
Values Report 2022

ÓRIA

MARCH 2023

Introduction



Welcome 2023

A new year has arrived, and it's time to review what happened in 2022. After such an eventful year, we are proud to present a new Valuation Report to our investors, companies, partners, and community.

More than ever, our impact investing thesis has materialized inside our portfolio companies and has resulted in positive results across the entire value chain. Take EuReciclo's case, which we will discuss more in-depth in this report. EuReciclo is disrupting the status quo and providing an innovative solution that not only brings the recycling chain to a new level but has also driven a positive regulatory change in the country and has stimulated increased social mobility for the people working on the ground by directly impacting environmental awareness and engaging companies to be greener.

Here at Oria, we couldn't be more excited about what's coming next. We hope you'll enjoy reading this report.

First and foremost, we would like to revisit our last report and restate our mission, which is deeply ingrained in our DNA:

Oria Capital is contributing to a more sustainable world through its investments in the technology sector. By boosting the development of local companies and committing to high-quality employment generation and gender equality in emerging markets, Oria is positively impacting productivity and reducing transactional costs.

Productivity Strikes Again

Despite an increase in formal employment, labor productivity in Brazil declined last year ¹, following a further deterioration in the previous quarter of 2022. This trend suggests that the productivity gains during the pandemic were temporary and a one-off. Brazilian productivity per hours worked fell 4.5% last year, after a 7.9% reduction in 2021. These fluctuations add to an average decline of 0.3% between 2014 and 2019. Low productivity is a significant hurdle to Brazil to achieve sustainable growth, as it limits the country's potential Gross Domestic Product (GDP). By investing in companies that boost the country's productivity, Oria seeks to contribute to local development.

There are several strategies for increasing productivity in a company, yet only some managers effectively use them to generate value. We see the ESG risk management framework as a powerful tool to leverage productivity, along with a mechanism to monitor and understand the impact; it is widely publicized but has yet to be widely implemented. In the past, managers viewed ESG as a cost; however, now, facing the "ESG hype," it has become a genuine concern for managers, and extracting value from such practices is highly advantageous. Sustainability reports, fancy websites, and other corporate antics are things of the past. ESG is now an integral part of how a company conducts its business. By standing out in this area advantages can be realized by the company, generating long-term value with greater productivity.

¹ Source: Valor Econômico, from the Regis Bonelli Productivity Observatory of the Brazilian Institute of Economics (FGV Ibre).

