

Orlando Capital GmbH: Sustainability-related disclosures

Date: May 2nd, 2022

I. Art. 3 SFDR – Sustainability risks

Orlando Capital GmbH ("**Orlando**", LEI: 529900OD736HBKWCZ017) considers sustainability risks as part of its investment decision-making process. Sustainability risks are environmental, social or governance events or conditions, the occurrence of which could have an actual or potential material adverse effect on the value of the investment. Orlando considers sustainability risks as part of the due diligence process prior to any investment. This also includes an assessment of sustainability risks. Such assessment is being conducted through an informal process as appropriate in light of the circumstances of the individual case. The results of such assessment are taken into account when the investment decision is being taken. However, Orlando remains free in its decision to refrain from investing or to invest despite sustainability risks in which case Orlando can also apply measures to reduce or mitigate any sustainability risks. At all times, Orlando will apply the principle of proportionality taking due account of the strategic relevance of an investment as well as its transactional context.

II. Art. 4 SFDR – No consideration of adverse impacts of investment decisions on sustainability factors

Orlando does not consider the adverse impacts of its investment decisions on sustainability factors and does not use sustainability indicators. Sustainability factors are environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery. Given that the Regulation (EU) 2019/2088 ("**SFDR**"), the Regulation (EU) 2020/852 ("**Taxonomy**") and the accompanying Regulatory Technical Standards ("**RTS**") are new legislative acts, there is very little or no practical experience or practice with regard to the application of their respective provisions. Therefore, substantial legal uncertainties would remain when applying those provisions to the strategies pursued by Orlando. Moreover, the burden associated with considering adverse impacts on sustainability factors (particularly if sustainability indicators are used) is disproportionate in light of the very limited relevance that such impacts could have in the context of Orlando's investment strategy: Orlando pursues an entrepreneurial private equity strategy and invests in companies with a revenue between EUR 100 million and EUR 1 billion, mainly from the DACH region as well as the Nordics. As a result, Orlando's investment decisions will hardly ever have an impact on sustainability factors. If and to the extent that the legal uncertainties will be resolved and a practicable market and administrative practice will evolve in this regard, Orlando will re-evaluate considering principal adverse impacts of its investment decisions in due course.

III. Art. 5 SFDR – Remuneration disclosure

As a registered alternative investment fund manager within the meaning of section 2 (4) of the KAGB, Orlando does not have, and does not need to have, a remuneration guideline or policy in accordance with the requirements of the KAGB. Sustainability risks are not considered with respect to the determination of the remuneration.

IV. Art. 10, 8 SFDR – Sustainability-related disclosures

The following disclosures relate to Orlando Capital V Institutional GmbH & Co. KG (LEI: 529900FHDNLMB6CPQR20), Orlando Capital V Structured GmbH & Co. KG (LEI: 529900RS72M37X4S4129) and Orlando Capital V GmbH & Co. KG (LEI: 5299006MZ3SLM4T16H76) (jointly referred to as the "**Fund**" / der "**Fonds**").

Summary

The Fund considers certain environmental and/or social characteristics as part of its investment decisions but does not seek to make sustainable investments as defined in the SFDR. The consideration of environmental and/or social characteristics is carried out both before and after the investments. For this purpose, information is initially and regularly obtained from the portfolio companies by means of qualitative queries. The Fund incorporates exclusion (negative screening) aspects during the decision-making process. The actions and decisions described in the following section are each made by Orlando for and on behalf of the Fund.

Zusammenfassung

Der Fonds berücksichtigt bestimmte ökologische und/oder soziale Merkmale im Rahmen seiner Investitionsentscheidungen, strebt aber keine nachhaltigen Investitionen im Sinne der SFDR an. Die Berücksichtigung von Umwelt- und/oder Sozialmerkmalen erfolgt sowohl vor als auch nach den Investitionen. Zu diesem Zweck werden zunächst und regelmäßig Informationen von den Portfoliounternehmen durch qualitative Abfragen eingeholt. Der Fonds bezieht Exklusionsaspekte (negatives Screening) in seinen Entscheidungsprozess ein. Die in diesem Abschnitt beschriebenen Handlungen und Entscheidungen erfolgen jeweils durch Orlando für den Fonds.

