

# Horizon Capital

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HIGHLY CONFIDENTIAL - TRADE SECRET

15 April 2024

Email

Dear Limited Partners of Horizon Growth Fund I L.P.,

Horizon Growth Fund I L.P. - 1st Quarter 2024 Report

We are pleased to present our 1st Quarter 2024 report ("Q1 2024") for your information.

If you have any questions concerning this report, please do not hesitate to contact either Evelyn Reed (6543 2123). Thank you again for your support to the Fund.

Sincerely

Evelyn Reed  
Horizon Capital Partners I Limited,  
the General Partner to Horizon Growth Fund I L.P.

Zenith Innovations Ltd.					
Deal Team:	Evelyn Reed, Marcus Chen, Sophia Lee				
Date of Inv:	December 2021	Primary Industry:	Cloud Software Solutions		
Invested Capital:	75	Currency:	US\$ (in millions)		
Capital Returned:	0	Location:	New York		
Ownership:	65%	Latest Audited FY:	31-Dec-2023		
Inv Type:	Equity-Control	Latest Quarter:	Q1 2024		
Fund:	Horizon Growth Fund I L.P.	Co Website:	<a href="http://www.zenith-innovations.com">http://www.zenith-innovations.com</a>		
COMPANY INFORMATION					
<ul style="list-style-type: none"><li>Incorporated in 2015, Zenith Innovations is a leading provider of scalable cloud-based software solutions for enterprise resource planning (ERP) and customer relationship management (CRM).</li><li>Zenith serves a growing client base across North America and Europe, with a strong emphasis on data security and user-friendly interfaces.</li></ul>					
INVESTMENT THESIS					
<ul style="list-style-type: none"><li><b>Robust Product Suite:</b> Zenith’s comprehensive ERP and CRM platforms are highly customizable, offering competitive advantages in specific vertical markets.</li><li><b>Recurring Revenue Model:</b> High proportion of subscription-based revenue, ensuring stable and predictable cash flows.</li><li><b>Strong Client Retention:</b> Demonstrated ability to retain clients through superior customer service and continuous product innovation.</li></ul>					
HISTORICAL PERFORMANCE					
(FYE Dec-31, in US\$ million)	2020	2021	2022	2023	3 Yr CAGR
Revenue	28.0	35.5	48.0	62.5	29.5%
EBITDA	9.5	12.0	17.5	24.0	35.1%
EBITDA Margin (%)	33.9%	33.8%	36.5%	38.4%	
Capex	1.2	1.8	2.5	3.0	
Net Debt	0.5	1.0	0.8	0.2	
<u>Notes:</u> <ul style="list-style-type: none"><li>EBITDA includes gain on disposal of fixed assets and non-recurring income and expenses.</li><li>2020 and 2021 capex exclude property-related addition to fixed assets.</li></ul>					
RECENT PERFORMANCE					
	<u>Q1 2024</u>	<u>% Δ vs PY</u>	<u>YTD 2024</u>	<u>% Δ vs PY</u>	
Revenue	17.8	+12.0%	17.8	+12.0%	
EBITDA	7.0	+18.6%	7.0	+18.6%	
EBITDA Margin (%)	39.3%		39.3%		
<b>YTD Highlights:</b> <ul style="list-style-type: none"><li>For Q1 2024, Zenith Innovations achieved revenue of \$17.8 million and EBITDA of \$7.0 million, compared to revenue of \$15.9 million and EBITDA of \$5.9 million in Q1 2023.</li></ul>					

## Zenith Innovations Ltd.

### YTD Highlights:

- The increase was primarily driven by the successful onboarding of three new large enterprise clients in the healthcare sector and an expansion of services with existing financial clients.
- EBITDA margin improved due to efficient scaling of cloud infrastructure and disciplined cost management.

### LONG TERM VIEW/OPERATING INITIATIVES

- **Geographic Expansion:** Actively exploring opportunities to expand market presence into new regions, specifically targeting the APAC market in late 2024.
- **Product Innovation:** Investing heavily in R&D to integrate AI and machine learning capabilities into existing platforms, enhancing predictive analytics for clients.
- **Strategic Partnerships:** Forging alliances with complementary technology providers to offer integrated solutions and expand distribution channels.
- **Talent Acquisition:** Strengthening the engineering and sales teams to support rapid growth and maintain competitive edge in product development and market penetration.
- **Operational Efficiency:** Implementing advanced analytics for internal operations to optimize resource allocation and further improve profit margins.