Introduction

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ESG: Creating Value

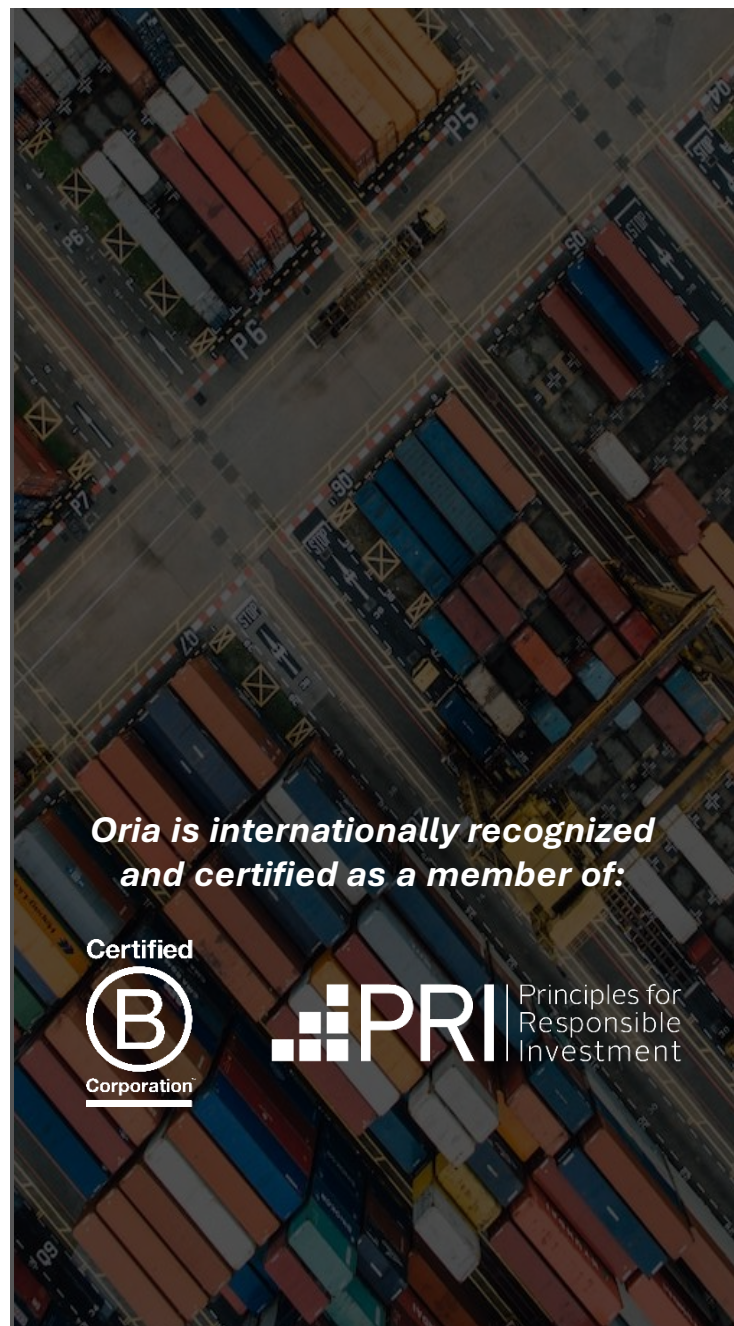
At Oria, we thoroughly analyze a company's ESG aspects during our due diligence process. We do this to understand the potential risks that the asset may be incurring (classic DD) but mainly to identify opportunities for value creation. Sustainable value creation is not a new concept. We see that it is possible to generate value through ESG in three main aspects: revenue growth, cost reduction, and increased employee productivity, as presented by methodologies like Hart and Milstein's². But mostly, we have worked with ESG risk and materiality assessments within our community to build strategies toward competitive advantage.

A commitment to ESG invites companies to explore new verticals and markets and develop new technologies. This process sheds light on opportunities even those overlooked by strategic planning initiatives and projects. The ESG commitment can generate new revenue growth avenues, particularly when reevaluated at the core business level. In addition, when seeking government licenses and approvals, sustainability awards, or focusing on a green supply chain, ESG can open doors for some companies, allowing them to win bids or be chosen as suppliers by other companies that equally value ESG, resulting in a positive virtuous cycle.

With a consistent ESG strategy in place, all employees, especially management, can clearly oversee the risks that can generate penalties for the company. By mitigating such risks, companies can reduce costs, which generates savings that can be reinvested into the business (We know you are tired of hearing that, but "Cash is king", don't waste money). A well-defined ESG strategy can also generate new initiatives that would not have been considered otherwise, creating significant value and optimizing resources, resulting in greater productivity.

Another crucial factor in increasing a company's productivity is its employees. Although it may sound cliché, the saying "employees make the company" couldn't be more accurate. A solid ESG proposal with a clear and well-defined purpose can be a powerful motivator for both employees and leaders. For instance, Alex Edmans of the London Business School found that³ companies that made it onto the "100 Best Companies to Work For" list generated returns to shareholders 2.3% to 3.8% higher per year than their peers over a 25-year period. Moreover, motivated employees are more likely to remain with the company, which is particularly critical in a competitive market like the tech industry.

We hope this report provides you with a better understanding of Oria's perspective and vision. Our portfolio companies reflect our commitment to sustainability, efficiency, and productivity, and we look forward to seeing them thrive in the future.



**Oria is internationally recognized
and certified as a member of:**

Certified



Corporation

PRI | Principles for
Responsible
Investment

² Source: Hart and Millstein (2004) – Creating Sustainable Value.

