



IMPACT REPORT 2017



Anchor Investor



Managed by



$\$ + \checkmark = \nearrow$
Finance Expertise Success

Supporting small and growing businesses, promoting employment and transforming lives in the Niger Delta



Acronyms

- SDGs – Sustainable Development Goals
- SGBs – Small and Growing Businesses
- AGF – Aspire Growth Fund
- ASBF – Aspire Small Business Fund
- HSE – Health, Safety and Environment
- EHS – Environmental, Health and Safety
- ESG – Environmental, Social and Governance
- BoP – Base-of-the-Pyramid
- SMEs – Small and Medium-Sized Enterprises
- p.a. – Per Annum
- MSMEs – Micro, Small and Medium Enterprises
- GDP – Gross Domestic Product
- SPDC – Shell Petroleum Development Company of Nigeria
- LCY – Local Currency
- USDA – U.S. Department of Agriculture
- SKU – Stock Keeping Unit
- WHO – World Health Organisation
- HMOs – Health Maintenance Organisations
- NHIS – National Health Insurance Scheme
- AASBC – Association of Accredited Small Business Consultants
- BSAPs – Business Support Action Points
- UNDP – United Nations Development Programme
- IFC – International Finance Corporation

CONTENTS

04-05	Foreword
06-07	Investment & Impact at a Glance
08-09	Year in Review
10	About Aspire
10	Our Anchor Investor & Partners
11	Aspire Small Business Fund
12-13	Success Story - Finger Chops Bakery
14	Aspire Growth Fund
16-17	Success Story - Princess Medi-Clinics



18-19	Business Support
20-21	Women Empowerment
22	ESG
23	Targeting Employment
24	How Aspire Measures Impact
25	Aspire Impact Development Framework
26	The Aspire Team
27	About GroFin



Gwen Abiola-Oloke

Regional Investment Director -
Western Africa

FOREWORD >>>

Since their inception in 2014, the Aspire Small Business Fund (ASBF) and the Aspire Growth Fund (AGF) have sought to promote local entrepreneurship, employment and economic value-add in the Niger Delta. While 2016 was a year of multiple challenges and setbacks for most businesses due to the harsh macro-economic environment, causing us to redouble our efforts to support micro, small and medium enterprises (MSMEs) in the Niger Delta, 2017 has been a year of growth for the Funds.

Though our previous reports had dwelt more on the ASBF, we are glad to announce that the AGF (sister fund to the ASBF) made its maiden investments in 2017, giving the Aspire Funds opportunities to create impact at a much larger scale on SMEs within the region given that the AGF targets bigger growth companies.

The Central Bank of Nigeria confirmed in November 2017 that, after five quarters of continuous contraction of the GDP from the start of 2016, the economy recorded growth of 0.55% in the second quarter of 2017, signalling an exit from the recession.

At GroFin, we are delighted, just like our investee businesses and the wider universe of supported MSMEs in the Niger Delta, as this recovery indicated an end to the growth pains and cut-backs that had led to significant shocks for both indigenous oil service companies and other contractor firms within the value chain, with ripple effects on the entire SME ecosystem in the region. Just as the recovery signalled some easing of pressure on the ASBF, whose investee micro and small businesses had been reeling under the effects of the recession, it also created some opportunities to support and push investments into bigger local businesses within the region through the AGF.

As we continue to raise the bar higher in our SME solutions, we have sustained our efforts to reinforce our relationships with local and international partners, enhance our business support capabilities and meet the aspirations of more youth entrepreneurs, with 20% youth-owned businesses financed under both Funds. Through our hand-holding approach and priority given to businesses that employ persons in the most vulnerable economic groups - female and bottom of the pyramid employment – as well as periodic seminal entrepreneurship programmes such as LiveWIRE (run by our anchor investor SPDC), we have made deeper inroads than ever in the business community. 2017 also marked a milestone in capacity building for women entrepreneurs as we enrolled our female clients in a global business mentoring programme to allow them to benefit from the knowledge and experience of mentors from across the world.

Leveraging on inherent synergies with our anchor investor and partners, we have been able to help our funded and supported MSMEs to emerge successfully from the shadow of a tough economic climate. As at December 2017, we had invested in 53 businesses across both Aspire Funds, straddling the entire MSME spectrum from micro enterprises to much larger growing businesses with significant employment potential.

Our investees support 800 jobs directly, and many more indirectly, with female employment constituting 45% of the direct jobs supported. Further, 56% of businesses approved under the ASBF are led by women, while 20% of our AGF approvals represent women-led businesses. Moreover, despite the harsh economic climate last year, our investees maintained a comparatively high viability rate of 98%.

