that is still little explored. The *churn* of Positivo in HaaS is less than 1%.

Competitors include Voke, the leader with about 40% of the market, which focuses less on value-added services and more on the machinery itself. Demand is so high that Voke's growth limitation is its own leverage (working capital). Next is Arklok, which raised 50 million from Vinci in a round that valued it at approximately R$700 million in 2023, equivalent to 0.7 times revenue, using the same accounting criterion as Positivo's sales. Then comes Simpress, focused on HP machines. In fourth place is Positivo itself, with

approximately 10% market share, which is notable given that it entered in 2018 and grew predominantly organically.

Machine rental with bundled services is a promising avenue in Positivo's corporate segment. This model has lower *churn* and better returns than the legacy PC business, especially when we consider the services package, and should be an important growth and value creation vector for Positivo in the coming years.

New Avenues – Payment Machines

Another major success for Positivo in its years in the corporate segment was the payment machine market. The company today participates in this market, which consists of supplying hardware to Brazil's payments sector, primarily to acquirers and sub-acquirers. Positivo entered this new avenue around 2018 with the pioneering LIO project, in partnership with Cielo, a milestone of innovation for the company. This was the seed of what would be years of success and expansion in the payments sector. LIO for years symbolized Cielo's smart payment machine: an Android-based smart POS, with an app store (Cielo Store) and management features beyond payment, such as product registration, barcode reading and cash register closing. The first versions were launched as an open platform for developers to create embedded applications. Positivo entered this project as a hardware and software manufacturer and partner. Over time, the family evolved while maintaining the all-in-one machine proposal for storefront and mobile POS. Interestingly, some payment machine models shared similarities with mobile phones, both in the hardware supply chain and in the software (Android), a market in which Positivo already operated and had know-how.

Positivo was therefore a pioneer in the smart POS movement and since then has been enriching its product line and winning contracts with most Brazilian clients. The smart POS sub-group, in which Positivo is one of the innovation leaders, grows faster than the total payment machine market and, according to the company, in 2024 the Brazilian payment machine market moved around 5 million units, an advance of 10% compared to 2023. Of this total, approximately 2.7 million will be smart POS, a segment growing 35% per year and already representing about 54% of sales. The remaining volume, around 2.3 million devices, goes to traditional terminals.

Positivo's showroom in Curitiba displays a wide range of Smart POS

Its clients are large, with a B2B profile and good payment capacity. In approximate order, we estimate the largest payment machine buyers in Brazil to be: Stone, Cielo, PagBank/PagSeguro, Itaú, Mercado Pago, Getnet and Vero. According to the company itself, it has presence in 6 of the 8 largest acquirers and the top 3 operate with 100% Positivo smart POS. We visited Autocom, a payments trade fair, and came away with the perception that Positivo is one of the Brazilian leaders and is here to stay. Competitors include Gertec and Transire among the Brazilians, and Verifone and Ingenico among the internationals. The perception is that the Brazilian ones have a country focus and therefore manage to be closer to the client and offer more suitable and tropicalized solutions.

Itaú/Positivo payment machine. Itaú is one of the largest buyers and also a reference in terms of the state of the art in payment technology in Brazil. Their stamp as a Smart POS client carries great weight for Positivo.

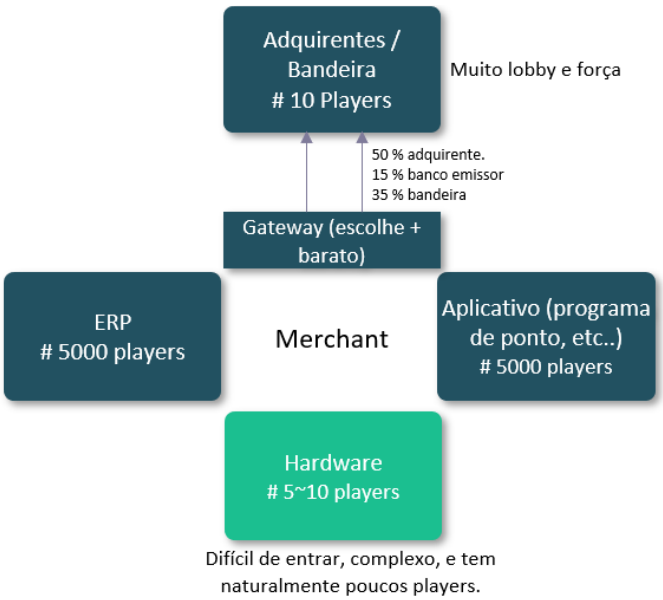
An interesting characteristic of the payments sector is that the costs and currency of client contracts are priced in dollars, by industry practice. In other words, contracts signed with clients in Brazil are negotiated in dollars, which reduces the risk of this business line being exposed to exchange rate volatility.