³ Source: McKinsey Report: ESG Practices

EuReciclo

Reverse Packaging Logistics Reinvented



ESG

Investment History

Founded: 2016

Oria's Investment: 2022

Fund: Oria III

Sector: Reverse Logistics Certifier

ESG Alignment: ★★★★★

Introduction

EuReciclo is the leading Packaging Recovery Organization (PRO) in the country, and its mission is to raise recycling rates in Brazil, building a more sustainable world and valuing the recycling chain, mostly building up solutions for the reverse logistics challenge. EuReciclo is present in all states of Brazil with partnership's totaling 169 waste sorting centers. In 2021 alone, more than 200,000 tons of material were sent for recycling. Besides Brazil, the solution extends to Chile with *todosreciclamos* and to France, that includes a traceability project.

How it Works

EuReciclo is a company that has brought the concept of environmental compensation for packaging to Brazil, inspired by a model that has already been successful in Europe. Through its innovative technological platform, EuReciclo can track the entire recycling chain, from the initial stages to the end of the process and provide verification that its clients, who are companies that use packaging in their products, are recycling the same amount of materials (such as paper, plastic, glass, or metal) that they deliver to the market. By returning this recycled material to the production chain, EuReciclo is helping to promote sustainability and significantly improve recycle rates.

Thus, a recycling certificate is issued to the contracting company, which attests that the reverse logistics occurred. This is possible from the connection established with sorting centers throughout the country, which accurately sort and send post-consumption packaging for recycling.

These partnering sorting centers receive additional remuneration for the service provided. This means that in addition to the sale value of the material, EuReciclo and its partner companies contribute to the increase in the income of the sorting centers, generating economic incentives for recycling in Brazil. They are turning the exploration of materials previously rejected by the recycling industry into an economically viable business. This fuels greater productivity and capacity for the sorting centers.

Investment Overview

EuReciclo has connections throughout Brazil due to the partnership with the sorting centers, constituted by the pickers' organizations (associations and cooperatives) and by private companies (intermediary operators, recyclers, and landfills), which after such approvals by the authorities become operators of the recycling certificates.

The recycling certificates purchased by companies trading in packaging products have resulted in important income for operators and recycling agents. These certificates function as a financial instrument to support, structure, and establish a fairer recycling chain.

EuReciclo is truly disrupting a once dormant industry and has brought not only technology, transparency, and efficiency to it but also rethought the entire value chain, bringing more qualified jobs and a powerful mechanism to elevate positive social impacts, and has created an increased awareness of the positive impact on the environment by the companies and has broadened participation, from the consumer to the manufacturer.

Its business model is highly inclusive, with the potential to recycle and properly dispose millions of tons of materials that would otherwise become waste, making it one of the best ESG features of the company. Rather than shying away from the monumental problem of waste management that seriously impacts the environment, EuReciclo has engaged with society, government, and local associations to establish the first legal framework for environmental compensation in Brazil, creating a promising new market.

Environmental positive impact with technology and legal protections, connecting stakeholders to the recycling ecosystem.

EuReciclo

Reverse Packaging Logistics Reinvented



Investment History

Founded: 2016
 Oria's Investment: 2022
 Fund: Oria III
 Sector: Reverse Logistics Certifier
 ESG Alignment: ★★★★★

Impact

EuReciclo's impact extends far beyond its direct operations. It is common knowledge how great a challenge waste management is in the world. In Brazil, this problem is even more severe and urgent, with recycling rates between 3% and 5%, according to the Federal Government and the National Sanitation Information System (SNIS). EuReciclo has achieved an ambitious goal in collaboration with waste picker organizations and private companies in the recycling industry. By working together, they have successfully diverted over 200,000 tons of packaging waste from occupying landfills and dumps in Brazil.

In addition, EuReciclo's partnerships have positively impacted the sorting operators, with over 70% of them reporting increased productivity due to the additional income received. The funds received from EuReciclo have been allocated towards various areas, such as paying taxes and salaries and making structural improvements, including acquiring vehicles and equipment for waste collection and transportation. A significant portion of the funds has been invested in employee safety and training, with 40% directed towards acquiring personal protective equipment (PPE) and 24% towards employee training. This demonstrates EuReciclo's commitment to social responsibility.

