



2022
Annual Report

eB, Capital

2022 Annual Report

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01.



About this Report

This is eB Capital's first Annual Report, a reflection of our Responsible Investment Policy and our commitment to maintaining a transparent relationship with our stakeholders. Here we share our rapid growth trajectory, business model and contribution to the country.

With the direct involvement from our top management in the preparation process, this report provides information for the year 2022, including a snapshot of our performance over the period,

achievements and returns generated for our investors and society, in addition to our vision of the future.

We are committed to becoming an increasingly better company that contributes to a better country and world. Our reports, to be published annually, will be a channel for sharing our lessons learned and our evolution.

If you have any questions or comments about this report, please contact ir@ebcapital.com.br

This is the first Annual Report issued by eB Capital, a manager of alternative investments with return and purpose.



02.



Message from the Founding Partners

Since its inception in 2017, eB Capital has been dedicated to generating high returns for its investors, through a strategy based on identifying and investing in social and climate business opportunities that address Brazil's structural gaps. We firmly believe that private investments pave the way for a better future, and we aspire to be key players in the positive transformation of society.

We find ourselves in a time of accelerated transition towards a regenerative stakeholder capitalism, which is reshaping the landscape of risks and opportunities in the current and future markets. Global challenges such as climate change, food insecurity, population aging, inequality, energy crises, and water

“

We want to be protagonists in Brazil's positive transformation. Our investment theses seek high returns combined with tangible benefits for society.”



scarcity present unique opportunities for establishing a new way of conducting business, with Brazil taking a leading role.

Our focus extends to addressing social gaps such as **access to education and healthcare, digital inclusion,** climate emergency through the **circular economy for plastics, renewable energies, efficiency in agribusiness** and **solutions for carbon-intensive industries.** In line with this direction, over the last year we have made significant investments through eB Preferred Futures, our first multi-thesis fund dedicated to leveraging investments in the circular economy, in democratizing healthcare and sustainable agribusiness.

In early 2023, after a careful and participatory process, we achieved **B Corp certification**, one of the most esteemed seals worldwide recognizing businesses that combine financial wealth generation with solutions for social and environmental problems. In the same year, we also joined the **UN Global Compact** and the **Net Zero Asset Managers Initiative** committing to the challenge of achieving net zero carbon emissions, adding to the commitment we made with **IPC (“Investors for the Climate”)** in 2022. Together with our portfolio companies, we have expanded our engagement and support for the ESG and impact agenda. The kickoff for the new methodology took place during the first edition of eB Capital Day in November 2022, when we shared the



Last year, we launched eB Preferred Futures, our first multi-thesis fund dedicated to leveraging investments in the circular economy, democratizing healthcare and sustainable agribusiness.

first greenhouse gas (GHG) emission inventory with each of the companies. Additionally, we successfully shared our vision of Brazil’s environmental leadership as part of the solution for global challenges during our participation in the 1st Brazil Climate Summit, in New York. Our journey could not be any other – after all, sustainability is an intrinsic part of our value creation strategy.

These commitments and results would not be possible without a committed, competent and motivated team aligned to values whose guiding principle is integrity in its broadest sense. eB Capital counts on a diversified mix of skills, with an emphasis on executive experience in leading companies in the real economy and active involvement in our invested companies, aimed at driving significant value creation. The pillars of our culture – Search for high

and consistent results; Good, integrated and happy people; Undertaking is our essence; We are good partners; We work for a better Brazil – are agreed upon by all participants.

This is our first annual report and we are committed to continuing this publication as a way of making our activities and commitments transparent to our stakeholders. eB Capital has experienced rapid growth in its six years of existence, and the future holds even more promise. We are confident

that the next year will bring us many opportunities in new businesses, as well as the growth and development of current ones. Being part of this greater journey, where purpose and return harmonize, is truly rewarding and it will be a delight to have you join us in shaping the new chapters of this story.

**Eduardo Sirotsky Melzer,
Luciana Antonini Ribeiro,
Pedro Pullen Parente.**

eB Capital Founding Partners



03.



eB Capital

eB Capital is a unique investment manager with an approach aimed at a new way of doing business. We seek high returns for investors, regardless of financial cycles, while generating measurable positive results for society and the environment. Our investments are in real-economy businesses with resilient and scalable business models that offer solutions for Brazil's structural gaps and address various global challenges aligned with the UN Sustainable Development Goals (SDGs).

We are proud to be part of the construction of a better world and a better future since 2017. Since then, we have supported Brazil through the use of private capital in alternative investments in order to solve some of its fundamental problems: we promote digital inclusion, greater access to healthcare and education and combating climate change. In the coming years we will continue to strengthen this commitment and our presence in new industries, including renewable energy and sustainable agribusiness, among others. At the forefront of investing in better futures for society, in 2022 we made relevant transactions with our first multi-thesis fund, eB Preferred Futures, that directly contribute to fighting climate change and other challenges affecting the whole world.

Operational excellence is the backbone for making our investments with purpose. Founding partners Eduardo Sirotsky Melzer, Luciana Antonini Ribeiro and Pedro Pullen Parente have been working together since 2004, and have a history of leadership and expertise in the real economy, knowledge of the industries



eB Capital is a unique investment manager with an approach aimed at a new way of doing business. We seek high returns for investors, regardless of financial cycles (...)

invested in and a global relationship network. Headquartered in São Paulo, eB Capital has a current team of 28 collaborators and a total of 81 years of accumulated investment experience. At the forefront of sustainable investments, we have approximately R\$ 4 billion in assets under management, divided into 6 main investment funds and 16 invested companies.

eB Capital in Figures

*2022 NUMBERS (1)



- R\$ 4 billion in assets under management (AUM)
- private equity
- infrastructure
- real estate



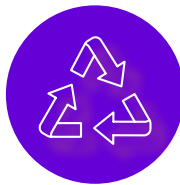
- 6 developed funds
- 16 businesses invested in



- ✓ More than **7 million*** households with quality internet access covered by our fiberoptics network with Aloha.



- ✓ Quality education with ProZ Educação recognized by the Education and Culture Ministry (MEC) for **more than 33,000 students**, with **85% of students employed*** within one year of completing the course.



- ✓ Through our investment in the circular economy for plastics, **we recycled 20,900*** metric tons of plastic through Green PCR.



- ✓ Based on our investments in healthcare through health-tech Hilab, **we performed 450,000*** lab exams.



- ✓ With Blue Health, we facilitated the **lease of 270 pieces of equipment*** for radiology operations and laboratory diagnostics.

ALTERNATIVE INVESTMENTS

PRIVATE EQUITY, INFRASTRUCTURE, AND REAL ESTATE SOLUTIONS



EDUCATION



ENERGETIC TRANSITION



DIGITAL INCLUSION



HEALTHCARE



INFRASTRUCTURE



PRIVATE EQUITY



REAL ESTATE



CIRCULAR ECONOMY



AGRIBUSINESS

2017 2018 2020 2022

eB Capital was founded



Launched eB Preferred Futures (Flagship Fund)



