

Horizon Capital hits hard cap with \$200m for its third Ukraine-focused fund, the largest fund raised for Ukraine in a decade

PRESS RELEASE

January 23, 2019: Horizon Capital, a U.S. private-equity firm investing in high growth and export-driven companies in Ukraine and the near region, has closed its third fund, Emerging Europe Growth Fund III, L.P. (“EEGF III”, the “Fund”), at its \$200 million hard cap, far surpassing the \$150 million target. In what marks the largest private equity fund raised for Ukraine in a decade, Horizon’s EEGF III received strong backing from existing and new investors, attracted by the excellent value, fast growth and abundance of opportunities that Ukraine offers. Led by Founding Partners Lenna Koszarny and Jeffrey C. Neal and Senior Partner Denis Tafintsev, Horizon manages over \$850 million in assets from investors with a capital base exceeding \$350 billion. Its Ukraine-focused funds have invested over \$650 million in 140 companies employing over 46,000 people.

“Our fundraising success should send a strong signal that Ukraine offers tremendous rewards for those willing to look past the headlines”, said Lenna Koszarny, Horizon Capital’s Founding Partner and CEO. “This fund is a testament to our long-term, valued investor relationships, our strong team of talented professionals and export-focused investment strategy, and our solid track record of successful investing in this country. Since our first close last year, the new fund has already made six compelling investments and will close many more exciting deals in the years to come”.

EEGF III was launched with an anchor commitment from Western NIS Enterprise Fund and attracted investments from the EBRD, FMO, IFC, PROPARCO, DEG, IFU with over one-third of capital raised from institutional investors, foundations, family offices and other private investors. The new fund enjoys strong backing from existing investors of Horizon Capital’s prior funds, who contributed over 55% of total commitments. U.S. and Europe-based investors contributed roughly 35% each of total capital raised, with the remainder from other international investors.

EEGF III’s investment strategy is focused on fast-growing, export-oriented companies that leverage Ukraine’s cost competitive platform to generate global revenues primarily in IT, light manufacturing, food and agriculture. The Fund will also pursue investments in select, high-growth domestic market segments, including e-commerce, healthcare and pharma, consumer goods and financial services. Investments will range from \$5-20 million and be made over the next 2-3 years.

Jeffrey Neal, Horizon Capital Founding Partner and Chairman of the Investment Committee, said: “Under Lenna Koszarny’s leadership and with our talented deal partners Denis Tafintsev, Vasile Tofan and Konstantin Magaletskiy, Horizon Capital has reached new heights. I am confident in our team’s ability to back visionary founders and deliver solid returns to our investors.”

EEGF III has made six investments to date, five in the core sectors driving Ukraine’s export boom and best-positioned to access global markets, including IT, light manufacturing and food and agro. The Fund has backed Genesis, global IT product company; Intellias, fast-growing large IT services company; Yarych, leading biscuits producer; MAIB, #1 bank in Moldova, and others.

Horizon’s latest fund builds on the success of its previous funds raised for Ukraine and the near region: \$370m EEGF II launched in 2008 and \$132m EEGF I launched in 2006, both providing buyout/expansion capital for domestic-focused businesses. EEGF III is the first Horizon Capital growth equity fund focused primarily on IT and export-oriented companies in their market.

Horizon Capital (www.horizoncapital.com.ua) is the leading private equity firm in Ukraine, backed by over 40 institutional investors with over \$850 million under management in four funds. Horizon Capital is a value-added investor, backing visionary entrepreneurs leading transformational businesses in Ukraine and the near region.