Furthermore, EuReciclo has also been successful in promoting workforce diversity, by employing a majority of female employees (54.3%). Of the 35 leaders currently employed, 21 are women, meaning a 60% female leadership. EuReciclo became a certified B Corp in 2017, indicating more than five years of responsible social and environmental commitment, and recognized at the global top 5% for Community Management practices in 2022.

9.277.185 Tons Compensated/Year
 798.346 Tons Certified/Year
 200.496 Tons Compensated /Year

EuReciclo's technology emerged mainly from companies needs to adapt to a new governmental law. By seizing the local and global momentum towards cleaner and greener value chains, our technology provided for robust value creation, mainly via increased revenue generated through all the players in the market and the development of new technologies, such as blockchain-backed certification for the recycling business.

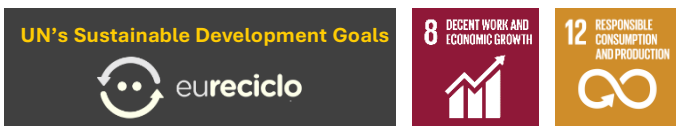
Moreover, its customers, in need of a way to communicate and reassure the final customer that they complied with legislation, found it the perfect partner at the right time. EuReciclo's environmental potential cannot be underestimated. Thanks to its unparalleled trajectory in this sector, it is our portfolio highlight in 2022 regarding its positive impact on the world.

11.573.576 [BRL] Paid to affiliated sorting centers

169 Affiliated sorting centers

17.000+ People were involved in the system in 2021

Presence in 3 countries and all the Brazilian states, with 5 of them achieving advanced legislation thanks to EuReciclo's effort