Our investment framework

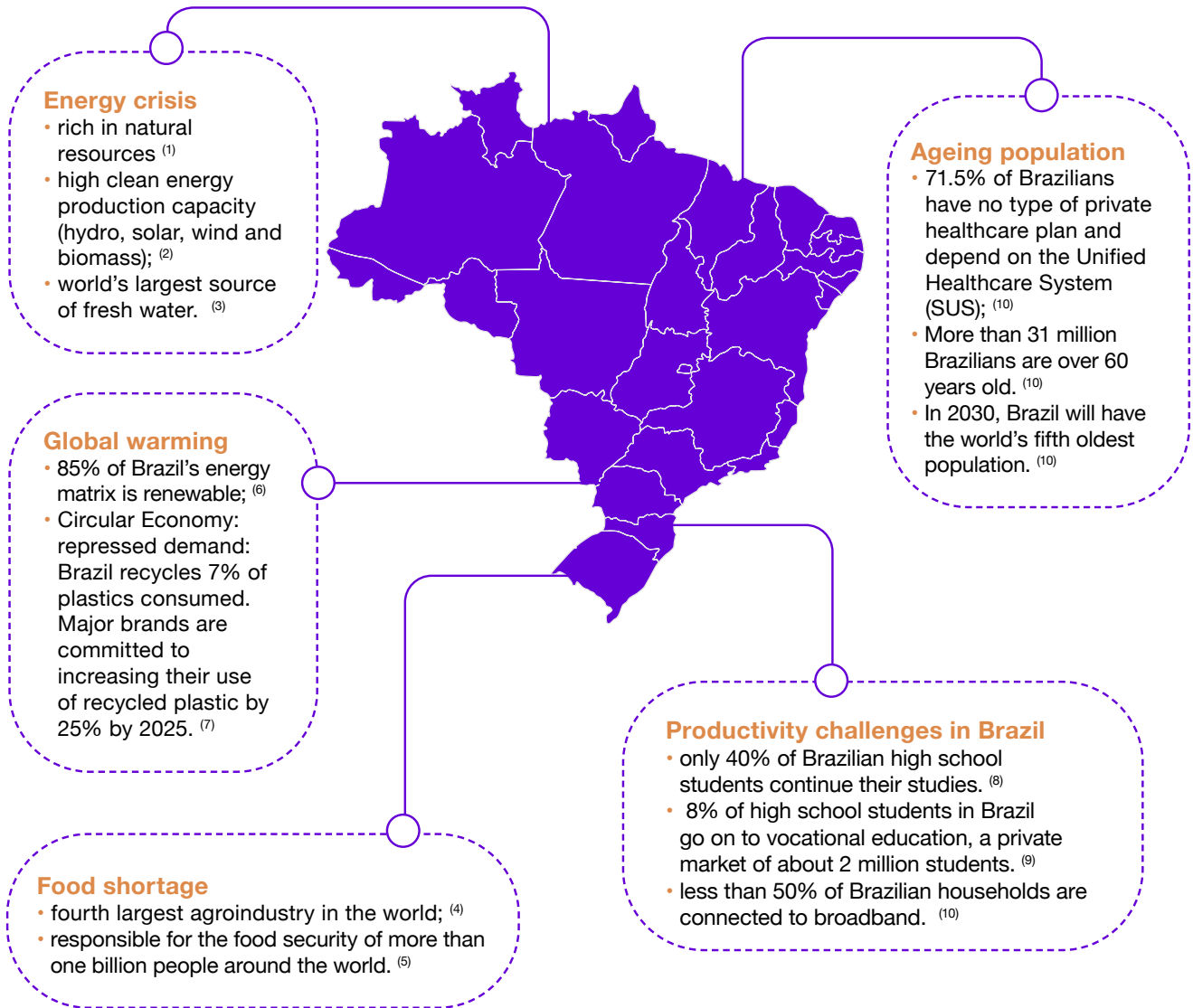
MWe have an investment strategy and the necessary operational support to accelerate business growth and transform the invested companies into providers of solutions to global challenges

The current challenges facing the global economy position Brazil uniquely, offering opportunities for resilient businesses with pent-up demand, GDP proof growth potential, capable of generating superior financial returns for investors compared to the market. Given its vast territory rich in natural resources and an equally large domestic market, the country holds the key to sustainable solutions that are able to contribute to bridging its structural gaps and also positively impact global transformation towards a better future in highly relevant themes such as climate change. In this sense, we invest in companies with scalable, proven business models and well-defined ESG and impact theses. We translate this into alternative investment opportunities with broad operational and local expertise and support from an experienced team that is guided by best practices in environmental, social and governance aspects.



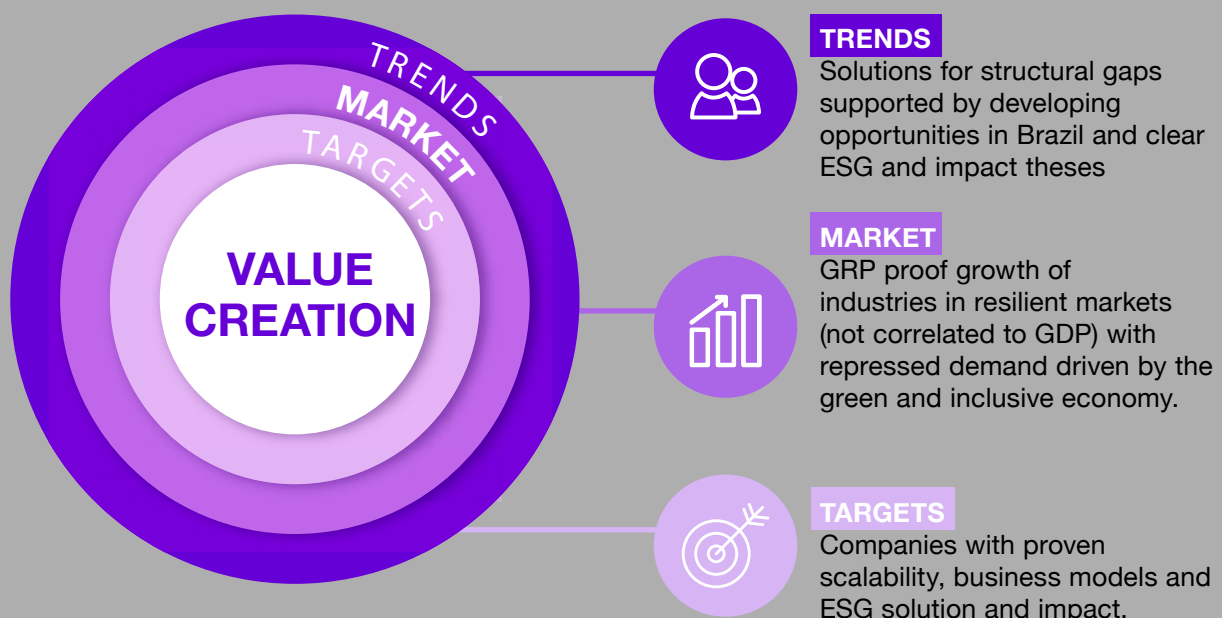
The current challenges facing the global economy position Brazil uniquely, offering opportunities for resilient businesses with pent-up demand, GDP proof growth potential, capable of generating superior financial returns for investors compared to the market.

Brazil: a hub of opportunities for local and global challenges



MARKET

Strategic investment and robust operational support to drive business growth and transform invested companies into solutions for global challenges.



Our business model

We invest in the real economy companies, actively participate in management with a focus on value creation and maintain well-defined exit strategies.

At eB, we invest in the economy of the future. We adopt a proprietary and unique operating model for investing in companies that can effectively contribute to Brazil's advancement in economic, social and environmental challenges and which are able to provide above-market financial returns for investors. We are actively involved in the management of each of the companies we invest in, seeking to create relevant value. In addition, we establish a clearly defined exit strategy, with a range of alternatives to ensure that the divestment is successful from the perspective of both the business and society.



We invest in the economy of the future. We adopt a proprietary and unique operating model for investing in real-economy companies.

01

Proprietary identification of opportunities and rigorous investment deployment

Analysis of macro trends that offer relevant opportunities to create value from generating a positive impact on Brazil's major structural gaps.

Solid local contact network and deal flow.