Finally, over the last year, total businesses supported, comprising both pre-and-post investment phase, increased by 87% from 195 to 365.

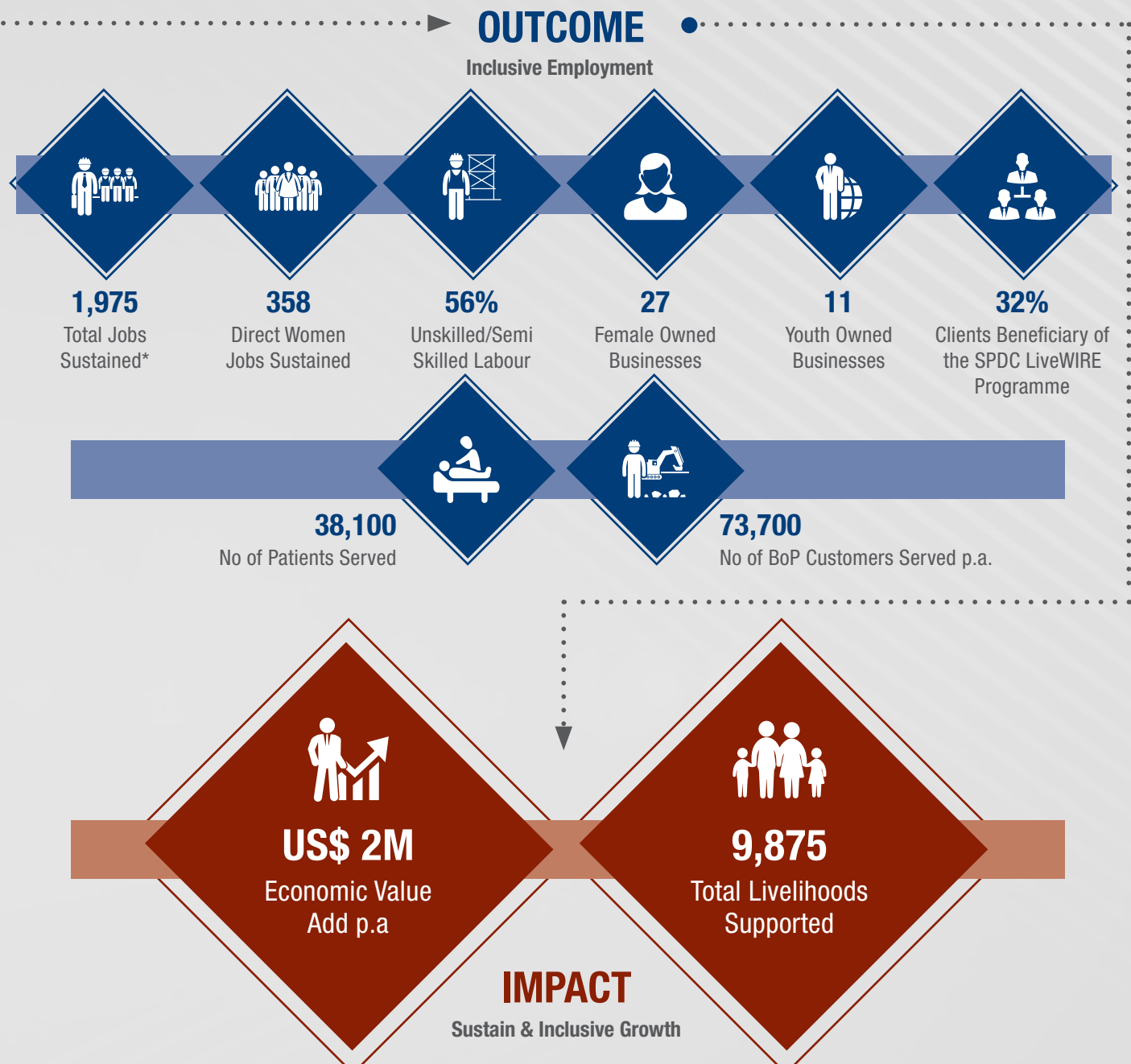
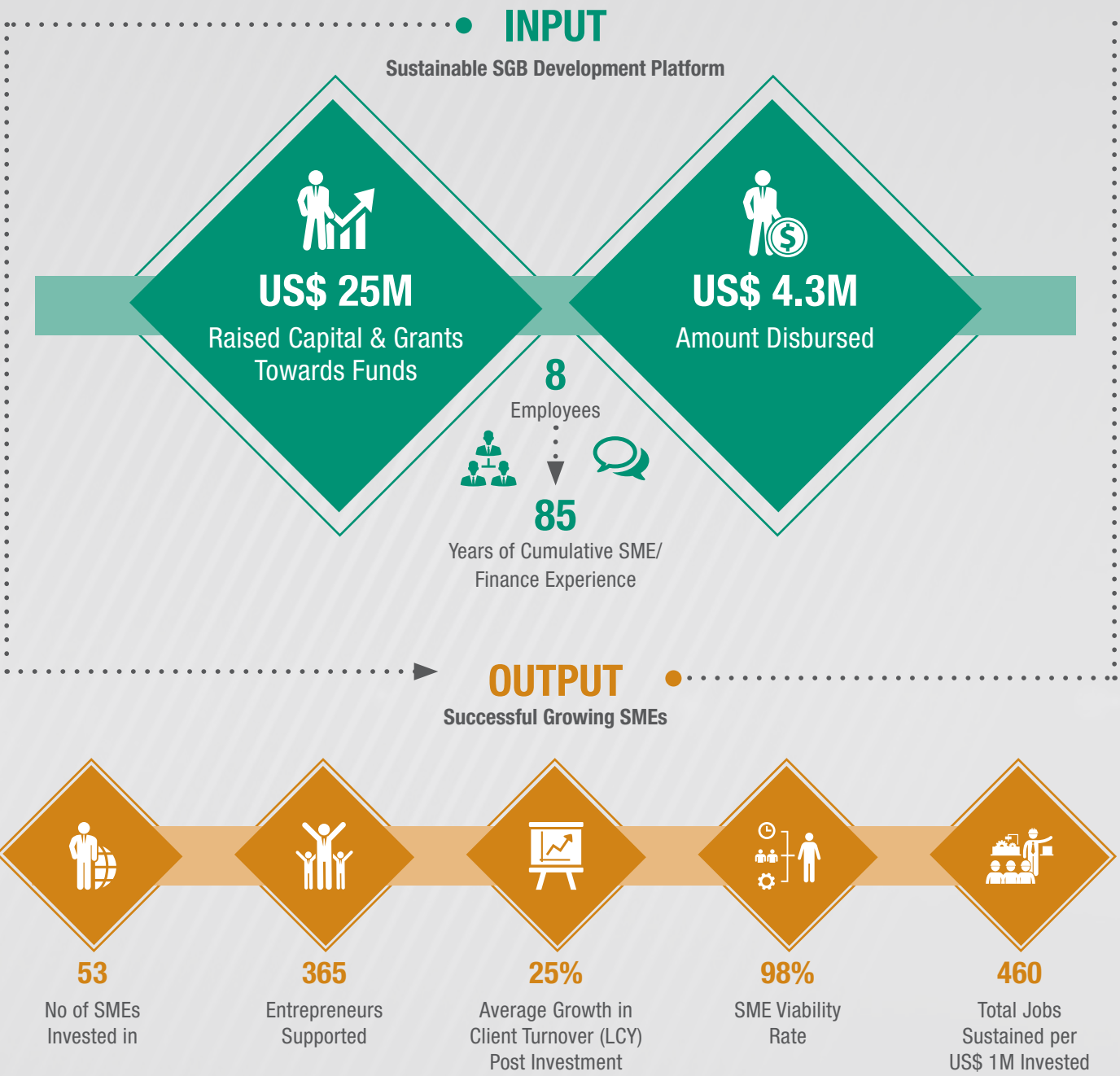
For the ASBF, which is going into harvest soon, the focus is shifting from building a pipeline of potential clients to proactive portfolio management of existing clients. On the other hand, the AGF is leveraging a robust pipeline to scale up fast, having gained in-depth insights into the Niger Delta entrepreneurship ecosystem from the experience of its sister fund.