EuReciclo

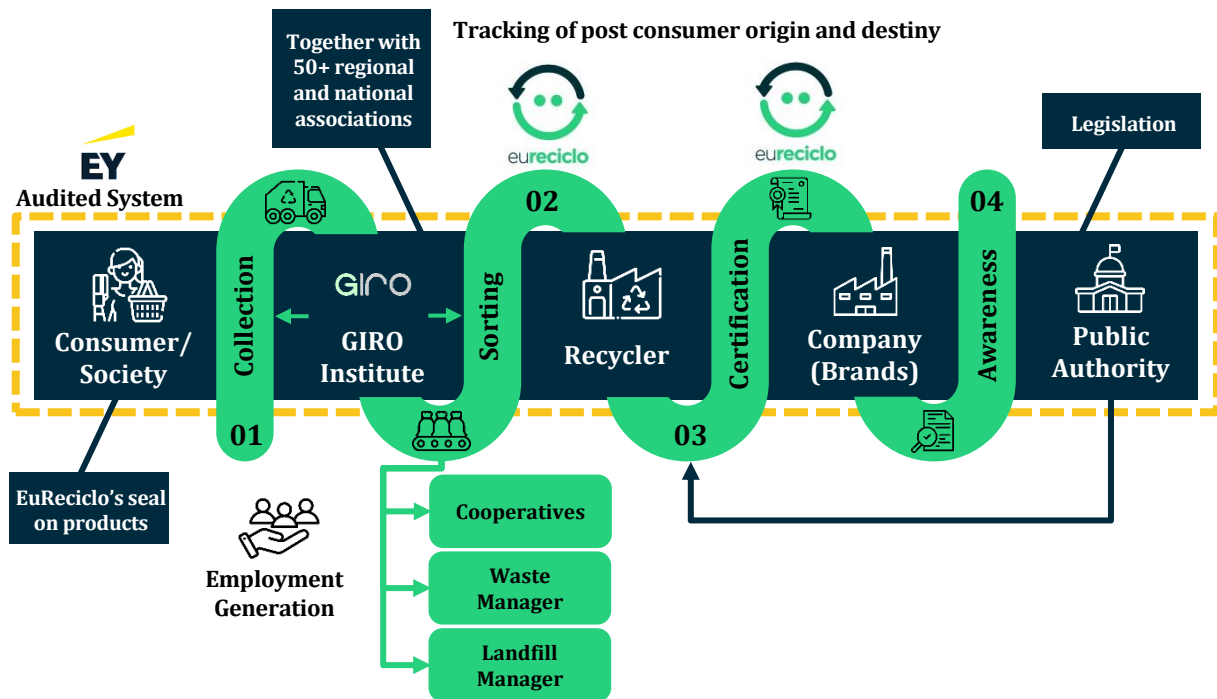
Reverse Packaging Logistics Reinvented



Impact

EuReciclo contributes to a sustainable world through its marketplace and software solutions for the industry to face reverse logistics challenges, bringing efficiency to the recycling value chain and delivering a positive impact on Environmental, Social, and Governance in this ecosystem. EuReciclo's solutions reduce transactional costs and add value to consumers, recycling operators and cooperatives, consumer goods industries, recycle-related civil organizations, and government through the trackability of recyclable materials and the connection of offer and demand players for secure recycle credits compensation

EuReciclo → The Complete Ecosystem for Recycling Certification



1

EuReciclo is the main partner for the entire reverse logistics/ sorting ecosystem, comprising local cooperatives, waste managers, and landfill managers. Digitally tracking (via blockchain) and ensuring compliance throughout the whole chain enables the recycler to have its final product certified through a business vertical directed at the early stages of the value chain.

2

The Recycling Credit Certificate is awarded by EuReciclo, which acts as the central unit in the value chain. After helping to establish new legislation it now works alongside Instituto Giro, a national, non-profit, private association focused on sustainable development and implementing and operating reverse logistics systems for packaging.

3 + 4

The final step happens when EuReciclo promotes recycling awareness to the final consumer through its seal on the product packaging. Thus, the consumer can recognize a greener brand when choosing which product to buy. The whole process is audited by EY and is done according to the public authority's due process.

Ambar

The New Operating System for Civil Construction



Investment History

Founded: 2013
 Oria's investment: 2021
 Fund: Oria III
 Sector: Construtech
 ESG Alignment: ★★★★★

Introduction

Ambar defines itself as the operating system of the new construction industry. It has three main business units; Polar, SmartPods, and Autodoc, that offer one of the most complete tools kits for the entire supply chain. Today, Ambar is the largest Construtech company in LatAm, providing homebuilders with products, services, and technology solutions that reduce construction costs and increase the efficiency of housing projects. Ambar's offering embraces two key areas: industrial solutions and the digitalization of construction projects.

How it Works

Ambar's industrial solutions work in partnership with building companies, as Ambar supplies pre-assembled parts - such as walls and hydraulic installations - to facilitate the home-building process. By innovating with modular construction (sale of pre-assembled items), its product reduces building delivery time and drastically reduces waste. This product portfolio is focused on the low-end residential market and in B2B offerings. It has more than 500 clients and 2,000 construction sites, serving construction groups in LatAm. Construction groups can raise their production capacity by exploring the modular construction vertical, increasing work productivity.

Ambar's digital solution is a SaaS offering. Ambar has a construction management platform that supports the interaction among construction stakeholders, controls employees' and contractors' access to construction sites, and all the necessary documentation, among other solutions. The main benefit is to digitalize these processes to avoid practices such as endless exchanges of e-mails between engineers, architects, designers, and other professionals involved in the construction.

2.500.000 Impacted people
600.000 Houses built with Ambar
1.500 Real-time constructions

Investment Overview

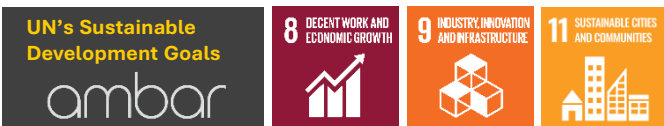
Ambar has built a unique portfolio of solutions that serves not only the main construction groups but also the Developer, Buyer, Designer, Builder, Contractor, and Worker. By providing an option to digitalize and increase efficiencies, it helps add value to a market that globally represents more than 13% of global GDP, but also the sector has had insufficient productivity growth of 1% per year in the last two decades. If that's not enough, civil construction is the 2nd worst sector in terms of digitalization. Overall, the situation is dismal, as 61% of all construction projects are delayed, and 25% of the materials used on construction sites in Brazil are wasted.