Rigorous selection of leading companies in their sectors, with resilient and scalable business opportunities.

02

Real engagement with invested companies for relevant value creation

A combination of extensive operational and management experience with active investment monitoring by the eB Capital team, to ensure the construction of real paths for value creation.

Consolidation and growth strategy focused on active participation and the management of best practices and operational efficiency.

Excellence in addressing socioenvironmental, governance, people management and cultural aspects for strategic investments to strengthen corporate cultures and daily operations, creating value through metrics and processes that support decision-making.

03

Range of alternatives for a successful exit

A well-defined exit strategy, building platforms in sectors with strong interest from strategic players and/or creating large-scale sustainable businesses that enable access to the capital markets.

Extensive relationship network with the main corporate conglomerates that allows for correct assessment of the business and increases the probability of success in deploying the exit process.

Increase in business value based on measurement and improvement of KPIs through financial health alignment, solid operations and the availability of ESG and impact track records.



Human Capital

At eB Capital, culture and people are the pillars that support the success and sustainable growth of our business. We continuously invest in recruiting, developing and retaining talent and we believe that satisfaction and engagement are cornerstones for achieving increasingly better results. Our team is made up of experienced and qualified people with diverse and complementary backgrounds and experiences.

In 2022, aligned with our organizational culture and always seeking improvement, we established a new integrated people management system with the support of an external consultancy based on defined and structured practices and policies (see image to the side). As part of our evolutionary process in the area, as of 2023 we have a partner dedicated to the People and Organizational Culture area, Gabriela Picciotto.



At eB Capital, culture and people are the pillars that support the success and sustainable growth of our business. We have an experienced and qualified team with different backgrounds and experiences.

Another advance in 2022 was in structuring a new robust strategic talent and culture management support plan, in which we add value to our investees based on a focus on people in the different stages of the investment and monitoring process. With its implementation in 2023, we now have a new structured diagnosis of practices and policies for all investees, giving rise

to a transformation map that projects the adoption of immediate, short and medium term (up to one year) measures which will contribute to improving practices related to People and Culture. We will also start making toolkits available in which the investees, together with eB, will be able to choose the actions they wish to implement according to each one's timing and priorities.

Our leadership

The founding partners of eB Capital have been working together for over 20 years.



Eduardo Sirotsky Melzer
Cofounder and CEO

He has 28 years' experience and was voted one of the most influential leaders in Latin America by the Cambridge Group for three consecutive years, and recognized as one of the 17 main world leaders by the same institution. For EY, he was entrepreneur of the year in 2014. He was previously CEO and chairman of Grupo RBS, one of Brazil's largest media groups.



Luciana Antonini Ribeiro
Co-founder and CIO

She has 23 years' experience and was voted one of the 20 most powerful women in Brazil by Forbes in 2022, one of the "Top Women Investing in Latin America" for five consecutive years by the Latin America Venture Capital Association, and Chairwoman and cofounder of the Brazil Climate Summit. In 2019, she received the Sabiá Laranja Award for her active leadership in sustainability.



Pedro Pullen Parente
Co-founder and Senior Partner

He has 50 years' experience and was previously CEO of important companies including Petrobras, BRF, Bunge, and Grupo RBS, with extensive experience in the public and private sectors. He was the Presidential Chief of Staff in the Fernando Henrique Cardoso administration, and Minister during the so-called "Apagão" (Blackout) period



Our Team

July 2023

OPERATIONS TEAM



Guilherme Cooke
Partner & Head of
Operations



Gabriela Picciotto
Partner & Head of
Talent and Culture



Ravi Macêdo
Head, ESG



Gabriela Elian
Legal & Compliance
Director



Luiz Santin
Funds Manager



Jéssica Teixeira
Gerente Financeira



Andressa Albuquerque
Analyst

INVESTMENTS TEAM



Vitor Alves
Partner



Felipe Matsunaga
Sócio



Renan Henrique
Principal



Lucas Garrigós
VP



Bruno Garcia
Associate



**Ricardo Chaibub
Filho**
Associate Associate



André Abudi
Analyst



Nicholas Vergueiro
Analyst



Pedro Castro
Analyst



Leonardo Massini
Analyst



**André Luis
Cesaretti**
Intern



Joana Fusco
Intern

SALES & IR TEAM



Loïc Le Penven
Manager



Luisa Maluli
Analyst




Sheila Marin
Intern

REAL ESTATE TEAM




Marcela Drigo
Sócia


OPERATING PARTNERS / ADVISORS



Tarcila Ursini
Purpose




Lorival Luz
Fiber




Jair Ribeiro
Education

EXECUTIVE ASSISTANTS



Sonia Gamboa



Deise Gerhardt

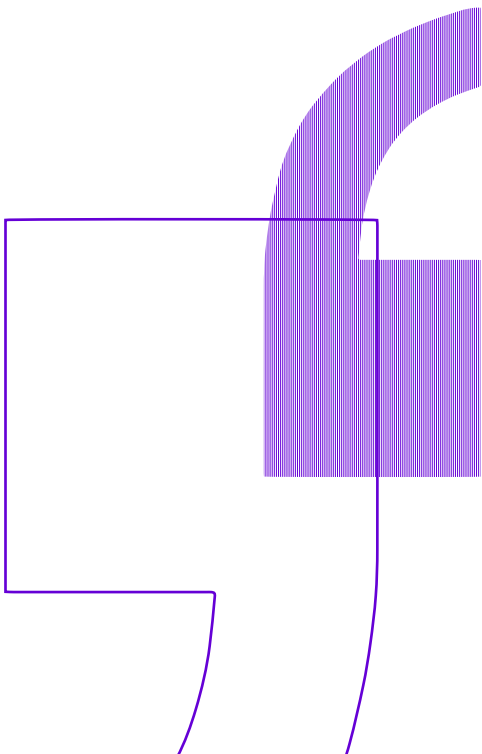


We believe in and direct our efforts towards building a work environment at eB and at our investees that is increasingly plural and free of any prejudice and discrimination, in which each of our collaborators [...]

Diversity Policy

We have an established Diversity Policy at eB Capital that reflects our commitment to fostering diversity, equality and inclusion in all its forms. We believe in and direct our efforts towards building a work environment at eB and at our investees that is increasingly plural and free of any prejudice and discrimination, in which each collaborator and other audiences can express their identity in an unrestricted manner, with their individualities respected and valued.

As part of our advances, in 2022 we conducted our first Diversity Census at eB. The main results regarding the team at that time showed that we are a company made up mostly of millennials (1981-1996), who represent 62.1% of our collaborators, and that the average age is 35.4 years. We have 8 Brazilian states and 2 countries represented in our team, as well as 9 religions, and 42% of women are in leadership positions.

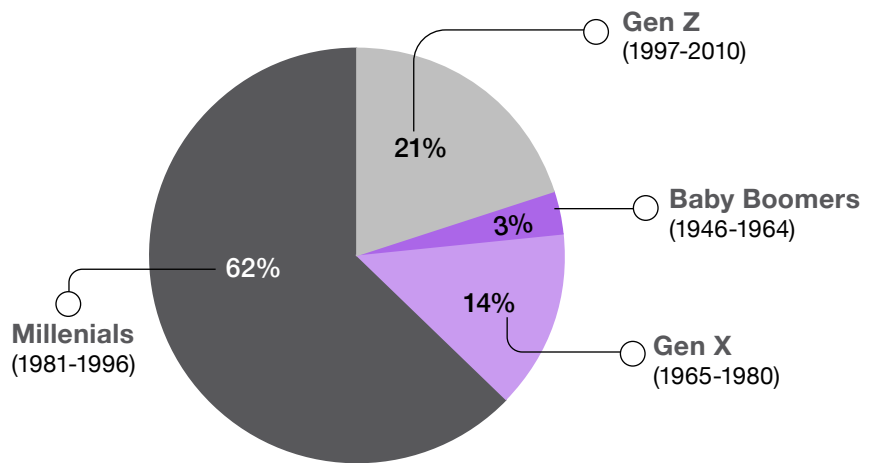


EB CAPITAL'S DIVERSITY IN 2022



42%
OF WOMEN IN LEADERSHIP POSITIONS

35,4
YEARS AVERAGE AGE



Representativeness in eB Capital's team



8 States

Acre, Amapá, Ceará, Paraná, Rio de Janeiro, Rio Grande do Sul, Santa Catarina e São Paulo



2 Countries

Brasil e França

Compensation Policy

At eB, we have established “Shared Prosperity” as one of our core principles. This means that we believe the wealth we generate must be inclusive and benefit all collaborators. It is another way we give back to society through the success of our existence.

