

1. Call for Capital (Draft 1)

To: The Board of Shareholders (Horizon21)

Date: February 23, 2026

Subject: Formal Capital Call: Cattle Feedlot Project – Phase 1 Launch

Reference: Ref: 2026/02-NYA

Dear Shareholders,

Following the ratification of our Integrated Beef Value Chain strategy, the Executive Committee hereby issues this formal invitation for capital contribution. These funds will facilitate the launch of our 50-head pilot unit in Nyamandlovu, establishing the operational blueprint for our 2031 nationwide scale-up.

1. Funding Requirement

To satisfy initial CAPEX and Cycle 1 OPEX requirements, a total investment of **\$44,000 USD** is required. Adhering to our equal equity model, the commitment for each of the 15 board members is:

- **Individual Contribution: \$2,933.33 USD**

2. Strategic Capital Allocation

Funds will be deployed across three high-impact areas to ensure a tech-enabled, secure, and high-margin operation:

A. Infrastructure & Technology (CAPEX) — \$23,000

- **Resource Security:** Solar-powered borehole and storage systems to mitigate climate risk.
- **Operational Efficiency:** On-site feed mill (projected 15–20% cost reduction) and precision digital scales.
- **Integrity & Traceability:** RFID tagging and AI-driven visual screening for real-time Body Condition Scoring (BCS).

B. Biological Assets & Inputs (OPEX) — \$19,000

- **Inventory:** Acquisition of 50 lean cattle at optimal market-entry rates.
- **Performance:** A 90-day intensive nutritional regime designed to achieve "Super Grade" classification.

C. Risk Mitigation Buffer — \$2,000

- **Contingency:** Reserved for veterinary emergencies or unforeseen market volatility.

3. Implementation Timeline

Milestone	Target Date	Expected Outcome
Capital Collection	May 31, 2026	100% Funding secured (\$44k).
Site Commissioning	June 2026	Infrastructure & tech deployment complete.
Cycle 1 Launch	July 2026	50-head intake & RFID registration.
First Harvest	September 2026	Projected Operating Profit of \$12,000.

4. Action Required

Please confirm your commitment and initiate the transfer of **\$2,933.33 USD** by **May 31, 2026**. Payments must be settled in USD to the project’s dedicated facility.

2. Investment Agreement (Executive Summary)

Project: Integrated Beef Pilot

Entity: Heritage Beef Group (Private) Ltd

Capital Call Reference: 2026/02-NYA

Core Clauses:

- Restrictive Use of Funds:** Capital is strictly earmarked for the Nyamandlovu hub assets: 50 cattle, solar infrastructure, and the on-site mill. Any reallocation requires a 75% majority board vote.
- Contribution Deadline:** Each of the 15 shareholders shall contribute **\$2,933.33 USD** no later than **March 31, 2026**.
- Equity Protection & Default:** Contributions are made pro-rata. Failure to meet the deadline may trigger the "Internal Lead Syndicate" model, allowing active members to cover the shortfall in exchange for a proportionally higher equity stake (dilution of the defaulting member).
- Operational Transparency:** Management will provide a **90-day Performance Report** at the conclusion of each fattening cycle. This includes live weight gain data, BCS logs, and feed conversion ratios via the **Digital Registry**.

5. **Distribution Waterfall:** To prioritize capital efficiency, net profits from Cycles 1 and 2 will be reinvested into CAPEX amortization and cold-chain expansion. Net profits from **Cycle 3 (Month 10)** shall constitute the first window for dividend distribution.