Much has been said about payment machines disappearing with digitalization, but in Brazil, where many scams still occur, the public continues to prefer traditional payment machines and the market has grown significantly over the past 10 years. For the future, payment hardware is migrating from standalone payment

machines to modular and intelligent store fronts. Totems and POS systems become complete platforms (Android/Linux), with *plug-and-play* peripherals such as 2D scanner, printer, scale, RFID and cameras, plus edge intelligence features for queue, loss prevention and item verification. Everything is born PIX-native and compatible with EMV/NFC, with *tap to pay*, dynamic QR and resilient offline mode; security in P2PE/PCI, tokenization and biometrics. The standard connectivity becomes Wi-Fi 6/7 and 4G/5G with eSIM, with remote management at scale (MDM, telemetry, OTA updates). The business model migrates from CAPEX per terminal to HaaS/DaaS with *uptime*SLA, advanced exchange and recurring services such as TEF/ERP integration, monitoring, reports, totem advertisements and preventive maintenance. The competitive differential becomes ecosystem and integration time, with SDKs (*software development kit*) and open APIs, and not just hardware price. There will be supplier consolidation, emphasis on robustness and modular repairability with replaceable parts, energy efficiency and anti-vandalism design for 24/7 use. The point of sale evolves into an autonomous store kit, with self-service, micro-markets and hybrid checkouts, a 4-to-6-year life cycle and revenue anchored in software, data and services. Hardware becomes the Trojan horse.

Positivo's Tupi Project. A glimpse of what is expected for the evolution of checkout fronts, totems, biometrics and ERP integration. And of course, payments.

Despite not seeming like rocket science, building payment machines is deeply technological. Positivo has a collection of attributes that enabled it to enter this market: factories in Brazil that benefit from the PPB (basic production process) and other incentives; sufficient volume in these factories to dilute costs; a name established for 30 years in the Brazilian hardware market, which conveys credibility that a newcomer would have more difficulty achieving; deep understanding of the Brazilian market, including research with sociologists to capture local nuances and demands; global supply chain connections, notably in Asia (China and Taiwan), where Positivo has offices; dedicated, highly specialized and motivated team; willingness to foster high-complexity hardware projects; and, finally, a great will to make it all happen, with customer proximity and unrestricted customization and tropicalization that other multinationals simply would not offer. This is just one of the examples where we see a differentiated process competitive advantage in Positivo. In the ecosystem, Hardware, frequently “sidelined”, visibly faces less competition than sectors like ERP and applications. There is a natural barrier to producing hardware at scale.

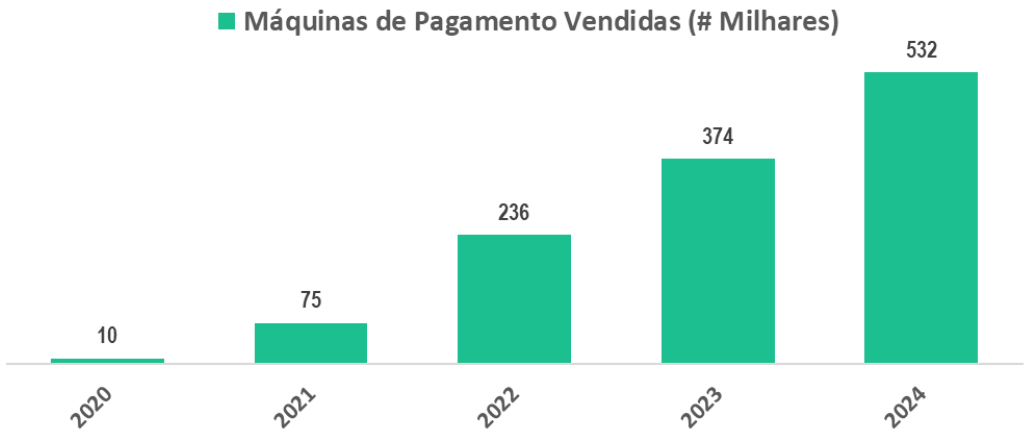


Illustrative diagram of the chain and where Positivo Payment Solutions operates. It is a sector with high entry barriers and naturally few players.

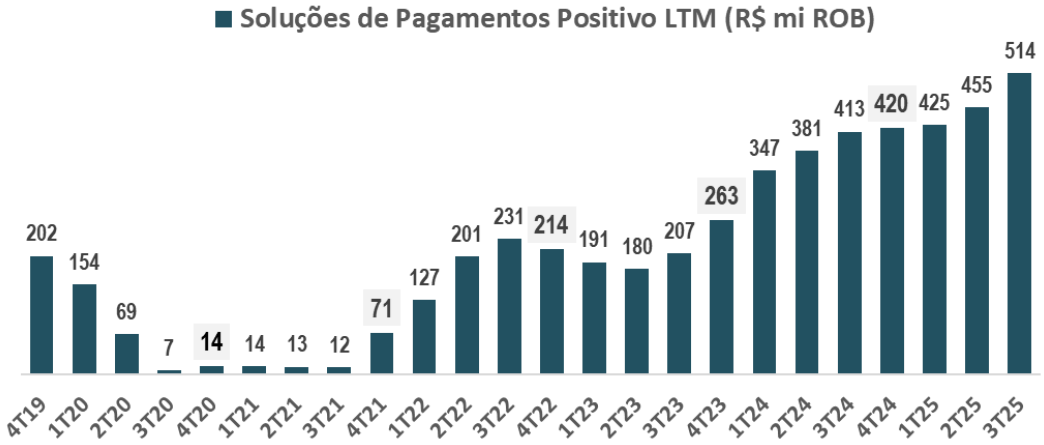
Building a payment machine is far more complex than placing an Android mobile phone inside a "form factor", and Positivo has great merit for having managed to do it. The journey begins with certifications: to operate with cards, the equipment and software go through a long validation pipeline before launching the product. To illustrate, there is EMVCo and the EMV specification (Europay, Mastercard and Visa), which certify the security and proper functioning of the product. This certification alone can exceed hundreds of thousands of dollars per product, involving fees, laboratories, tests and equipment. Another certification is PCI, which defines security requirements and best practices, also potentially exceeding hundreds of thousands of dollars per product. ABECS (Brazilian Association of Credit Card Companies and Services) establishes requirements that guarantee security, interoperability and compliance on national territory. This certification journey alone can take about a year and involve dozens of tests per product, with relevant unit costs per certification.