We are structured as a true meritocratic and dynamic partnership, with well-defined governance bodies and ample room for professional growth. Our professionals and associates are evaluated and remunerated according to their contribution to the company’s growth, evolution and reputation in their specific areas of activity and in eB Capital as a whole.

Benefits

Concern for our collaborators’ physical and mental health is a constant part of eB Capital’s daily activities. As a reflection, we offer attractive benefits that include healthcare and dental plans, life insurance, food vouchers and Gympass.

Training and development

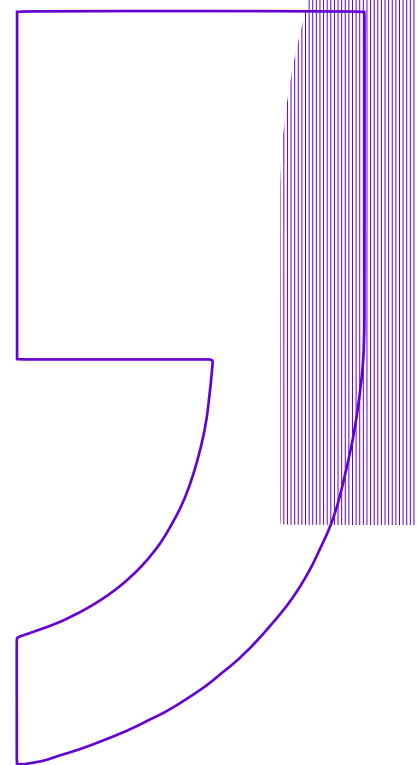
In order to value and encourage our collaborators’ growth, we have different initiatives that include coaching and individual monitoring, mentoring processes, individual development plans for 100% of the team and talks with professionals from different areas of activity who are invited to share knowledge, in addition to internal training.

eB Summer Program

In early 2023, we held the first edition of eB Summer, our training and experience program for Brazilians living abroad. The 10-week program consists of 50% content aimed at career development and 50% direct involvement in the company’s daily activities. For this edition we received 60 registrations and selected 20 participants. The next edition is already scheduled for 2024.



We value and encourage the growth of our collaborators, and we care for each one’s physical and mental health.



Our Culture

Our values and manifesto embody our culture and objectives.

Under the leadership of Gabriela Picciotto, in 2022 we deployed a process for describing our culture with the purpose of making it clearer and more objective for both eB Capital and our collaborators, as well as other stakeholders. From this process our manifesto and established values were born, which are the expression of the culture we practice daily and that all our employees help to create, maintain and evolve. It is these values and the manifesto that guide our attitudes, behaviors, and every decision we make, serving as guides for the success of our business.

OUR VALUES

Strong and consistent results

- We aim for high goals, spare no effort in deploying them and are committed to seeking relevant and consistent returns, with robust risk management.

Good, honest, and happy people

- Our people have a twinkle in their eyes, they are people who like people. We believe in diversity and play as a single team with integrity and collaboration. We are resilient in difficult times, and we celebrate our victories.

Entrepreneurship is our essence.

- We are curious, restless, and resilient. We have the courage and boldness to do things differently. We see problems as opportunities to build a successful future, always considering the risk-return equation.

We are good partners

- We believe that securing long-term relationships are fundamental pillars for the construction, growth and success of a business.

We work for a better Brazil

- We act by seeking activities that enable our country's development and growth, generating shared prosperity and supporting the relevance of Brazil's role in the world.

eB CAPITAL'S MANIFESTO

We are made up of people who have the courage to do things differently, curious people who do not accommodate and who always seek to go further. We are driven by the certainty that it is possible to create innovative solutions for the structural gaps in Brazil.

As such, we are an alternative investment manager, and we generate value by investing and working actively in managing companies in the real economy.

Our team is made up of committed, honest and passionate people who, in partnership with our entrepreneurs and invested companies, achieve excellent and consistent results for our investors. Together we help make a transformative contribution to people's lives and to society in our country.



04.



Integration and commitment to the ESG Agenda and Impact

The environmental, social, governance and impact dimensions are an intrinsic part of eB Capital: more than being directly inserted into our management model, they are also at the core of the businesses we invest in. For us, committing to the sustainable development agenda is essential for establishing solid, resilient companies that are capable of delivering real value to society and investors.

We share with the companies in our portfolio a solid commitment to adopting the best sustainable management practices as the basis for their success and growth, in addition to being very proud of the direct impact on society generated by our investments in Brazil's structural gaps. Our vision starts from the idea of what we want to be and contribute to creating a **better company**, a **better industry** and a **better world**.

A Better Company

At eB, ESG and Impact is part of our investment cycle, business and our investees' day-to-day operations ([find out more in ESG and Impact in our Investment Cycle](#)). It is also the basis for the adoption of concrete processes, tools and metrics for decision-making with this bias, transparency about our progress and challenges, the creation of public commitments and integration of these aspects with our teams' culture and training.

In 2022, we completed an important milestone for strengthening and encouraging the engagement of this vision among the companies in our portfolio during eB Capital Day, when we also established a series of monitoring indicators and our support strategy for each company's evolution in terms of good practices. ([see more in Stewardship – Engagement Cases](#)).



Environmental, social, governance and impact dimensions are an intrinsic part of eB Capital: more than being directly inserted into our management model, they are also at the core of the businesses we invest in.

COMMITMENTS & CERTIFICATIONS



As a reflection of our internal commitments and after an extensive engagement process with our entire team throughout 2021 and 2022, in early 2023 we were certified as a **B Corp** – one of the most respected seals worldwide, granted by the global organization B Lab, a movement that recognizes as successful companies those that manage to reconcile generating financial wealth with solving social and environmental problems with their products and services. Find out more at <https://sistemabrazil.org>. We are also signatories of the **UN Global Compact**, the world's largest corporate sustainability initiative, which invites companies to align their strategies and operations with the Ten Universal Principles in the areas of Human Rights, Labor, Environment and Anti-Corruption, and to develop actions for tackling society's challenges.

A Better Investment Industry

We believe in the strength of investments for guiding transformation in the country based on discussions that lead to establishing and sharing best practices among companies in the sector across Brazil.

Aligned with this vision, we have diverse sectoral commitments such as **PRI** (Principles for Responsible Investments), **Investidores pelo Clima** (“Investors for the Climate”), a NINT initiative with support from Instituto Clima e Sociedade (iCS)

through the Programa Economia Zero Emissões (“Zero Emissions Economy Program”), which mainly aims to engage investors in fomenting progress in the agenda to decarbonize portfolios, and the **Net Zero Asset Managers Initiative**, Race to Zero, a global campaign for a future with zero carbon emissions ([see more in Responsible Investment Policy](#)). In 2022, we also led the **ABVCAP** (Brazilian Private Equity and Venture Capital Association) **2030 Committee**, focused on a campaign for hiring young people aged 14-24 as a way for companies to contribute to building a better future for Brazil.