Impact

Ambar's impact is seen as it contributes to a sustainable world by increasing efficiency and reducing transactional costs while also adding value to the value chain through standardized, agile construction management software, ensuring efficiency in the construction process.

By maximizing the utilization of resources and minimizing waste, it indirectly helps solve the Brazilian housing crisis (through multiple contracts to build popular houses) and positively brings a lasting social impact.

Ambar is leading the way by bringing technology to update outdated and inefficient processes in a traditional and relevant industry.



Ambar

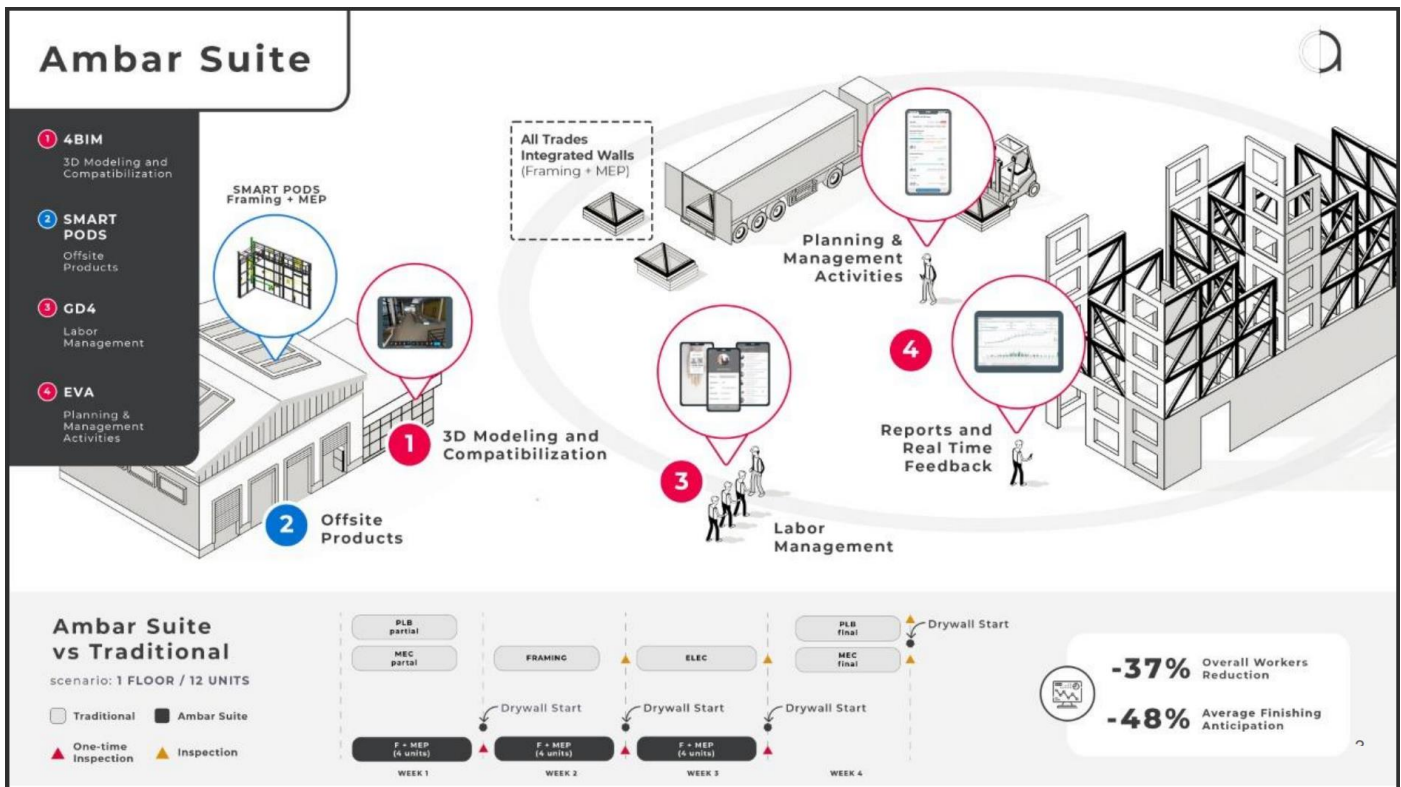
The New Operating System for Civil Construction