In software, the terminal needs to speak the "language" of the network: ISO 8583, encrypted messages and robust security logic. This requires low-level programming and an SDK (*software development kit*) well-tuned to accelerate *time to market*. Many modern solutions run Android, but it is not "off-the-shelf Android": there is an abstraction layer that communicates with the security modules and the kernel itself, ensuring performance and compliance with requirements. The payment machine operation is also extensive: the machine has a 5-year lifespan, with field maintenance and continuous firmware updates. There are cases of software component exports to clients outside Brazil (for example, Costa Rica and banks in Argentina), raising the interoperability bar. Features in use and expansion include mass NFC (more than half of in-person transactions already use contactless), MIFARE integration and kiosk projects without an attached machine (NFC directly on the totem). All of this requires large software teams dedicated solely to payments. Today we estimate the software team dedicated to payments at Positivo employs dozens of professionals, possibly reaching three digits.

Despite all this complexity, the scale Positivo has already achieved is real, having reached 500,000 machines per year and with plans to aggregate even more software (gateway, fleet management and others), reinforcing revenue recurrence. All of this has been reflected in a revenue that went from zero a few years ago and already reaches R$450 million in gross revenue, with potential, in our view, to reach at least R$700 million in the coming years. Furthermore, it is a segment with less cyclicality and higher margins than the legacy PC business, with a genuinely B2B customer base.



Source: Results presentation



Source: Company filings

Local Manufacturing and Manaus Free Trade Zone

The Manaus Free Trade Zone (MFZ) is a regional development model created by the Brazilian government in 1967 and included as a clause in the Federal Constitution of 1988, with the objective of promoting economic occupation of the Amazon and guaranteeing national sovereignty in the region. It is an industrial hub with tax incentives, exemptions and tax reductions to attract companies and generate jobs in this historically isolated region.

One of the most relevant sectors in the MFZ is information technology, which encompasses the manufacturing of IT products such as computers, notebooks, tablets, printers, electronic boards and various components used by the domestic industry. Major global and domestic brands maintain factories in Manaus and take advantage of tax incentives that make production in the country viable.

Points indicating why the Manaus Free Trade Zone should not end:

1. Job Creation: The MFZ directly employs more than 100,000 people and benefits hundreds of thousands indirectly, especially in areas such as transportation, food, logistics and commerce. The technology sector accounts for a significant portion of these jobs.

2. Internalization of Development: The Free Trade Zone brings investment and infrastructure to a region that, without the incentives, would have little or no economic attraction. Its extinction could trigger population exodus, rising unemployment and deepening regional inequalities.

3. Sustainability and Amazon Preservation: By promoting industrialization concentrated in an already-occupied urban area, the MFZ acts as a forest preservation instrument. With jobs and income, local populations have less incentive to resort to predatory activities such as illegal deforestation.

4. Technological and Industrial Sovereignty: The production of IT products within Brazil reduces external dependency, strengthens the national production chain and facilitates population access to essential technologies for education, health, communication and work.

5. National Economic Impacts: The Manaus industrial hub represents a relevant share of the GDP of the Northern region and contributes billions of reais in federal, state and municipal taxes. The end of the MFZ could lead to factory closures and the migration of these companies to Asian countries, with a negative impact on the entire Brazilian economy.

The Manaus Free Trade Zone is not just an electronics and IT production hub; it is a pillar of sustainable, social and economic development for the Amazon and for Brazil as a whole. Rather than being discontinued, the model should be modernized, strengthened and integrated into technological innovation and environmental preservation policies. Keeping the MFZ active means preserving jobs, fostering regional development and reinforcing national sovereignty at a critical moment for the planet and for the Amazon itself. From the perspective of our investment thesis, a central question is to assess, should the MFZ come to an end, what the impacts would be for the IT sector in Brazil and for Positivo.

The MFZ is a free trade area with tax incentives, established by Decree-Law No. 288/67. The Federal Constitution of 1988, through Article 40 of the Act on Transitional Constitutional Provisions (ADCT), ensures its maintenance with the characteristics of a free trade, export and import area, as well as tax incentives. Art. 40: “The Manaus Free Trade Zone is maintained, with its characteristics of a free trade, export and import area, and of tax incentives, for a period of twenty-five years from the promulgation of the Constitution”. The original term extended to 2013, having been extended by constitutional amendments, such as No. 42/2003 (ten more years) and No. 83/2014 (fifty more years), which extended the benefits to 2073. Law No. 14,788/2023 ratified the extension of MFZ tax benefits to 2074, in line with the deadline announced by the Federal Senate.