A Better World

We seek to contribute directly to a better world with our investments and encourage the involvement of society as a whole in the challenge of seeking a better future for Brazil. In 2022, we supported and participated in the **Brazil Climate Summit** in New York, with our co-founder and CIO, Luciana Ribeiro, as chairwoman. The event featured leaders from a wide range of sectors and spaces in Brazil and the US and became part of the global calendar of events focused on a green and inclusive economy, with an emphasis on Brazil's relevance in this context. ([More details in Stewardship – Engagement Cases](#)).

“

Brazil is often perceived internationally through the lens of its challenges. However, the country has been a leading force in developing solutions for green transition issues. We serve as an exemplary model of clean energy utilization, and numerous carbon initiatives have the potential to become global benchmarks. Additionally, Brazil's abundant resources make it a significant contributor to the world's food supply, and it is increasingly adopting sustainable practices. While we cannot overlook the existing issues, our primary focus is on harnessing these solutions. Private capital plays a unique and crucial role here, presenting a remarkable opportunity for Brazil's global repositioning, which will benefit society as a whole.

We are experiencing a new reality, the green revolution, where Brazil can be a major player and reap the rewards of this transformation. In pursuit of this vision, we have established the Brazil Climate Summit to explore these opportunities and showcase a new perspective of Brazil to the world”.

Luciana Antonini Ribeiro,
eB Capital co-founder and CIO,
Chairwoman and co-creator
of the Brazil Climate Summit
held in New York in
September 2022



ESG and Impact in our Investment Cycle

The ESG vision is part of eB's business and a driving factor for our investments.

Aligning with corporate sustainability criteria is embedded in every stage of our investment cycle, supported by specialized tools employed at eB Capital. This approach ensures that our ESG vision and impact are truly integrated into the core of eB Capital's business and investment decisions, with a focus on achieving meaningful results in terms of both impact and returns.

Throughout our investment cycle, we strive to generate and aggregate the best outcomes for the world, Brazil, society, investors, investees and our institution as a whole. This vision begins during the initial phase of prospecting new investments when we identify investment theses that address Brazil's structural gaps and offer significant business opportunities and impact aligned with the UN Sustainable Development Goals (SDGs). Leveraging cutting-edge investment management, financial management and impact measurement



At eB, alignment with corporate sustainability criteria is present in each stage of the investment cycle, with actions supported by different specialized tools.

techniques, including Change Theory, we assess the viability of these investment theses and establish the necessary pathways for long-term growth and impact.

During the pre-investment stage, we conduct advanced due diligence that encompasses different perspectives and depths, including an ESG due diligence with a specific focus on that subject, with the support of specialized and independent companies. From this, we identify material risks and opportunities for the business within the ESG and impact spectrum and establish targets and indicators, which are then incorporated into the initial priorities and/or management of the company.

After the investment, we consistently and periodically conduct ESG performance and impact management in close collaboration with our senior executives responsible for managing investees. This process involves the utilization of various tools, such as a proprietary methodology adapted from the World Economic Forum's Measuring Stakeholder Capitalism (see box), as well as a Portfolio Climate and Carbon Diagnosis ([see more in Financed Emissions Report](#)). An ESG Committee provides support for and monitors each company's progress through regular follow-up meetings.

In the final stage of the investment cycle, the exit stage, we remain committed to our purpose of delivering returns while striving to preserve the continuity of the investment's positive effects and long-term impact on society in alignment with the SDGs. Simultaneously, we actively promote the creation of benchmarks to position our investments as references within the market.

Measuring Stakeholder

Capitalism is a document consolidated at the World Economic Forum in 2020 that proposes a common methodology in corporate management for measuring and monitoring ESG indicators. There are **21 main metrics and 32 expanded metrics** recommended for measuring and disclosing sustainable value creation by companies, divided into four pillars aligned with the SDGs and with ESG aspects: Principles of Governance, Planet, People and Prosperity.

The initiative is the result of a joint effort from the world's four leading auditing firms (EY, KPMG, Deloitte and PwC) with parameters from the CDP, the Climate Disclosure Standards Board (CDSB), the Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB).

By integrating this methodology into the monitoring indicators and strategic management of our investee companies, we demonstrate to eB Capital's investors and other stakeholders that we fully consider the material risks and opportunities of each business. More than that, we consistently position ourselves as creators of sustainable long-term value by aligning our business objectives with the long-term objectives of society, seeking positive impacts for all. This is the true meaning of capitalism for our stakeholders.

eB Capital's investment Cycle

FUNDRAISE BETTER

- Thesis based on Brazilian structural gaps, with business opportunities and significant impact for the country, always related to SDGs (UN Sustainable Development Goals)
- Development of investment thesis based on Change Theory and with successful metrics
- Adherence to the World Bank's IFC (International Finance Corp) exclusion list

INVEST BETTER

- Advanced ESG due diligence with a team of expert partners:
 - socioenvironmental and governance compliance
 - ESG maturity level in the company's strategy & management
- Development of Change Theory for each investment, with impact KPIs that the business intends to reach

MANAGE BETTER

- Stewardship: monitoring of invested companies by our senior executives
- Monitoring of ESG strategy and performance based on the World Economic Forum's Measuring Stakeholder Capitalism KPIs
- Climate a caborn diagnosis of the portfolio + identifying and sharing good practices between the actions
- Regular ESG Committee meetings with invests
- Annual reports: target impact, impact measurement, risk management

EXIT BETTER

- Track record/Valuation*
- Assessment of exit effects to ensure positive effects (observing fiduciary obligations)
 - Preparation of the team and the company's processes to perpetuate the impact, to meet the SDGs
- Benchmark Creation*
- Creating a "Better World" positive externality scale



We consistently position ourselves as creators of long-term sustainable value by aligning our business goals with society's long-term goals, seeking positive impacts for all.

Responsible Investment Policy

Our responsible investment guidelines for the investment cycle include environmental, social and governance aspects in all analyses and decisions.

At eB, we believe it is possible to build a better world and by doing so, obtain very expressive returns. We see the integration of ESG and Impact themes in the investment process as part of our fiduciary duty, as they support our decision-making, generating long-term value and representing major business opportunities, in addition to contributing to the sustainable development of society.

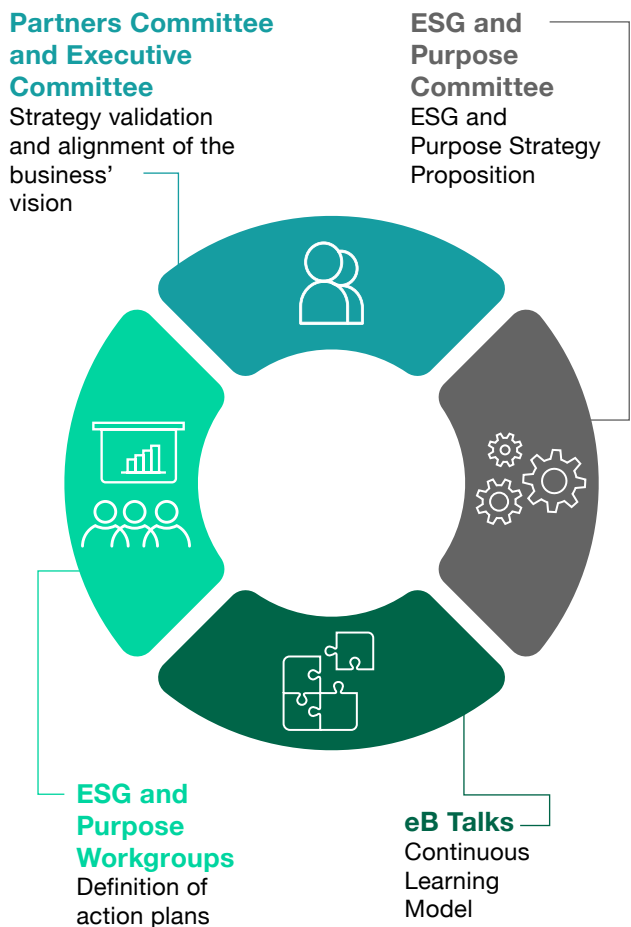
As part of our essence and commitment to our stakeholders, we have a Responsible Investment Policy that was updated in 2022, establishing responsible investment guidelines for the investment cycle by encompassing environmental, social and governance aspects in all analyses and decisions. The processes, commitments and ambitions established in this document have mostly been described publicly for the first time throughout this report. eB Capital's Responsible Investment Policy is applicable to all our collaborators and investees, and is available in full at [here](#).