Impact

Ambar contributes to a sustainable world through its services, products, and software solutions for the construction market, bringing efficiency to the value chain and delivering a positive impact on Environmental, Social, and Governance in this ecosystem. Its platform reduces transactional costs and adds value to construction companies, constructors, architects, developers, and construction workers through standardized, agile, and financially viable property inspections, ensuring efficiency in the construction process.

Ambar Suite → The Complete Ecosystem for Construction



1 + 2

Ambar’s solution involves producing Smart Pods, ranging from hydraulic and electrical solutions ready for installation on-site, to finished bathrooms, including the structures that form the floor and walls. They seamlessly integrate those with a 3D model in order to rapidly provide the construction site with ready-to-use solutions.

3

By managing the workforce with Ambar’s software solution, the contractor’s project manager can identify redundancies and adequately plan resource utilization. Moreover, the company can better execute quality control while significantly reducing construction costs. Other functionalities include supplier management, access control, and work planning and control.

4

Finally, Ambar’s suite provides innovative solutions for electrical, air conditioning, and hydraulic infrastructure installations. Reporting and real time feedback ensure the construction process optimization. Additionally, modular walls are the best allies to productivity, as it reduces the costs, time to build and worksite headcount.

Britech

Transforming Investment Management Operations



Investment History

Founded: 2012
 Oria's Investment: 2015
 Fund: Oria I
 Sector: Fintech | ERP
 ESG Alignment: ★★★★★

Introduction

Britech is one of the most prominent platforms to offer an *Asset-Wealth-Management-as-a-Service* solution by providing a unique software solution that meets the needs of a wide range of players in the investment management industry, such as family offices, wealth management, assets, brokers, distributors, and fund administrators. Britech positions itself as a one-stop-shop, modular, and fast-for-implementation product, the go-to solution for players in the investment management industry.

How it Works

Britech's solution integrates more than 30 features, ranging from trade order management, risk evaluation, portfolio and investor management, structuring and, compliance to reporting and analytics and a powerful investor portal. All of that is based on a 4-pillar structure where integration to financial sources, a customer success team, a customer support team, and API layer integration play a huge role in guaranteeing that everything runs smoothly and securely.

The platform is flexible, operating in a multi-currency and multi-language system, and adaptable, providing complete orders workflow and automatic rebalancing instruments. It also helps clients with customizable reports and portfolio analysis in a single secured place, plus complete customer profiles with customizable questions, including KYC, onboarding process, and others. In order to better manage risks and adapt to the client's profile, Britech's solution can be set to configure the exposure and sensitivity to various risk factors with parametric and non-parametric models.

30+ Implemented features
400+ Global customers
1.000+ Certified professionals

Investment Overview

Britech's proprietary technology platform supports a faster implementation process when compared with industry standards. It directly impacts the small players in the market, an underserved segment where there is less control of the processes and a greater need for better information visualization. It propels the productivity of asset and wealth managers, further increasing worker productivity. Recent new market regulations (such as the new RIA regulation) are growth avenues for Britech, which already complies with and offers dedicated products covering it.