Although it has constitutional protection, the MFZ is not an entrenched clause. Article 40 of the ADCT and infraconstitutional rules, such as Decree-Law No. 288/67, provide relevant but not absolute protection: constitutional amendments can alter or extinguish benefits. There is legal debate about the nature of this protection; part of legal doctrine likens it to tax immunities, which, in theory, can be entrenched clauses. The Supreme Federal Court, however, has already indicated that MFZ benefits are not entrenched clauses, which is why changes via amendment are legally possible. Even so, the economic and social importance of the MFZ is widely recognized, so any change would have significant impacts.

The MFZ coordinates a set of incentives involving IPI, PIS, COFINS and Import Tax. Regarding IPI, there is provision for exemption on the import of goods from abroad, on the sale of goods produced in the MFZ and on the acquisition, by companies in the Manaus Industrial Hub (PIM), of goods from other regions. When MFZ companies produce inputs destined for industrial processes outside the MFZ, Art. 6, §1 of Decree-Law No. 1,435/75 allows the buyer to use IPI credits only if the input is produced in the MFZ using regional agricultural and plant-extractive raw materials. If the credit entitlement is not recognized for the buyer outside the MFZ, the exemption becomes a mere tax deferral effect, without reducing the effective tax burden, which discourages this type of activity.

Unlike PIS and COFINS, which have uniform rates per product, the IPI burden derives from the rate set out in the TIPI. If the Brazilian government wishes to differentiate the tax burden for reasons beyond the product itself, it resorts to special regimes and specific incentives. As shown in the Tax Expenditure Statement

(DGT), the number and volume of waivers are generally higher for PIS and COFINS than for IPI. Thus, the relevance of IPI incentives in the PIM depends on how IPI applies in the rest of the territory. For products with higher rates and without equivalent benefits outside the MFZ, the exemption tends to reduce the burden more, increase waivers and exert greater investment attraction power. When rates are low, nonexistent or zero, as in many chemical and pharmaceutical items, the importance of IPI as an inducer is reduced. The same applies to products covered by the IT Law No. 8,248/91, whose products have an 80% IPI reduction.

In this sense, the MFZ incentive mechanism depends on the national IPI policy for the rest of Brazil. Therefore, if the Brazilian Government intends to more significantly incentivize a given industry for the MFZ, it must raise IPI rates for goods produced by that industry in other parts of the country. If the Brazilian Government intended, for example, to incentivize the establishment of pharmaceutical sector industries, it could not maintain the zero rate for this industry, as is currently the case.

The IPI mechanism can also serve as a defense of the domestic industry. After economic opening, a broad increase in IPI rates in the 1990s reinforced the inducing effect of the exemption in the MFZ. More recently, Decree No. 9,394/2018 reduced the IPI rates applicable to soft drink concentrates across the country, thereby reducing the credits utilized in bottling plants outside the MFZ and, in practice, weakening the incentive for concentrate producers established in Manaus. In competitive terms, when the domestic industry cannot compete with imported prices, IPI increases outside the MFZ can make imports more expensive than producing in the MFZ, shifting production to domestic territory. On the other hand, if the removal of incentives merely relocates factories to other regions of Brazil, the incentive serves primarily a regional function; if the removal induces an exit from the country, the incentive serves a national function of defending and attracting industry. From this perspective, per se, the IPI exemption can be understood as a tax waiver within the scope of tax economic policy. If it is concluded that IPI, applied at high rates as a defense mechanism for the domestic industry, also affects goods produced in the MFZ, one can discuss whether the exemption should be treated as a tax waiver from an economic policy perspective, not just a budgetary one. We will return to this topic when discussing the tax reform, which maintained the IPI for the MFZ.

Figura 1A.

AR CONDICIONADO
NCM 8415.90.10

EXTERIOR

Insumos: R$ 200,00		TOTAL
REGIME NORMAL	II (18%) IPI (35%) PIS/COFINS (11,75%)	R$ 36,00 R$ 70,00 R$ 23,50
ZFM	II (18%) IPI (35%) PIS/COFINS (11,75%)	R$ - R$ - R$ -

ZFM

Saída: R$ 1.000,00		Débito	Crédito	TOTAL
REGIME NORMAL	II IPI (35%) PIS/COFINS (9,25%)	R$ - R$ 350,00 R$ 92,50	R$ - -R$ 70,00 -R$ 23,50	R$ - R$ 280,00 R$ 69,00
ZFM	II IPI PIS/COFINS (3,65%)	R$ 4,32 R$ - R$ 36,50	R$ - R$ - R$ -	R$ 4,32 R$ - R$ 35,50

OUTRAS REGIÕES

Saída: R$2.000,00		Débito	Crédito	TOTAL
REGIME NORMAL	II IPI PIS/COFINS (9,25%)	R$ - R$ - R$ 185,00	R$ - R$ - -R$ 92,50	R$ - R$ - R$92,50
ZFM	II IPI PIS/COFINS (9,25%)	R$ - R$ - R$ 185,00	R$ - R$ - -R$ 56,00	R$ - R$ - R$ 129,00