Our ESG and Impact governance model

Adoption of best practices and transparency with stakeholders is one of eB Capital’s main commitments.

At eB Capital, we deeply value and wholeheartedly embrace the significance of sound management practices and transparency with our stakeholders. To ensure the incorporation of social, environmental, and governance factors throughout the investment cycle and in all our endeavors, we uphold a robust corporate and governance structure.

To uphold our commitments, policies, and investment strategy with utmost effectiveness and aligned decision-making, we have established the following governance forums: Partners Committee and Executive Committee, Investment Committee, ESG and Purpose Committee, ESG and Purpose Workgroups, and eB Talks. These forums serve as essential pillars for the best functioning of our organization and reinforce our dedication to responsible practices.



In line with our rapid growth in recent years, with the support of external consultants, in 2022 we have invested in a broad process of formalizing and structuring the governance and compliance routines that had already been performed by eB Capital over the years. As a result, in 2023 we formally contracted partner Guilherme Cooke, Head of Operations, who – among other functions – will support the monitoring of indicators and improvement of the area.

Our ESG and Impact Team

The ESG team at eB Capital is led by co-founder and CIO Luciana Ribeiro, Operating Partner Tarcila Ursini, Head of ESG Ravi Macedo and Head of Operations Guilherme Cooke. With more than two decades' experience in inserting sustainability into the strategies and governance of different sectors and domestic and multinational companies, in 2021 Tarcila Ursini joined our team with her expertise to bring knowledge and mentorship in best practices and knowledge both to eB, institutionally, and to our investees.

Our ESG and Impact team participates in eB Capital's investment committees and in board meetings with investees to monitor and co-develop strategies, processes, and action plans, in addition to promoting the incorporation of commitments on the theme so that they are practiced daily by all of our collaborators.

eB Capital's Policies

On our website <https://www.ebcapital.com.br> we have made available our Compliance Manual and Code of Ethics and Conduct, as well as the other policies we have established as part of our operations:

- Responsible Investment Policy;
- Policy for Assessing and Distributing Opportunities;
- Personal and Company Negotiation Policy;
- Information and Cyber Security Policy;
- Risk Management Policy;
- Money Laundering and Terrorism Financing Prevention Policy;
- Insider Trading Prevention Policy;
- Voting Policy.

WHISTLEBLOWER CHANNEL

For safe and, if requested, anonymous reporting of conduct that is considered unethical or in violation of the Code of Ethics and Conduct or any of the other eB Capital policy, we have a confidential channel that can be accessed by anyone at <https://www.canalconfidencial.com.br/ebcapital/>

The reported information is handled by an independent and specialized company and with our guarantee of absolute secrecy and the involvement of senior management, with no conflicts of interest.

05.



Our Portfolio

At eB Capital we have a proven track record of investments focused on solving Brazil's structural gaps. We work with companies in sectors with repressed demand and supply shortages, leading them to a consolidation and growth approach, enabling them to make a real contribution to the positive transformation of the country.

Private Equity

At eB, we believe the best business opportunities involve investments in solutions for concrete problems in society. As such, we identify and support companies that operate with this profile and have proven, resilient and scalable business models that allow them to reach their potential with operational and managerial excellence, and become nationwide leaders in their sectors. Our Private Equity portfolio currently includes Alloha, Loja do Mecânico, Proz and, since 2022, Green PCR, Blue Health and Hilab.

Alternative Investments

In 2022, we launched our first multi-thesis fund, eB Preferred Futures, focused on the circular economy, democratization of healthcare and agribusiness sustainability, currently formed by Green PCR, Blue Health and Hilab and still in its investment period. We also structured two new verticals: infrastructure, aimed at the energy transition, and another in real estate, whose consolidation will take place in 2023 with the entry of our Partner Marcela Drigo.

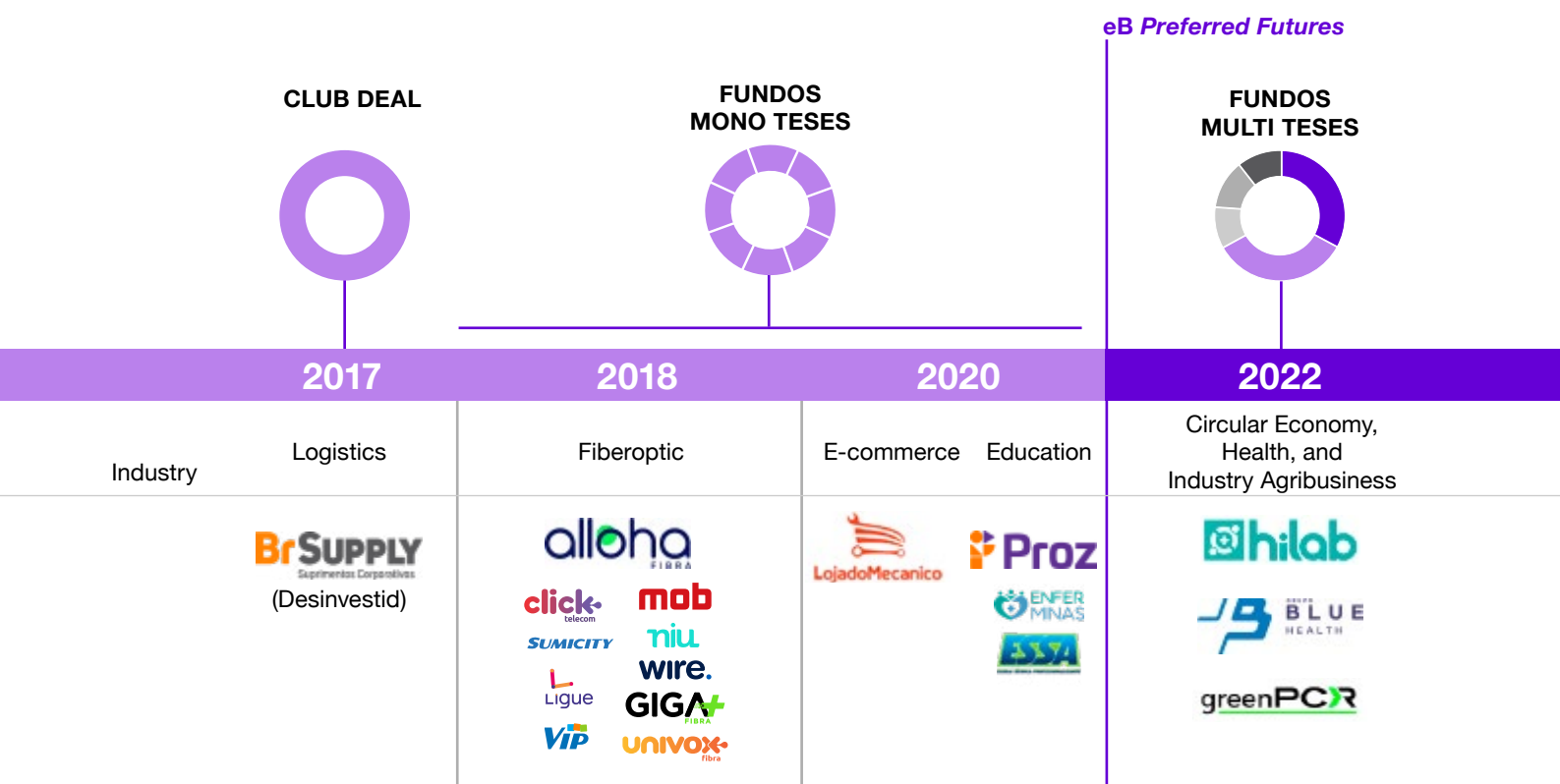


In 2022 we structured two new investment verticals: infrastructure, focused on the energy transition; and real estate.