We will continue our focus on providing technical assistance to our investees, thus ensuring the sustainability of the initiative over the long-term horizon. A sustained thrust on hands-on portfolio management and introduction to local partners for networking and market linkages will also serve to ensure the sustainability of our broad objectives by improving the viability rate of our investee businesses. The expected outcomes - an increase in the jobs sustained by our investee businesses and livelihoods touched by our funding and support - will allow us to contribute to the overall improvement of the Niger Delta economy.

Ultimately, we believe that our unique approach to SME development has allowed our investee businesses to develop the skills to survive and grow in the face of adverse economic headwinds. Our interventions will create more businesses that can formalise and meet international standards and norms, thus making them more eligible to compete and participate within the value chains of the multinational corporations. With the help of the Aspire Funds, we shall support the entire SME ecosystem from micro enterprises under the ASBF to larger businesses under the AGF, thereby contributing to the success of the local content initiative and intensifying impact on local entrepreneurship, employment and economic value-add in the Niger Delta communities.

Investment and Impact at a Glance

Impact Figures as at 31st December 2017

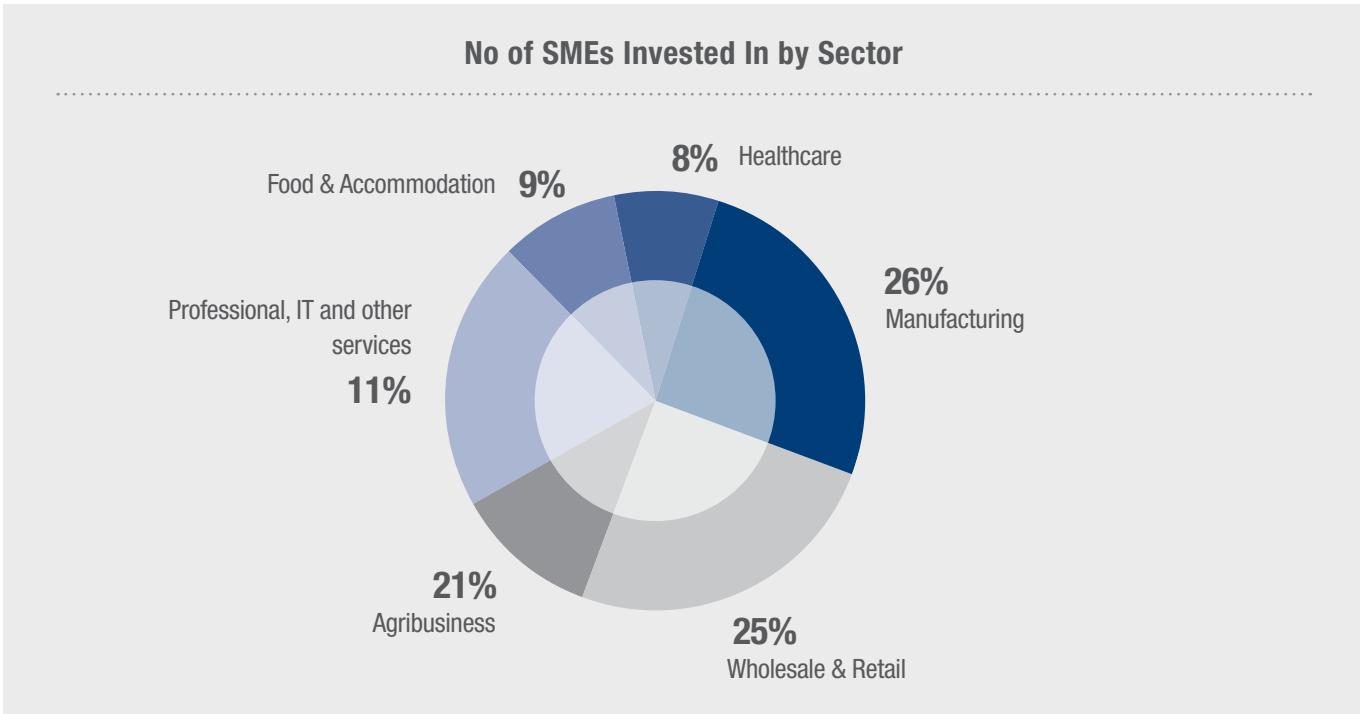
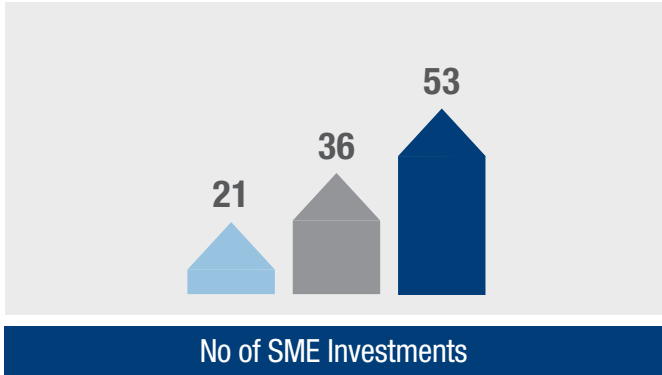
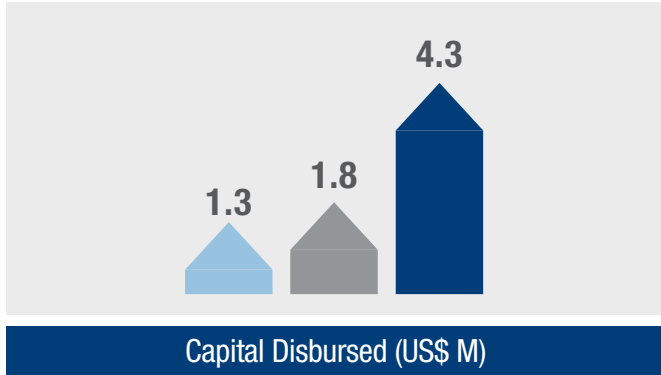


