MORATA CAPITAL

VISION

We manage an investment fund focused on **long-term**, **responsible** investing in **large**, **mature** companies.

We invest only when we believe the market **undervalues** a business, often after **bad results** or when an **industry is under pressure**. Our task is to judge whether a company can **recover** and continue to **grow**. To do that, we need to understand the business **in depth**.

What makes us different is our background. We are **entrepreneurs**, not traditional financial analysts. For more than 15 years, we have built, advised, and sold companies in the same sectors where we invest. This gives us an inside perspective. We pay close attention to **customers**: what they want, what limits their choices, what alternatives they consider, and why they choose one company over another. This is how we assess whether a business can keep growing over the long term.

STRATEGY

Our strategy is built on 2 major pillars:

- **Sticky Customers**. We look for companies with products that are hard to replace because switching can be costly, risky, or disruptive. We also want products people need every day, because they often bring stable, recurring income. A business like that is usually more resilient, more predictable, and more valuable over the long term.

- **Reasonable Price.** We do not invest in great companies at any price. We invest only when the price is reasonable, relative to the earnings we expect the business to generate in the future. This is very important, because even an excellent company can be a poor investment if we pay too much for it. So we wait until the right business is available at the right price.

And 3 additional tests:

- **Growth potential.** We look for businesses that can continue to grow and compound over many years.

- **Strong financials**. We want companies with enough financial strength to survive difficult periods and downturns.

- **Aligned management.** We want leaders who are honest, competent, and with a long-term mindset.

So in simple terms, we look for businesses with sticky customers, at a reasonable price, with a long-term growth potential, strong financials, and aligned management. These opportunities are rare. That’s why patience is a key part of our strategy.

We Strictly Avoid:

- Small-cap companies having less than one billion euros market cap
- Private companies
- Companies outside developed markets (i.e. emerging markets)
- Investments using leverage
- Derivatives (futures, options, contracts..)
- Any other complex financial instruments

We Avoid with judgement:

- Companies without a significant technology component (e.g., Coca-Cola), given our background.
- Companies earning significant revenue from fossil fuels or other highly polluting activities
- Companies with serious abuse of workers or violations of human rights
- Companies in authoritarian countries, or with significant ties with them
- Companies exploiting animals
- Companies causing major environmental damage
- Speculative or hype-driven businesses
- Companies without durable competitive advantages (no sustainable moat)
- Highly indebted companies
- Companies with weak, misaligned, or dishonest management
- Businesses lacking long-term structural growth drivers
- Companies trading at excessive valuations
- Investments with significant downside risk or an unfavorable risk/reward profile
- Low-quality businesses that cannot compound value over the long term
- Companies with weak financial resilience or poor capital allocation
- Businesses with unpredictable or unstable earnings
- Structurally declining industries or businesses facing long-term headwinds

RISK MANAGEMENT

As with any stock market investment, **capital is at risk** and **returns are never guaranteed.**

To manage risk, we rely on 3 core principles:

1. **No leverage**, **derivatives**, **shorting**, or other complex financial instruments. We avoid the tools increasing the risks.

2. **Engineering mindset**. Florian's background is in engineering. In that field, if a bridge stays standing, nobody applauds, but if it collapses, everyone remembers. We apply the same discipline to investing. Before considering potential upside, we carefully assess the risks. Our goal is to identify opportunities with limited downside and meaningful upside potential.

3. **Alignment with our investors.** This fund was created to manage the savings of our own friends and family, so the capital we invest is deeply personal.
    a. We use the same strategy for our **personal** portfolio.
    b. We invest our **own capital** alongside our investors. That means we share both the gains and the losses.
    c. We only earn **performance fees**, when our investors achieve returns above their high-water mark. **All expenses are for us.**

In short, we succeed only when our investors succeed.

OUR INVESTORS

Morata Capital is designed for a very specific type of investor. They are:

1. **Patient**. They think in decades, not quarters, because they understand that truly exceptional opportunities are rare.
2. **Resilient**. They prefer a concentrated portfolio of businesses they know deeply over broad diversification without conviction. They can stay calm through market volatility, knowing that price movements often say little about fundamentals.
3. **Responsible**. Our investors also share our values. We do not invest in fossil fuels. We exclude companies that exploit workers. We avoid businesses that undermine liberal democracies. And we reject companies linked to animal exploitation or serious environmental harm. We invest in a way we can stand behind, with nothing to be ashamed of when speaking to future generations.
4. **Curious**. Morata Capital is also a network of thoughtful investors and operators who share knowledge, exchange perspectives, and learn from each other.