EcoHarvest Solutions Inc.					
Deal Team:	Daniel Stone, Olivia Kim, Benjamin Wright				
Date of Inv:	April 2022	Primary Industry:	Sustainable Agri Technology		
Invested Capital:	60	Currency:	US\$ (in millions)		
Capital Returned:	0	Location:	California		
Ownership:	70%	Latest Audited FY:	31-Dec-2023		
Inv Type:	Equity-Control	Latest Quarter:	Q3 2024		
Fund:	Horizon Growth Fund I L.P.	Co Website:	<a href="http://www.eh-solutions.com">http://www.eh-solutions.com</a>		
COMPANY INFORMATION					
<ul style="list-style-type: none"><li>Incorporated in 2018, EcoHarvest Solutions Inc. is an innovator in sustainable agricultural technology, specializing in IoT-enabled smart farming systems and organic pest control solutions.</li><li>The company's technology helps farms optimize resource usage, reduce waste, and improve crop yields. EcoHarvest serves agricultural clients across North and South America.</li></ul>					
INVESTMENT THESIS					
<ul style="list-style-type: none"><li><b>High-Growth Sector:</b> Capitalizing on the increasing global demand for sustainable and efficient agricultural practices.</li><li><b>Proprietary Technology:</b> EcoHarvest's patented IoT sensors and bio-pesticides offer a distinct competitive advantage in precision agriculture.</li><li><b>Strong Environmental Impact:</b> Aligns with growing ESG mandates and consumer preference for sustainably produced food.</li></ul>					
HISTORICAL PERFORMANCE					
(FYE Dec-31, in US\$ million)	2020	2021	2022	2023	3 Yr CAGR
Revenue	15.0	20.0	28.0	40.0	33.3%
EBITDA	4.0	6.5	9.0	14.0	49.3%
EBITDA Margin (%)	26.7%	32.5%	32.1%	35.0%	
Capex	0.8	1.1	1.5	2.0	
Net Debt	0.2	0.3	0.4	0.1	
<u>Notes:</u> <ul style="list-style-type: none"><li>EBITDA includes gain on disposal of fixed assets.</li><li>R&amp;D expenses in 2022 were capitalized.</li></ul>					
RECENT PERFORMANCE					
	<u>Q3 2024</u>	<u>% Δ vs PY</u>	<u>YTD 2024</u>	<u>% Δ vs PY</u>	
Revenue	15.5	+25.0%	40.5	+30.6%	
EBITDA	6.0	+33.3%	14.0	+40.0%	
EBITDA Margin (%)	38.7%		34.6%		
<b>YTD Highlights:</b> <ul style="list-style-type: none"><li>For Q3 2024, EcoHarvest Solutions achieved revenue of \$15.5 million and EBITDA of \$6.0 million, demonstrating strong sequential growth. Year-to-date revenue reached \$40.5 million and EBITDA \$14.0 million, representing significant increases over the same period last year.</li></ul>					

## EcoHarvest Solutions Inc.

### YTD Highlights:

- The growth was primarily fueled by the successful launch of a new compact smart irrigation system and expanded partnerships with large-scale organic farms.

### LONG TERM VIEW/OPERATING INITIATIVES

- **Technology Advancement:** Continuous investment in R&D to develop next-generation bio-sensors and AI-driven predictive analytics for crop health.
- **Market Diversification:** Exploring entry into new agricultural segments, such as vertical farming and hydroponics, to broaden market reach.
- **Global Expansion:** Targeting key agricultural markets in Europe and Asia through strategic alliances and localized product adaptations.
- **Supply Chain Optimization:** Implementing advanced logistics and inventory management systems to reduce costs and improve delivery efficiency.
- **Talent Development:** Investing in specialized training for technical and sales teams to maintain leadership in a rapidly evolving industry.

**Horizon Growth Fund I L.P.**

(Established in the Azure Islands)

(UNAUDITED)

Subject to  
change

Income statement for the period from 01 January 2024 to 31 March 2024

		USD
Investment Income		
	Dividend Income	1,250,000.00
		<u>1,250,000.00</u>
Expenses		
	Management fees	(1,500,000.00)
	Fund Expenses	(150,000.00)
	Other expenses	(500.00)
Total expenses		<u>(1,650,500.00)</u>
Net unrealised gain on financial assets at fair value through profit or loss		<u>5,800,000.00</u>
Total comprehensive income / (loss) for the period		<u>5,399,500.00</u>

**Horizon Growth Fund I L.P.**

(Established in the Azure Islands)

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change

Statement of financial position as at 31 March 2024

		USD
Assets		
	Investments in Horizon Master Fund Limited	785,123,456.78
	Amount due from limited partners	5,432.10
	Cash and cash equivalents	987.65
		<u>785,129,876.53</u>
Current liabilities		
	Amount due to a related party	12,345.67
		<u>12,345.67</u>
Net assets		<u>785,117,530.86</u>
Partners' capital		<u>785,117,530.86</u>

**Horizon Capital Master Fund Limited**

(Established in the Azure Islands)

(UNAUDITED)

Subject to change

**Income statement for the period from 01 January 2024 to 31 March 2024**

	USD
Expenses	
Management fees	(2,000,000.00)
Other expenses	(125.50)
Total expenses	<u>(2,000,125.50)</u>
Unrealised gain /(loss) on financial assets at fair value through profit or loss	5,800,000.00
Total comprehensive income / (loss) for the period	<u>3,799,874.50</u>

**Horizon Capital Master Fund Limited**

(Established in the Azure Islands)

(UNAUDITED)

Subject to change

**Statement of financial position as at 31 March 2024**

	USD
Assets	
Investments, at fair value	785,122,000.00
Cash and cash equivalents	1,456.78
Total assets	<u>785,123,456.78</u>
Equity	
Share capital	600,000,000.00
Dividends declared	(50,000,000.00)
Accumulated retained earnings	235,123,456.78
	<u>785,123,456.78</u>
Total Liabilities and Shareholder's Equity	<u>785,123,456.78</u>

**Horizon Capital Group**  
**Fund I**

Investment Performance as at 31 March 2024 (E)

STRICTLY PRIVATE & CONFIDENTIAL  
UNAUDITED PRELIMINARY ESTIMATES

(USD in thousands)	Initial Investment Date	Exit Date	Investment Status	Fund's Invested Equity	Realised Value	Unrealised Value	Total Value	Multiple of Invested Capital	Gross IRR
Zenith Innovations Ltd.	Dec 2021	-	Active	75,000	0	115,000	115,000	1.53x	25.0%
Total Fund I Investments - Gross				75,000	0	115,000	115,000	1.53x	25.0%