YEAR IN REVIEW

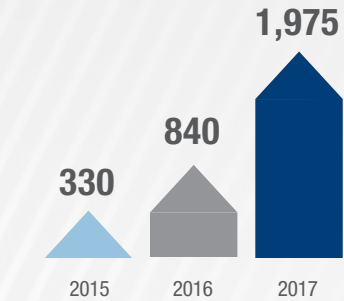
In 2017 GroFin increased its commitment to supporting SMEs in the Niger Delta Region by investing in an additional 17 small and growing businesses and extending further funding of US\$ 2.5M (140% increase from total amount invested as at end 2016). As at end of 2017, GroFin has supported 365 businesses, invested in 53 SMEs and sustained a total of 1,975 jobs under the Aspire Funds.

Investment Performance (cumulative) over the past 3 years

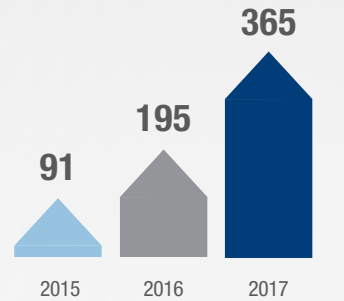
2015 2016 2017



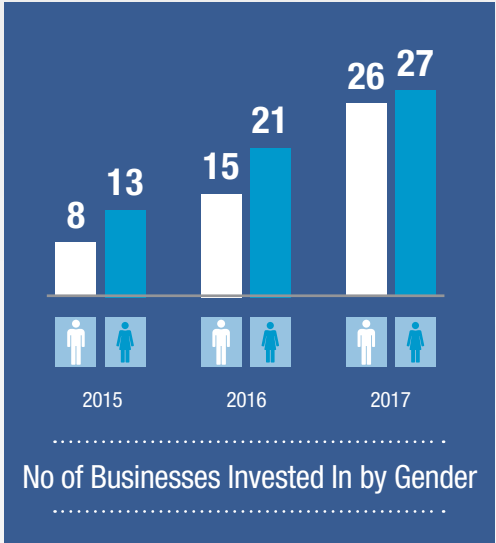
Impact Performance



Total Jobs Sustained



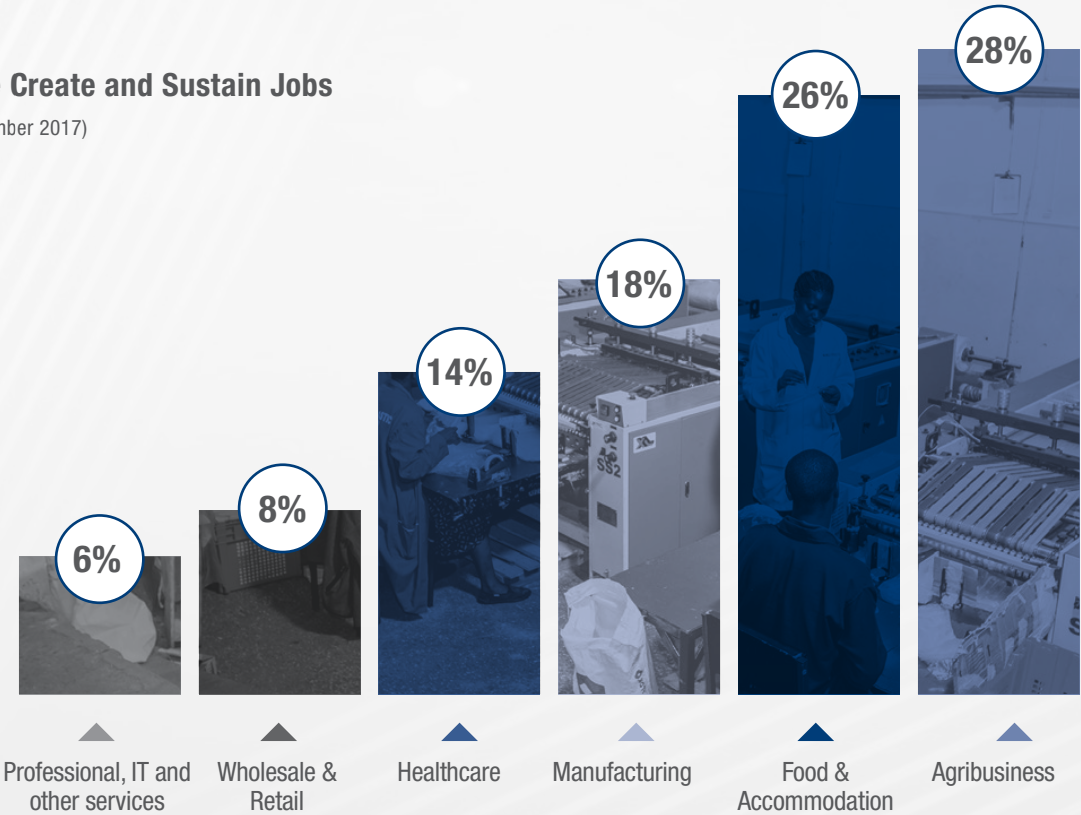
No of Entrepreneurs Supported



No of Male Owned Businesses No of Female Owned Businesses

Where We Create and Sustain Jobs

(As at 31 December 2017)



ABOUT ASPIRE

Youth unemployment has remained a major challenge of development in Nigeria and in particular, a trigger for conflicts in the oil-rich Niger Delta. The challenge is complicated by the fact that the youth in our region represent a large proportion of the local population and need to be upskilled to find gainful employment either in the corporate sector or as self-employed persons.

Global experience bears out that the development of a viable small and medium enterprise (SME) sector generates significant employment, drives economic growth, and reduces conflict.

That is why in 2013, GroFin launched the Aspire Enterprise Development Funds, comprising the Aspire Growth Fund (AGF) and the Aspire Small Business Fund (ASBF), with the objective of addressing funding and development challenges faced by small and medium scale entrepreneurs and create impact at scale in the Delta region.

OUR ANCHOR INVESTOR AND PARTNERS

With the Shell Petroleum Development Company of Nigeria Limited (SPDC) as anchor investor, the Aspire Enterprise Development Funds epitomise GroFin, a private development finance institution, and SPDC's efforts to serve the local community with a combination of investment funds, business skills and market linkages.

