

Public Information Summary

Host Countries	Ukraine, Moldova
Name of Fund	Horizon Capital Growth Fund IV, L.P. (“Fund”) incorporated in Wilmington, Delaware
Name of Fund Manager	Horizon Capital Associates IV, LLC incorporated in Wilmington, Delaware
Project Description	The Fund will focus on high-growth, later-stage technology and export-oriented companies in Ukraine and Moldova across a range of sectors, including eCommerce, fintech, IT products and services, and consumer retail.
Proposed DFC Loan/Equity Investment	\$25 million in equity
Target Fund Size	\$250 million
Policy Review	
Developmental Objectives	The Fund is expected to have a positive development impact in Ukraine and Moldova by providing investments into growth-stage companies in the technology sector. The Russian invasion has caused significant economic damage to Ukraine, and uncertainty caused by the war has made capital scarce for growth-stage businesses in Ukraine while the influx of refugees has strained resources in Moldova. Nevertheless, the technology sector has been a bright spot for the economy, representing the only major sector experiencing growth for Ukraine in 2022. The Fund will fill an important gap by providing much-needed capital to companies in a resilient sector that can drive job creation and economic growth for Ukraine, while also supporting the nascent start-up sector in conflict-affected Moldova.
Environment and Social Assessment	<p>This transaction involves a DFC equity investment of \$25 million into Horizon Capital Growth Fund IV, LP (the “Fund”) to provide growth capital to between 10 and 15 high-growth technology and export-oriented companies (the “Portfolio Companies”), operating in Ukraine and Moldova (the “Project”). The Fund will be managed by Horizon Capital Associates IV, LLC (the “Fund Manager”), operating from its office in Kyiv, Ukraine.</p> <p>The Project has been reviewed against DFC's 2020 Environmental and</p>

Social Policy Procedures ("ESPP") and has been determined to be categorically eligible. Equity investments into funds are screened as a Category D activity for the purposes of environmental and social assessment. Based on DFC's due diligence, the Fund's downstream investments are anticipated to pose limited environmental and social risks that are site specific and can be readily mitigated through the application of sound environmental and social management practices.

Consistent with DFC's policy on policy assessment of financial intermediary transactions (dated April 2020) the Fund is eligible for delegated responsibility for the application of DFC's policies related to environmental and social impact assessment, risk management and monitoring. To ensure that the Fund's investments are consistent with DFC's statutory and policy requirements, the Project will be subject to conditions regarding the use of the DFC proceeds.

The primary environmental and social issues identified in this transaction relate to the need for a strong Environmental and Social Management System ("ESMS") that meets the International Finance Corporation's ("IFC") Performance Standards and robust Human Resources Policies. DFC will monitor the effectiveness of the Fund's application of DFC policies throughout the Project's life cycle.

Under DFC's ESPP, the Fund is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 IFC Performance Standards 1 and 2.

A virtual due diligence assessment indicates that because the Project involves an equity investment in an investment fund, significant adverse impacts with respect to community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples and cultural heritage are not anticipated. Therefore, Performance Standards 3, 4, 5, 6, 7, and 8 are not triggered at this time.

DFC's ESPP requires fund managers to maintain an Environmental and Social Management System ("ESMS") that appropriately identifies, assesses, manages, and monitors risks with respect to the IFC Performance Standards the General and Sector-specific Environmental Health and Safety Guidelines. The Fund has an ESMS designed to screen and evaluate risks and is generally aligned with the requirements found in the IFC Performance Standards. However, the Fund will be required to update its ESMS to include a methodology to track, monitor, and report its greenhouse gas emissions as described in IFC Performance Standard 1 paragraph 7 as a condition of receipt of DFC support.