Total da Carga

	II	IPI	PIS/COFINS
REGIME NORMAL	R$ 36,00	R$ 350,00	R$ 185,00
ZFM	R$ 4,32	R$-	R$ 165,50

In this scenario, companies established in other regions of Brazil would bear, throughout the chain, a burden of II, IPI and PIS/Cofins of R$571.00, whereas those established in the Manaus Free Trade Zone (MFZ) would bear only R$169.82, a reduction of about 70% compared to other regions. This difference helps explain the existence of significant production of air conditioning equipment in the MFZ. It is also notable that the IPI exemption is the most relevant, as its rate is the highest among the 3 taxes, it applies to the sale of the finished product and, in this case, has a zero burden. The PIS/Cofins deduction, on the other hand, has a marginal impact of 1.95% on the selling price of MFZ goods to other regions.

Figura 2A.

NOTEBOOK
NCM4471.30.12

*Redução de 95% da carga do IPI no regime normal

EXTERIOR

	Insumos: R$ 400,00	TOTAL
REGIME NORMAL	II (16%) IPI (15%) PIS/COFINS (11,75%)	R$ 64,00 R$ - R$ 47,00
ZFM	II (18%) IPI (35%) PIS/COFINS (11,75%)	R$ - R$ - R$ -

ZFM

	Saída: R$ 1.500,00	Débito	Crédito	TOTAL
REGIME NORMAL	II IPI (15%) PIS/COFINS (9,25%)	R$ - R$ 11,25 R$138,75	R$ - R$- R$ 47,00	R$ - R$ 11,25 R$ 91,75
ZFM	II IPI PIS/COFINS (3,65%)	R$ 7,68 R$ - R$54,75	R$ - R$ - R$ -	R$ 7,68 R$ - R$ 54,75

OUTRAS REGIÕES

	Saída: R$3.000,00	Débito	Crédito	TOTAL
REGIME NORMAL	II IPI PIS/COFINS (9,25%)	R$ - R$ - R$ 277,50	R$ - R$ - R$ 138,75	R$ - R$ - R$ 138,75
ZFM	II IPI PIS/COFINS (9,25%)	R$ - R$ - R$ 277,50	R$ - R$ - R$ 84,00	R$ - R$ - R$ 193,50

	Total da Carga		
REGIME NORMAL	II	IPI	PIS/COFINS
	R$ 64,00	R$ 11,25	R$ 277,50
ZFM	II	IPI	PIS/COFINS
	R$ 7,68	R$-	R$ 248,25

When, outside the MFZ, Law No. 8,248/1991 grants a 95% IPI reduction for notebook production, the MFZ's relative advantage diminishes significantly: it is restricted to the remaining 5% of IPI, 1.95% of PIS/Cofins and 16% of Import Tax on inputs. Under this scenario, the total chain burden is R$352.75 outside the MFZ and R$255.93 inside the MFZ, equivalent to approximately 38% more outside the MFZ. This calculation does not consider additional state incentives that some federated entities still grant to attract industries, benefits that the tax reform tends to eliminate or significantly reduce.

The IT Law, established by Law No. 8,248/1991 and amended by Law No. 13,969/2019, is a public policy instrument aimed at stimulating R&D in the information and communication technology sector, as well as domestic production of IT, automation and telecommunications goods, with effects on competitiveness and job creation. Until 2019, the main mechanism was an IPI reduction on eligible products, which allowed sector companies to establish themselves outside the MFZ, weighing tax benefits against logistics costs. From 2020, the incentive shifted to financial credits offsettable against federal taxes. In the tax reform debate, consideration was given to treating IPI similarly to ICMS, ISS and PIS/Cofins, replacing it with a Selective Tax. At the end of the legislative process, the choice was made to maintain the IPI, with the new purpose of safeguarding the MFZ's competitiveness, providing for, as of 2027, a zero rate, except for products with incentivized industrialization in the MFZ, in which case the local benefit is preserved. Complementarily, the maintenance of the MFZ regime will occur through the suspension of IBS (Goods and Services Tax) and CBS (Goods and Services Contribution) on imports of goods by the incentivized industry, in addition to reducing to zero the IBS and CBS rates on transactions originating outside the MFZ that supply domestically manufactured goods to industries established there. In summary, the tax reform reinforces the Manaus Free Trade Zone regime.

The Strategic Role of the Manaus Free Trade Zone

Created by Law No. 3,173/1957 and regulated by Decree-Law No. 288/1967, the Manaus Free Trade Zone (MFZ) is a free trade area with tax incentives aimed at the economic development of the Amazon. Its permanence is guaranteed in the Federal Constitution, with benefits secured until October 5, 2073, through art. 92-A of the ADCT. Historically, IPI has been one of the main instruments for incentivizing production in the region. Industries established in the MFZ benefit from: IPI exemption on imports and local production; suspension or exemption of PIS and Cofins in certain transactions; and presumed credits on acquisitions of MFZ products by companies located in other states of the Federation. The maintenance of IPI, therefore, guarantees the competitiveness of local production relative to other regions of the country, which is why it was decided to maintain it as a regional protection instrument.