Impact

By helping those small players to guarantee their data integrity and better manage their investments, Britech acts as a catalyzer for increased governance in a subsector that usually lacks the resources to implement strong guidelines and processes. As for governance, the world watched big companies almost collapse due to poor governance standards recently. Financial companies, the core of Britech clients, can sometimes run with small teams, and the corporate compliance tasks can sometimes be overlooked as the staff is allocated to other activities. With Britech, legal and operational risks can be securely monitored and reduced by keeping track of portfolios and shareholders.

Presence in **more than 20 countries**, including the LatAm, U.S. and Western European Markets. Expansion planned to Asia and Eastern Europe.

UN's Sustainable Development Goals

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Britech

Transforming Investment Management Operations

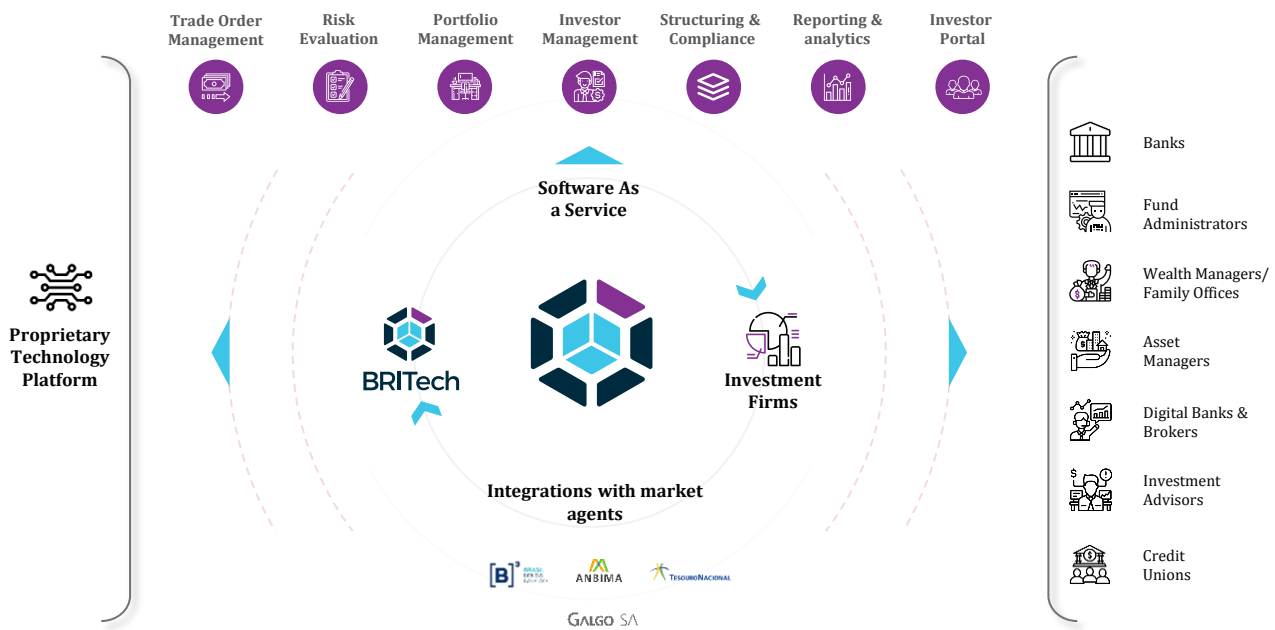


Impact

Britech contributes to a sustainable world by providing financial software that improves productivity for the investment ecosystem, reducing transactional costs for investment managers and investors. Britech also has the potential to be a Brazilian Fintech-Infra leader and to create quality jobs and inclusion while addressing gender inequality.

Britech Ecosystem →

The Complete Solution for Investment Management Operations



BRITEch is a technology platform that provides customers with compliance to local regulations since its implementation. This makes it easier for nascent asset managers to obtain regulatory approval quickly while also helping established players avoid issues with regulators.

With more than 30 features tailored specifically for the financial market, BRITEch enables its clients to manage everything from trade order management to investor reporting through a secure and reliable investor portal. This end-to-end management cycle for asset managers and wealth managers provides a comprehensive overview of their operations, ensuring greater efficiency and transparency.

ORIA
Intelligent Capital