

Horizon Capital's EEGF III invests in Avrora, a leading dollar store player in Ukraine, to fuel regional expansion



July 6, 2021 – Kyiv, Ukraine: Horizon Capital, a leading private equity firm backing high-growth companies in Emerging Europe, and Avrora, a leader of the dollar store retail segment in Ukraine, have announced that Horizon Capital's \$200 million Emerging Europe Growth Fund III, LP (EEGF III) has acquired a minority stake in Avrora, becoming the sole financial investor alongside its founders. Details of the transaction are not disclosed. The Company's founders and management team will continue executing on their successful business strategy, retaining majority ownership and operating control of the Company. The Fund's significant investment will accelerate the roll-out of new stores in Ukraine in the course of the next five years, expand logistics infrastructure, as well as finance Avrora's entry into new regional markets. A portion of the invested capital will also help develop Avrora into a retail platform for small local manufacturers, thereby furthering import substitution and enhancing local manufacturing capabilities within Ukraine.

Headquartered in Poltava, Avrora is the leader in the Ukrainian dollar store market, operating circa 650 stores. The Company was founded in 2011 by Lev Zhydenko, Taras Panasenko, and Lesya Klimenko, who, together with their talented team, have set to revolutionize the retail industry in Ukraine and the region. Avrora prides itself on a progressive, flat culture, resulting in a high-performance environment with operating practices more similar to a tech company than a traditional retailer. The focus on operational excellence and obsession with delivering the best value to customers, have enabled Avrora's rapid growth, expanding store-count by over 10 times in six years. Avrora's focus on the discount segment allows its stores to be accessible to all Ukrainians irrespective of income, while at the same time makes their business recession proof, as demonstrated by their strong growth throughout economic cycles.

"We are delighted to back Avrora and help to further the bold vision set by Lev, Taras, and Lesya, who have built a truly admirable company over this past decade", said Lenna Koszarny, Horizon Capital's Founding Partner and CEO. "This investment was led from Horizon Capital by Vasile Tofan, Partner, who immediately recognized Avrora's commitment to delivering excellence to their customers".

Vasile Tofan, Partner added: “Avrora fits very well into our strategy of backing leading, regional high-growth champions. The Company’s management team have delivered an extraordinary growth trajectory, driven by a culture of operational excellence and their superb execution track record. Together with the founders and management, we will focus on positioning the Company for an IPO on a major exchange, capitalizing on the appeal of the dollar store retail format around the world.”

Lev Zhydenko, Avrora’s Co-Founder stated: “We are excited to attract such a reputable minority investor as Horizon Capital in order to fuel our continued growth trajectory. We look forward to leveraging Horizon Capital’s expertise, network and know-how to accelerate Avrora’s growth in Ukraine and expand our business in the broader CEE region. We are also committed to support local Ukrainian suppliers, increasing their share in our sales from 65% today, thus making a strong contribution to the rebirth of small Ukrainian manufacturing and acting as a trailblazer for them in new export markets.”

Horizon Capital is a leading private equity firm in Emerging Europe, backed by over 40 institutional investors with a capital base of over \$350 billion, and managing funds with over \$1.1 billion in assets under management and a tenure of 27 years in the region. The firm is a growth equity investor, backing visionary entrepreneurs leading transformational businesses in Ukraine and the near region. Horizon Capital is known for its strong team, high governance standards, hands-on value creation, and successful track record. More at www.horizoncapital.com.ua.

Avrora is a leading dollar store retail chain in Ukraine. Founded in Poltava in 2011, the Company has grown to circa 650 locations. Led by a visionary team, Avrora leverages a progressive, tech-driven approach in running its business, enabling the Company to grow at an accelerated pace, expanding store-count by over 10 times during the last six years. More at www.avrora.ua.