From 2027, as provided for in LC No. 214/2025, IPI rates will be zeroed for most manufactured products. However, this rule will not apply to products manufactured in the MFZ and its Free Trade Areas (ALCs) where there is significant local production. In other words: if a company outside the MFZ manufactures a product that is also produced at significant scale in the Free Trade Zone, that product will continue to be subject to IPI, even after the general elimination or reduction of the tax. This partial maintenance of IPI was formalized based on art. 92-B of the ADCT, which requires that new tax laws, such as CBS and IBS, preserve the MFZ's competitive differential.

The IPI incidence criterion will be relevant production. The PLP 51/2024, currently under discussion in Congress, provides objective criteria to define which products will continue to be subject to IPI: the tax will apply to products whose manufacturing in the MFZ represents at least two-thirds of national production in the reference year (initially 2023). This list will be evaluated and published by the Executive Branch every five years. As a result, the maintenance of IPI will begin to reflect regional origin and competitiveness, requiring companies to periodically monitor the list of covered products.

The decision to maintain IPI has practical effects and operational challenges for companies in other regions, which will need to assess pricing, compliance and logistics impacts:

1. Asymmetric Taxation

The same product may or may not be subject to IPI, depending on where it was produced. This creates a more complex tax environment and may impact the competitiveness of companies located outside the Amazon.

2. Continuous Monitoring of the Product List

As the list of products subject to IPI will be dynamic, tax departments will need to periodically monitor official publications, ensuring that the applied rates are correct.

3. Impacts on Pricing and Market Strategies

Companies that manufacture items competing with those produced in the MFZ must consider IPI as an additional cost. This may lead to adjustments in pricing policies, margins and market strategies.

4. Need for Tax System Adaptation

Tax management systems and ERPs will need to be able to identify whether an item is subject to IPI based on origin and NCM code, complying with government-updated rules.

Main sectors and products:

- Electronics: TVs, mobile phones, audio and video equipment.
- IT: Computer components and products.
- Two-Wheelers: Motorcycles and bicycles.
- Chemical: Chemical and pharmaceutical products.
- Thermoplastics: Raw material for various sectors.
- Metallurgy: Metal products and components

We have 4 main PC manufacturers in Brazil: Dell, HP, Lenovo and Positivo, which together account for more than 60% of the country's computer market. Each manufacturer produces locally as an alternative to importing. Attracted by tax incentives, manufacturers maintain operations in the country, albeit with different tax arrangements. In other countries, Dell, HP and Lenovo have no manufacturing operations and produce their products in China. In short, it is not mandatory to maintain factories in the Manaus Free Trade Zone to produce computers in Brazil. Dell, Lenovo and HP operate outside the MFZ.

Dell's operations in Brazil are complex. The country is the only one in the world where the company maintains its own factory dedicated to meeting domestic demand. The story began in 1999 with the Eldorado do Sul unit. In 2007, Dell inaugurated the Hortolândia factory in the interior of São Paulo, which today accounts for around 90% of products sold in the country. The rest is imported or produced by third parties. The plant, opened in February 2007, employs around 1,000 people. Additionally, the company has offices in Barueri and Brasília, while Eldorado do Sul became the administrative center. Although it has no factories in the MFZ, Dell depends on the Manaus Free Trade Zone, as many of its components come from there. Compal Electronics, a global partner in motherboard manufacturing, is in the MFZ, as is Panasonic, which produces batteries for Dell, and Foxconn, which does assembly for the company including printed circuit boards, among other suppliers established in the region.

In Brazil, due to tax benefits, international giants need to operate locally, and Lenovo was no exception. It even attempted to acquire Positivo, unsuccessfully, and it is worth noting that a large part of its PC business comes from the legacy of the IBM division the company acquired. In 2012, Lenovo bought CCE for R$300 million, inheriting seven factories in the Manaus Free Trade Zone and starting a plant in Itu, São Paulo. In 2015, it decided to unwind the deal and resold CCE to the Sverner family. Lenovo kept the Itu factory, while the Sverners retook the brand and the Manaus units. In 2016, the company transferred production from Itu to Indaiatuba, citing underutilization of the old plant and seeking better infrastructure and logistics. The new factory began operations in the second half of 2016. Like Dell, Lenovo works with suppliers established in the MFZ, such as Foxconn. Part of the computers sold in the country is produced by Compal, in a *joint venture* called Lienpal, with 51% Lenovo and 49% Compal, for notebooks and desktops. Furthermore, Lenovo owns Motorola, which also has a relevant presence in the Manaus industrial hub.

HP manufactures in Brazil through outsourced production. It maintains two plants in São Paulo, one in Sorocaba within the Flextronics industrial park, and another in Jundiaí where Foxconn operates the assembly line. Some components used by HP also come from the MFZ. Foxconn provides manufacturing services for various manufacturers such as Dell, Lenovo, HP, Asus and Apple, and also operates outside the MFZ. Among smaller competitors, Samsung operates in the Manaus Free Trade Zone, while Acer generally imports its products.

Positivo has 6 factories located in Curitiba (PR), Manaus (AM) and Ilhéus (BA).