In summary, our ideal investor:

- Thinks in decades rather than years.
- Does not compare quarterly performance with market benchmarks.
- Welcomes market declines as opportunities rather than threats.
- Is comfortable owning a concentrated portfolio.
- Understands that outstanding businesses can underperform for years while their intrinsic value continues to grow.
- Values disciplined decision making over exciting investment stories.
- Can remain invested during temporary drawdowns of 50% or more without losing confidence in the investment process.
- Accepts that periods of underperformance are an inevitable part of long-term investing.
- Shares our preference for patience, simplicity, and low portfolio turnover.
- Views investing as a long-term partnership built on trust and aligned incentives.

MORATA CAPITAL

This fund is not suitable for investors who:

- Regularly monitor or worry about short-term performance.
- Expect the fund to outperform the market every year.
- Compare results over quarters rather than over full market cycles (5-10 years).
- Would redeem their investment after a few years of disappointing performance.
- Need access to their capital within the next 10 years.
- Are uncomfortable with a concentrated portfolio of 5 to 15 companies.
- Expect frequent trading, market timing, or tactical portfolio changes.
- Seek certainty or smooth returns with limited volatility.
- Would find temporary declines of 40% to 60% significantly stressful or would be likely to sell.
- Prefer broad market index investing or highly diversified strategies.

TEAM

Florian Morata

Florian Morata is the Chief Investment Officer and Chief Compliance Officer of Morata Capital. An entrepreneur, operator, and adviser with more than 15 years of experience, he has built, advised, and sold companies across technology and business services, giving him a practical understanding of what makes businesses succeed or fail. His background combines engineering, strategy consulting, investment research, and regulatory compliance, including work with European corporates, geopolitical research institutions, and the European Commission. At Morata Capital, he leads investment decisions with a long-term, risk-focused approach and invests his own capital alongside investors.

Joris Capeau

Joris Capeau is the Chief Risk Officer and Investor Relations Officer of Morata Capital. He brings 15 years of experience in European capital markets, with senior roles across market risk, collateral management, securities finance, and financial technology. His background includes working with major financial institutions through firms such as Finastra, Murex, and Calypso, where he focused on risk systems, product management, and client delivery. At Morata Capital, he provides independent oversight of portfolio risk and serves as the main point of contact for investors, helping ensure both disciplined decision-making and clear communication.

DISCLAIMER

Important Risk Notice

Investing in this fund involves significant risks, including the loss of capital. The fund maintains a concentrated portfolio, is subject to market volatility, and may experience large, temporary drawdowns. There is no capital guarantee and no assurance of returns. Redemptions are limited and investors have no voting or day-to-day decision rights.

Retail Investors Notice

This fund is available by private placement to a limited number (up to 150) retail clients and an unlimited number of professional clients, in accordance with Section 15(1) of the Estonian Securities Market Act (Väärtpaberituru seadus). Participating retail investors must carefully consider all risks and should seek independent professional advice. If you are a retail investor interested in this fund, you will be provided with a Key Information Document (KID) containing essential risks, costs, and product features before any commitment is made. Investors in this fund are NOT protected by the Estonian Investor Guarantee Fund or any similar investor compensation scheme. If you have any complaint, please contact us directly at contact@moratacapital.com. Complaints will be acknowledged within 7 business days and responded to within one month as required by local regulations. If you remain dissatisfied, you may escalate to the Estonian Financial Supervision Authority (FSA)

No Offer / No Advice

This content is for general information only and does not constitute an offer, solicitation, or a recommendation to invest in the Fund. The Fund is available only by private placement to eligible investors meeting specific criteria. Prospective investors must review the full official fund documents and seek independent advice before investing.

Regulation & Jurisdiction

Morata Capital OÜ is supervised by the Estonian Financial Supervision Authority (FSA, reg. 16931717) and Estonian Financial Intelligence Unit (FIU lic. FFA000491). This Fund operates under Estonian law. Disputes are subject exclusively to Estonian jurisdiction. Units of the Fund may not be offered or sold to any US Person as defined by Regulation S under the US Securities Act, and the Fund is not registered under the US Investment Company Act of 1940.Prospective investors are responsible for ensuring they comply with all local laws and regulations regarding investment in the Fund.

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