No sustainable investment objective

The Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The environmental and/or social characteristics promoted by the Fund are its investment exclusions.

Investment strategy

The Fund will focus on majority investments in portfolio companies with a revenue between EUR 100 million and EUR 1 billion, including portfolio companies that pursue a buy-and-build strategy or should be used as the basis for establishing a buy-and-build strategy; it will not focus on a specific industrial sector. The Fund will focus on investments in the DACH region (Germany, Austria and Switzerland) as well as the Nordics.

The Fund's ESG approach (*i.e.*, its investment exclusions) comprises part of its investment strategy, which is consistently applied for every portfolio company investment. The Fund shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies, including portfolio companies, or other entities whose business activity consists of:

- (a) Performing research and innovation activities considered as illegal according to the applicable legislation in the country of the portfolio company;
- (b) Any illegal economic activity (*i.e.*, any production, trade or other activity, which as a business activity as such is illegal under the laws or regulations applicable to the Fund or the relevant Portfolio Company);
- (c) The production of, and trade in, tobacco and distilled alcoholic beverages;
- (d) The production of, and trade in, other non-alcoholic recreational drugs and related products than set forth in lit. (c);
- (e) The financing and production of, and trade in, weapons and ammunition of any kind;
- (f) Pornography;

- (g) The research, development or technical applications relating to electronic data programs or solutions, which are intended to enable to illegally (i) enter into electronic data networks; or (ii) download electronic data.

Good governance practices are monitored through an informal process as appropriate in light of the circumstances of each individual case as part of every due diligence.

Proportion of investments

The Fund invests fully in line with its investment strategy and investment restrictions. The Fund does not intend to make any investments which are not aligned with its environmental or social characteristics (*i.e.*, its investment exclusions). The Fund does not make and does not intend to make sustainable investments; hence, no portion of its investments will be aligned with the Taxonomy.

Monitoring of environmental or social characteristics

The Fund has an increased awareness of the impact of sustainability risks on risk management and thus on the value potential of investments. The Fund consults with the portfolio companies on an *ad-hoc* basis and will carry out further checks if there are indications of potential issues with the Fund's exclusion criteria. Therefore, the Fund monitors compliance with the ESG requirements on an ongoing basis. External monitoring mechanisms are not provided.

Methodologies for environmental or social characteristics

Currently the Fund applies qualitative and quantitative assessments with regard to environmental or social characteristics. The Fund conducts its initial assessment in the course of its due diligence. The Fund's due diligence is conducted through an informal process as appropriate in light of the circumstances of each individual case.

Data sources and processing

Information is obtained from the portfolio companies. An external review or verification of the information obtained will only be carried out if misrepresentations are suspected.

Limitations to methodologies and data

The information collected from the portfolio companies as part of the due diligence on behalf of the Fund is externally verified only if and to the extent misrepresentations are suspected. Thus, it cannot be ruled out completely that false information may remain undetected in certain cases. As the Fund's investments are made for several years, the Fund considers it a priority to establish and maintain a trustful working relationship with the Fund's portfolio companies in order to ensure compliance with the restrictions described in this section.

Due diligence

An initial assessment of how an investment relates to the aforementioned characteristics is carried out as part of the due diligence process through an informal process as appropriate in light of the circumstances of each individual case. As a rule, purely qualitative statements of an environmental or social nature or relating to corporate governance are requested from the portfolio companies and then taken into account in the investment decision-making process.

Engagement policies

Engagement is not part of the environmental or social investment strategy of the Fund. The Fund decides at its sole discretion whether or not to make an investment based on principal adverse impacts on sustainability factors. However, the Fund may include risk mitigation measures where appropriate.

Designated reference benchmark

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Fund.