	Positivo Tecnologia (Curitiba)	Positivo Tecnologia (Manaus)	Positivo Tecnologia (Ilhéus)	Boreo (Manaus)	Positivo Servers & Solutions (Ilhéus)	Positivo Servers & Solutions (Manaus)
Capacidade instalada	Distribuição, Centro de Reparos e Projetos Especiais	2,7 milhões de unidades (PC, Tablet, Smartphone e POS)	2,2 milhões de unidades (PC, Smartphone, Urnas Eletrônicas e Monitores)	8,9 milhões de componentes (PLM, Bateria, módulos de memória)	25 mil Servidores e 60 mil Appliances	50 mil Servidores e 100 mil Appliances
Área total	11.500 m²	23.600 m²	15.000 m²	16.700 m²	1.700 m²	700 m²
Funcionários na produção	180	800	300	600	15	25
Linhas de produção	Linha de Montagem de Projetos Especiais Centro de Reparo de Serviços Linha de embalagem para e-commerce	3 linhas PCs 8 linhas Smartphone/ Tablet/POS	2 linhas de PC 5 linhas Smartphone 1 para Projetos Especiais (Urnas/Monitores)	8 linhas SMT para PLM 2 linhas de bateria 1 Linha de módulos de memória 2 Linhas Componentes para Projetos Especiais	1 Linhas Servidores/ Appliances	2 Linhas Servidores/ Appliances

Empresa	Produção	Terceiriza Produção?	Fábrica na ZFM	Componentes na ZFM
POSITIVO TECNOLOGIA	1 Fábrica em Curitiba 3 Fábricas em Manaus 2 em Ilhéus	PCs fabricados no Brasil Segurança é importado	Sim	Sim
DELL	1 Fábrica em Hortolândia	Parte <20%	Não	Sim
Lenovo	1 Fábrica em Indaiatuba	Parte <20%	Não	Sim
hp	1 Fábrica em Sorocaba 1 Fábrica em Jundiaí	Produção 100% terceirizada	Não	Sim

Cenário	Impactos
Fim da ZFM **Manutenção da Lei da Informática** **Manutenção do II**	Na questão de Tributação Positivo e seus concorrentes se equivalem por conta da Lei da Informática. Positivo perde na questão de custo logístico, se não conseguir transferir totalmente sua produção para outras localidades Custo vai aumentar para todos os players devido à dependência de componentes que vem da ZFM, mas não a ponto de inviabilizar fabricação no Brasil
Manutenção da ZFM **Fim da Lei da Informática** **Manutenção do II**	Positivo ganha por ser a única que possui fábrica na ZFM na questão tributária Concorrentes teriam que optar por operar na ZFM se quiserem ter vantagem
Fim da ZFM **Fim da Lei da Informática** **Manutenção do II**	Todos os players viram importadores, produzir no Brasil não traz vantagens Preço dos produtos de informática aumentam Terão vantagens competitivas os players com melhor distribuição e pós-venda Aumento do grey market Mercado de venda de produtos de informática formal (no limite) só existirá no corporativo
Fim da ZFM **Fim da Lei da Informática** **Fim do II**	Todos os players viram importadores, produzir no Brasil não traz vantagens Aumento significativo de concorrência

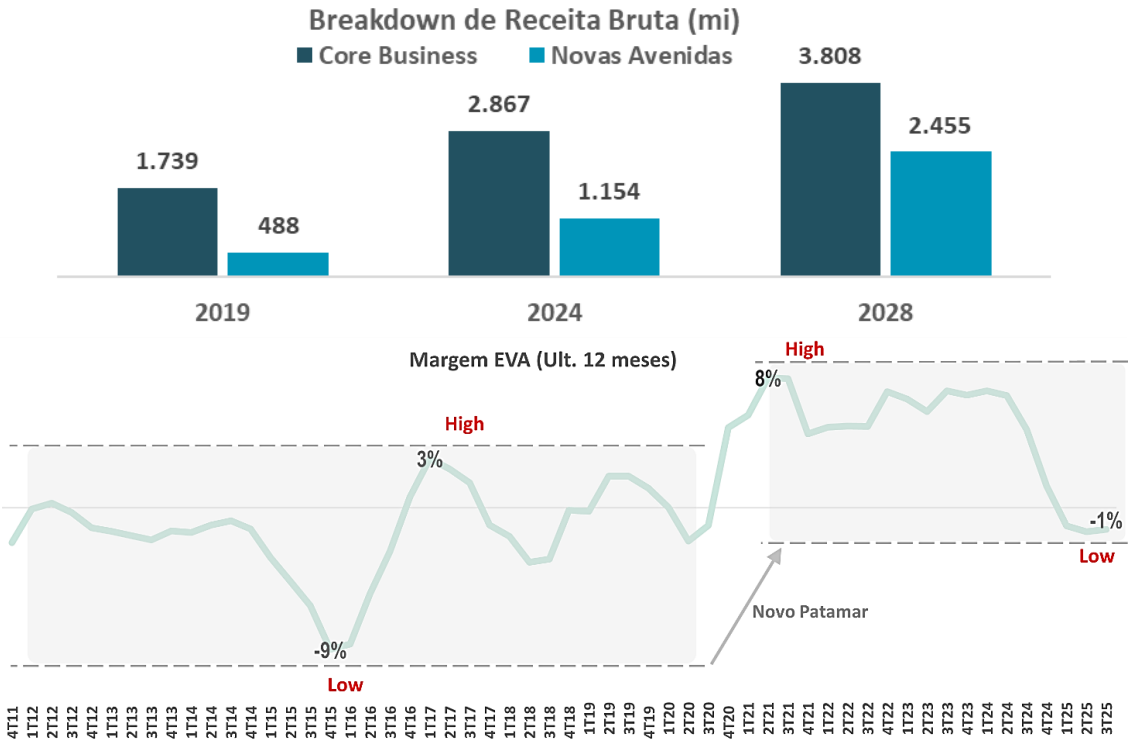
The main benefit of the MFZ is the IPI exemption, which only translates into an advantage if this tax is not reduced in other regions of the country. For IT products, the IT Law grants an IPI benefit in the form of financial credits since 2020 when production occurs outside the MFZ. Therefore, from a tax perspective, operating in the MFZ may not bring a relevant advantage. Furthermore, the decision to produce outside the