Investment Funds

Below is a timeline showing the evolution of eB Capital's investments



Invested companies

We have 16 invested companies in our portfolio, considering regional and/or original brands and the created platforms (Alloha and Proz). Below is a brief presentation of each one, with their history, main impact data and our achievements in 2022.

PRODUCTIVITY CHALLENGES IN BRAZIL



Investee since 2018

Connecting people, ideas, communities and businesses in more than 270 cities, Alloha is the largest independent FTTH (Fiber To The Home) fiberoptic holding company in Brazil, and was created to deploy a nationwide consolidation project for fiberoptics. Our joint project began with the acquisition of Sumicity, a player in the Southeast Region, which had less than 100,000 subscribers. With eB’s active management and a team that is qualified and experienced in the industry, we invested in a very robust fiber infrastructure on a nationwide scale, providing an organic growth of 69% per year, and inorganic growth with more than 11 acquisitions since 2018. With this, the number of subscribers jumped to more than 1.3 million at the end of 2022. Alloha was the fixed broadband operator that posted the highest growth in number of subscribers in Brazil over the last year, adding more than 260,000 new subscriptions. The network has more than 110,000 kilometers of optical fiber in 270 cities, with the company being the fiber broadband market leader in 108 of them.

In 2023, we will continue with Alloha’s organic and inorganic growth strategy. By taking quality broadband to suburbs and secondary cities not covered by large telecommunications companies, we directly contribute to the social and digital inclusion of more than 7.6 million homes, ensuring the generation of real value for society and, in turn, generating high returns for our investors.

Find out more at www.alloha.com and on the company’s YouTube channel: <https://youtu.be/BbQ-hdhrewE>.



Total employees:
5.835 –
60,45% women
and **39,55% men**
Average age:
32 years

ODS



PRODUCTIVITY CHALLENGES IN BRAZIL



Investee since 2020

Loja do Mecânico is an ecosystem designed to serve self-employed professionals (mechanics, carpenters, plasterers, body shops, etc.). We made our investment in 2021, the same year in which the company opened its second physical store. In 2022, another eight stores were inaugurated. Our objective is to consolidate the brand as Brazil's largest machinery & tools e-commerce with a strong presence in physical stores, based on our active management and a local team with great knowledge of the sector. We are currently investing in a new concept of physical stores, with mini distribution centers; we took the brand to the marketplace and implemented a new customer service area.

Over the course of year we invested in building a more robust team, focusing on leadership and the expected arrival of a new CEO in early 2023, which will effectively contribute to the consolidation process this year. We also acquired the specialized magazine "O Mecânico," which brings us closer to our target audience. We opened a new distribution center in Betim (MG) that promotes the improvement of logistical processes together with the existing centers in Recife (PE) and Cajamar (SP); and we also inserted a new brand of exclusive products to the portfolio, Deko. During 2023 we hope to consolidate the improvements and investments that were made.

More information about Loja do Mecânico is available at <https://www.lojadomecanico.com.br>



Total employees:

1.272 –

65% men and

35% women

Average age:

36,4 years

ODS



PRODUCTIVITY CHALLENGES IN BRAZIL



Investee since 2020

With the objective of restructuring professional education in Brazil, we began investing in Proz in 2020 through the acquisition of two small players in the Southeast region (ESSA and Enfeminas) totaling 5,000 students. Proz is currently Brazil's largest professional education solutions platform, with 33,000 students at the end of 2022 – a more than 138% growth in the student base since the beginning of the project and more than 80% employability rate.

Proz is present in São Paulo and Minas Gerais states and since 2022, in Paraná. Seven new units opened in the last year, representing 69% growth since 2020. With Proz, we generate a return for society by providing employability opportunities for thousands of students with quality products and a better structure than competitors. Find out more about Proz at <https://prozeducacao.com.br>. In 2023, we will continue to consolidate the company based on the maturing of the implemented improvements.



Total employees:
641 –
72% women and
28% men
Average age:
35,5 years

ODS



Preferred Futures I

AGEING POPULATION



Investee since 2022

Blue Health is Brazil's main one-stop-shop medical equipment company, selling, leasing and maintaining machinery focused on diagnostic imaging and IVD (in vitro diagnostic) solutions.

With the investment in Blue Health, we have the opportunity to contribute to democratizing access to healthcare for the Brazilian population. More than 1,000 customers are served through three distribution centers in São Paulo State (Ribeirão Preto, Sumaré and Barueri), with more than 240 leased equipment units.

Find out more at <https://www.bluehealth.com.br>.



Total employees:

151 –

72,19% men e

27,81% women

Average age:

38,3 years

ODS



Preferred Futures I

AGEING POPULATION



Investee since 2022

Hilab produces portable, affordable, and reliable Point-Of-Care (POC) diagnostic devices – that is, devices that are not intended for self-testing, but may be used outside the hospital environment. It provides more than 30 laboratory tests that can be done quickly and efficiently. Hilab was founded in 2004 by two medical students and received our investment in November 2022.

With Hilab, we improve patients’ journeys by optimizing logistics and reducing costs in performing diagnostic exams, and with that we are able to provide easier access to healthcare in distant locations. In 2023, in addition to the entire management support process we implemented with our investees, we plan to focus efforts on strengthening the team, developing new products and optimizing costs, with a view to reducing exam costs. Find out more about Hilab at <https://hilab.com.br>.



Total employees:
212 –
61% women e
39% men
Average age:
31 years

ODS



Preferred Futures I

GLOBAL WARMING



Investee since 2022

Green PCR was the first Circular Economy platform asset acquired. It is one of the biggest PET recycling players in Brazil, with 4 million bottles recycled per day and a net revenue of R\$ 200 million per year. With units in Conde (PB), Poços de Caldas (MG), Itobi and Campinas (SP), it is the second largest PET recycler in terms of installed capacity. Through our contributions, we have been investing in expanding the company's industrial facilities with the acquisition of machinery, aiming to double the current recycling capacity to reach 68,000 metric tons/year. The company has a great differential as it processes very high quality food-grade resin for industries approved by Anvisa and the FDA (the US Federal Drug Administration), in addition to having approvals from major brands. Also noteworthy is the company's extensive knowledge of industrial processes in the plastics market. With Green PCR, based on the investment in recycling plastic, one of the world's major pollutants, we are contributing directly to fighting climate change. Find out more about the company at <https://greenpcr.com.br>.



Total employees 347 - 65% men e 35% women Average age: 36,4 years

ODS



06.