To deepen our combined impact, ASBF leverages on complementary enterprise development programmes run by SPDC for the region's youth entrepreneurs, such as the Shell Nigeria LiveWIRE. In April 2017, SPDC connected 28 beneficiaries of the LiveWIRE programme to GroFin and provided them with a platform to successfully pitch for our funding and support.

Similarly, the AGF benefits from the various supply chain linkages that SPDC offers into the oil and gas industry, allowing us to boost Nigerian local content policies by financing and supporting growing enterprises forming part of the oil and gas supply chain.

Anchor Investor



Our joint efforts to support local entrepreneurs, create jobs and improve livelihoods in the Niger Delta also resonate with like-minded organisations such as the Port Harcourt Chamber of Commerce, Industry, Mines and Agriculture (PHCCIMA), Wider Perspectives Limited (WPL), Henshaw Capital Partners (HCP), Delta Association of Chamber of Commerce, Industry, Mines and Agriculture (DACCIMA), the Benin Chamber of Commerce, Industry, Mines and Agriculture (BENCCIMA), Zigha's Ayibakuro Limited (ZAL), Uyo Chamber of Commerce, Industry, Mines and Agriculture (UYOCCIMA) and the Growth and Employment (GEM) Project. Sponsored by the World Bank, the GEM Project is an initiative of the Ministry of Industry, Trade and Investment of the Federal Government of Nigeria.

These partners are a viable source of SME referral to GroFin for finance and assistance, and vice versa for client referral to such platforms for membership and networking opportunities.



ASPIRE SMALL BUSINESS FUND (ASBF)

The Aspire Small Business Fund (ASBF) supports viable, growth-oriented small enterprises in the Niger Delta. The ASBF's objectives are to create sustainable employment, economic growth and social development through the provision of business support services, risk finance (US\$ 10,000 to US\$ 100,000 equivalents in local currency) and market linkages to such small enterprises.