MFZ also considers the logistics cost structure, which weighs significantly. Not by coincidence, the main manufacturers, with the exception of Positivo, do not operate in the MFZ, stimulated by the IT Law and the high import taxation. The tax regime incentivizes manufacturing in Brazil with the goal of generating jobs and developing national technology. In this context, producing in Brazil is incentivized for international players due to high import taxes. Manufacturing in Brazil exists because it is incentivized in various sectors; otherwise, we would simply be importers.

The competitive advantage of companies does not lie in manufacturing, but in distribution, customer relationships and after-sales service. In the rest of the world, except Brazil, Dell is an importer of computers due to its dominance of the global industry chain and its strong distribution capacity, customer relationships, brand recognition and after-sales service. The global computer market does not have manufacturing or assembly as its central axis; it is sustained by international logistics, distribution reach, customer relationships and after-sales service. In Brazil, computer manufacturing occurs mainly due to tax advantages and generally amounts to the assembly of imported components

Valuation and EVA

Positivo Tecnologia is currently trading at 3.5x EV/EBITDA, a very attractive valuation considering its peers and Positivo's historical prices, trading well below the sector average and also at 60% of the Company's liquidation value. Currently the Company still carries the stigma of a low-income computer manufacturer; the higher SELIC rate and low liquidity contribute to Positivo's difficult market moment. The Company is going through a cyclical difficulty with the delay in public sector purchases, whose purchasing flow is returning this semester. Even in the current environment, the Company is managing to grow in the corporate segment. We believe Positivo will continue to grow in the corporate market with higher margins, and in three years it will be less dependent on the retail and public segments, potentially tripling its recurring earnings. With the capacity to triple its earnings and multiples normalizing, we see great appreciation potential.



We believe Positivo Tecnologia is at a structural inflection point since 2017, migrating from a legacy retail PC business to a corporate hardware, services and solutions platform. This shift is supported by

operational advantages that are difficult to replicate in Brazil, combining manufacturing scale, supply chain mastery, commercial reach and relevant technology partnerships. The new growth avenues in servers, managed services and HaaS increase recurring revenue, raise margins and reduce the cyclicality that historically pressured results. In a more volatile macro environment, we maintain the discipline of our process, prioritizing competitive advantages, effective governance and price with a margin of safety. We see the "new Positivo" as undervalued for still carrying past stigmas, while the vectors that truly matter for the next cycle are already in execution.

Since the *turnaround*, the company has been sustaining return on invested capital above the weighted average cost of capital over relevant windows, something that did not occur consistently in the past, when exposure to PCs and government contracts compressed returns. The mix shift toward B2B and services improves asset turnover and capital intensity, PSS tends to operate with attractive ROIC and HaaS adds recurring revenue with value capture at the end of asset life cycles. The incentive program tied to return on capital reinforces allocative discipline, aligning operational execution and shareholder value creation. In our management, we will closely monitor the *drivers* of EVA: operating margin by vertical, invested capital turnover, working capital needs and cost of capital in reais, seeking simultaneous expansion of returns and reduction of risk.

The current valuation embeds little expectation for the assets and capabilities built, while also reflecting cyclical pressures in public demand and the PC cycle. The combination of gradual government normalization, *ramp-up* of servers and services, HaaS penetration and opportunities linked to data centers and domestic AI creates positive asymmetry. Regulatory and sector catalysts, such as PBIA and REDATA, can accelerate demand for local infrastructure, where Positivo has operational and tax advantages. We acknowledge execution risks, competitive intensity in payments, availability of critical components and exchange rate variations, which are mitigated by scale, PPB, proximity to clients and a more resilient portfolio. In a base scenario, we estimate room for recurring earnings growth and *re-rating* of multiples as the thesis materializes.

We remain attentive to signs of deviation that sustainably compromise EVA, in which case we will reassess the size and continuation of the position. As long as execution confirms the value creation trajectory, we see Positivo well-positioned to compose the portfolio as a domestic technology *compounder* asset, bought at a price still reflecting a *turnaround.*

We thank you for your trust,

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