Financed Emissions Report

CIn 2022, as part of our active management focused on ESG and Impact aspects, we made an estimate using data from 2021 of our financed emissions resulting from integrating the methodologies of the DEEP ESG platform with our investees' ECF (Tax Accounting Bookkeeping), based on the greenhouse gas (GHG) emission inventory approach.

The calculations were made using the DEEP Start tool, incorporating financial data provided by the companies and emission factors specific to each sector of the economy. Consistent with the guidelines of the GHG Protocol program, which recommends defining organizational limits based on operational control or equity interests, we utilized the equity approach in our calculations. This approach ensures that we account for GHG emissions from financed activities based on eB Capital's share of the investees' equity.

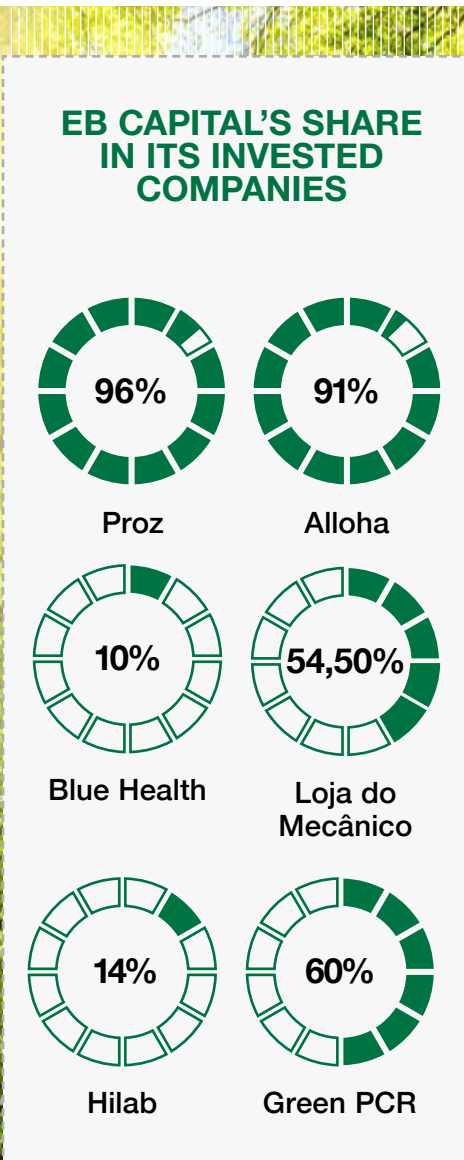
The calculation method for our inventory followed the indications of the FEBRABAN (Brazilian Federation of Banks) GHG emission measurement guide, which considers collecting scope 1 and 2 emissions from each invested company and allocating emissions based on the percentage of our equity interest in each of them. When scope 3 emissions are significant compared to the other scopes, we also include them. In cases where it was not possible to calculate the emissions according to this method, we did so by using the average emission factors for each sector of the economy to which the investments are directed, the respective invested company's revenue and our share of the investee's capital.



In 2022, we made an estimate using data from 2021 of our financed emissions resulting from integrating the DEEP ESG platform methodologies with our investees' ECF (Tax Accounting Bookkeeping), based on the greenhouse gas (GHG) emission inventory approach.

With the release of this first report, we assume the commitment to continue to perform annual greenhouse gas (GHG) emission inventories of the companies that eB Capital invests in. At the same time, as of 2023, we will actively include actions in our business strategies that contribute to progressively reducing our financed emissions.

[Click here to access our Financed Emissions Report.](#)



07.



Stewardship (Engagement Cases)

As part of the process for adopting sound corporate governance and value creation practices, we continuously interact with investors, the administrators of our investments and society in general. Our contribution to this mission was very relevant in 2022 and we are proud of hosting the first edition of two major events – eB Capital Day, with our invested companies and our entire team, and the Brazil Climate Summit in New York, for the entire international community.

During the year, we also participated in various other relevant initiatives, such as lectures and forums, encouraging the engagement of our audiences with our investments. Throughout the year we curated advocacy initiatives, both in the investment industry and in other relevant sectors, and took part in initiatives that contributed to engaging our audiences with our investors.

eB Capital Day

As part of our new management processes and participation in our invested companies, over the course of one day in November 2022, we held the first edition of eB Capital Day at Espaço Manioca in São Paulo. For the first time, we brought together the entire eB Capital team and leadership of our invested companies to promote engagement with the ESG and Impact culture in an environment that was conducive to building relationships between brands and generating business.



In 2022, as part of our new management processes and participation in our invested companies, we held the first edition of eB Capital Day



Our founding partners opened the event with eB's vision of its ecosystem and value generation. The program also featured an individual presentation from each of the investees, a panel session organized by the new generation of partners and principals and lectures related to social, environmental and governance aspects, such as sustainable finance, the carbon market and purpose as a fundamental element for managing talent. Long breaks were included in the agenda to facilitate the clarifying of doubts and in order to discuss business and good practices among the attendees.

Also during the meeting, the investees received their first greenhouse gas (GHG) emission inventory, sponsored by eB Capital (**find out more in the [Financed Emissions Report](#)**) and were given a support agenda for evolving the theme, which includes the use of specialized tools and initiatives such as forming workgroups to support and monitor evolution of the theme at the companies. Training is also planned for the invested companies on the themes of indicators and mobilization for engaging entities with which we already have relationships, such as System B, the UN Global Compact, Investidores pelo Clima, Net Zero Asset Managers Initiative, and others.

Given its success, eB Capital Day will be held annually. In the 2023 edition, we will further strengthen exchanges and the business environment between all eB Capital companies and executives and present the invested companies' progress on eight themes related to the ESG agenda, as well as the respective pre-established indicators.

Main takeaways of eB Capital Day, according to participants:



synergy between companies and knowledge sharing. It was enriching to witness how some of our investees are already actively engaged in the ESG agenda. This experience has provided us with valuable insights and guidance as we embark on our own journey in this direction.”



seeing the eB culture in practice and awareness of belonging to the network

08.



Vision of the Future

Investors are increasingly seeking business models based on solutions that result in real impacts on the sustainable growth of society, resulting in excellent returns in both purpose and value. With its abundant biodiversity and unique climate, Brazil possesses a remarkable opportunity to play a leading role in addressing global challenges such as climate change, food shortages, and aging populations.

In recent years, eB Capital has established itself as a prominent alternative investment manager in Brazil, with a strong focus on purpose and returns. While 2022 involved substantial structuring efforts to keep pace with our rapid growth, 2023 will mark a year of further progress and expansion in our institutional organization and support for our invested companies. This includes a particular emphasis on nurturing our culture and people and integrating sustainability practices into our management approach. Our ultimate goal is to be recognized as one of the best and most influential alternative investment managers in Brazil. We aspire to lead among private investors in advancing the country's social agenda and to be viewed as the gateway to green



The green economy is the future.

economy businesses, offering a distinctive experience for our investors and stakeholders.

eB's journey along this path continues to stride forward: for 2023, we have ambitious funding plans and new investments on the horizon. Moreover, we are dedicated to building a high-performing team that takes pride in being a part of eB and our investees. Enhancing our economic and financial management processes, along with reinforcing risk and compliance management in line with the highest international standards, are integral to our plans. We firmly believe that the green economy holds numerous opportunities to contribute to the sustainable growth, not only of Brazil but also of the planet. We consider ourselves privileged to be at the forefront of this new business landscape, sharing genuine opportunities with our investors, and working together towards building a better future for all of us.

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Credits

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Luciana Ribeiro – Co-founder & Partner, Head of ESG
Pedro Parente – Co-founder & Partner

Annual Report Coordination

Luisa Maluli - Analyst
Ravi Macedo – Head of ESG
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Tarcila Ursini – Operating Partner

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Images

eB Capital Dissemination and Image Bank

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