The ASBF focuses on small enterprises with less intensive start-up capital requirements that many of these small businesses lack collateral and are therefore not adequately served by traditional financiers. The ASBF prioritises businesses led by women and youth as well as those that generate greater employment opportunities at the base-of-the-pyramid. As such, emphasis is placed on current or former participants of small business support programmes such as the Shell LiveWIRE scheme, YouWin, and the Federal Government's amnesty programme for Niger Delta youth.

Since inception, the Fund has seen considerable interest from the multitude of underserved entrepreneurs in the Niger Delta, and indeed, found itself overwhelmed by the expressed need for funding and support. Having built up a strong portfolio of 50 investees, the focus of the Fund is now on consolidating business support to existing clients, including mentoring assistance to women-owned businesses. Indeed, 56% of businesses approved under the ASBF are led by women, given its focus on women empowerment.

We would also like to share some individual turnaround stories from our ASBF clients, particularly agribusiness Zenit Agro, whose survival was threatened since 2016 by the onslaught of the recession. In 2017, our efforts resulted in the successful diversification of Zenit Agro's operations from production of poultry feed to groundnut oil, giving the business a new lifeline. At a portfolio level, we provided additional funding to four existing ASBF clients, representing nearly a third of investments made during the year, in response to our investee's needs for recapitalisation to stabilise operations impacted severely by the harsh recession.

Considering that the Fund enters the harvest phase soon, the priority of the ASBF team is slowly shifting from building a pipeline of potential investees, to proactive portfolio management of existing clients, as well as introducing our supported businesses to a robust ecosystem of local partners for networking and market linkages.

It is believed that this will ensure the sustainability of our broad objectives in terms of the viability of our supported SMEs, jobs sustained by our investees and livelihoods touched by our funding and support. Upon completion of its commitment period, the Fund will have invested in 56 SMEs in the Niger Delta, while delivering invaluable business counsel to many more. With these investments, we expect to sustain over 1,500 total jobs and support an estimated 7,500 livelihoods by 2018.



SUCCESS STORY

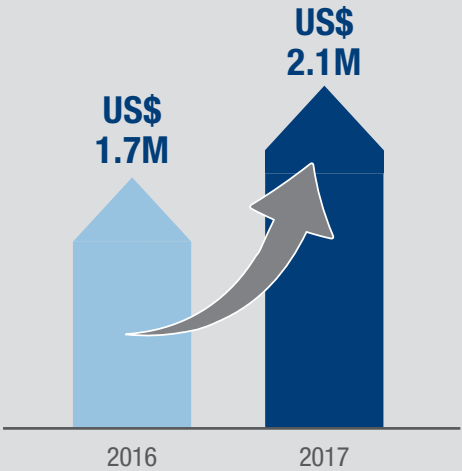
Finger Chops Bakery

Over the years, Warri has taken major strides in development with the establishment of major oil companies, higher institutions and a rising middle class community. This has contributed to the growth of Finger Chops' customer base.

The bakery could meet only 15% of its daily demand.

Moreover, latest figures by the U.S. Department of Agriculture (USDA) show that Nigerians spend 56.4% of their household income on food, with bread forming a staple part of their diet. In line with the current global trends towards healthier lifestyles, Nigerian families are increasingly looking for more wholesome breads than those currently available in the market.

Given the growing market for bread, Finger Chops could only meet about 15% of demand. Hence, it envisaged doubling the current size and variety of offerings to encompass both a healthier variant in the form of wheat bread, as well as a lower sized SKU in the form of small bread that allows the business to cater to low-income households.



+25% increase in turnover post GroFin Investment



“GroFin’s funding has already helped raise our production levels from 800 to 3,260 loaves a day and made us more cost-effective, allowing us to reach out to more families with our quality offering. With the second loan, we are well on our way to reach our target of 10,225 loaves a day,” says Adenike.

At this stage, Adenike turned to GroFin to increase capacity and meet higher demand for her quality product.

Within just three months of the first round of funding, the business hit an average monthly turnover of N24.3m and employed 15 workers, both of which exceeded the projections of N11.3m monthly turnover and 10 workers respectively.

In 2017, Adenike approached GroFin for a second round of funding. In view of the production and employment milestones achieved within just a quarter of the first funding, GroFin supported the entrepreneur yet again.

Apart from finance, GroFin is also providing business support from advising on enhancements to safety measures in operations, to improving health and safety (H&S) of staff and working environment by installing fire extinguishers; providing aprons, head cover and hand gloves; installing heat extractors; and making provision for a first-aid box.

The increase in capacity has allowed the business to support 46 employees, which include a high component of low skilled workers at 90%. Finger Chops sources baking ingredients such as flour, yeast, salt, sugar, water and fats/oils from local suppliers and open markets, thus indirectly sustaining agribusinesses that produce such raw materials. The increased scale of operations has supported a rise in the volume of purchases from existing suppliers, particularly for flour and sugar which will now be bought in bulk.

Overall, with GroFin funding and support, Finger Chops Ventures has been able to raise production levels by more than 300% while the average monthly turnover has also gone up by almost 150% from N11.3m to N27.1m. Following the second round of investment, the business is well on its way to achieve a 13-fold increase in production.



46
Direct Jobs Sustained



545
Total Customers p.a.



90%
Semi/ Unskilled Employment

ASPIRE GROWTH FUND (AGF)

While the ASBF targets smaller enterprises with focus on women empowerment, its sister fund, the Aspire Growth Fund (AGF), caters for larger enterprises with higher employment potential and significant local economic value-add.

The AGF's objectives are to create sustainable employment, economic growth and social development through the provision of business support services, growth finance (US\$ 100,000 to US\$ 3 million equivalents in local currency) and market linkages to such growing enterprises.

The Fund targets viable small and medium size firms with growth potential and capacity of creating jobs at scale, and

larger firms that form its core target segment. The Fund has not looked back since, with more than 5 mid-sized local businesses approved for a cumulative investment of USD 7.2 million before close of the year. More importantly, AGF's focus on priority sectors is being fast realised with healthcare investments such as Princess Medi Clinics Nigeria, whose expansion – encompassing an increasing emphasis on critical emergency services as well as much-needed maternal care – is being funded and supported by GroFin.

Going into 2018, the Fund is fast gaining momentum. The robust pipeline is reflected in the number of approvals for the first quarter outstripping the target for the period. An interesting



invests in them through the integrated provision of business support, market linkages and risk capital and in ways that are financially sustainable. Apart from prioritising vital needs sectors such as healthcare, education, agribusiness, manufacturing and key services (water, waste and energy), the AGF also boosts the Nigerian local content initiative by expressly supporting the development of more businesses capable of joining supply chains, i.e. operators in supply chains of oil & gas and other multinational corporations, to achieve compliance with Nigerian content policies. As at the end of 2017, 75% of businesses financed under the AGF deal with the provision of vital needs services covering healthcare and food processing.

In 2017, the AGF achieved its first disbursal, after revising its investment strategy to align with the market expectations of

transaction lined up in the current year is the AGF's pioneering investment in education, a priority area for the Fund against the backdrop of about 40% of Nigerian children aged 6-11 being out of primary school. With GroFin's finance and support, Hopespring Foundation School's infrastructure is being expanded to cater for a total of 485 students while maintaining its enviable classroom to student ratio of 1:20, allowing the school to focus on the provision of quality education to the Niger Delta.

Overall, with its thrust on priority sectors and larger enterprises with higher employment potential, the AGF is fast realising its objectives as a high impact fund delivering socio-economic benefits at scale, including the creation of 320 jobs per year, supporting up to 2,000 dependents.



SUCCESS STORY

Princess Medi-Clinics

The healthcare industry in Nigeria has been expanding in recent years. According to the 2011 National Bureau of Statistics report, there is an increasing demand for cost-effective healthcare in the nation and in Rivers State. More specifically, the local population of Port Harcourt (within 50 kilometers) is predicted to grow by approximately 3% per year, spurring a need for affordable and comprehensive healthcare across age groups.

However, access to healthcare continues to be a challenge for a vast majority of the population, with the Nigerian Medical Association noting in 2016 that there is only 1 doctor available per 4,000 patients in Rivers State, far below the WHO recommended 1 to 600.

The pressing need for affordable healthcare by the local community drove Dr. Emi Membere-Otaji to expand Princess Medical Centre. Starting operations in Port Harcourt in 1988 as a 6-bed clinic to cater for in and out-patience medicare, the clinic relocated to an 18-bed facility in 1995. It started offering premier general and preventative health care for all ages in the Port Harcourt area and the surrounding communities, including skilled Family medicine, Traumatology, General surgery, Orthopaedics, Obstetrics and Gynaecology, Paediatrics and Neonatology, Ultrasonography and radiology, Pathology, Gastroenterology, and Cardiology.

With increase in reach and scope, the clinic was incorporated as Princess Medi-Clinics Nigeria Ltd in 2007. However, within less than a decade, this location also started falling short of catering for the needs of the clinic's growing base of patients.

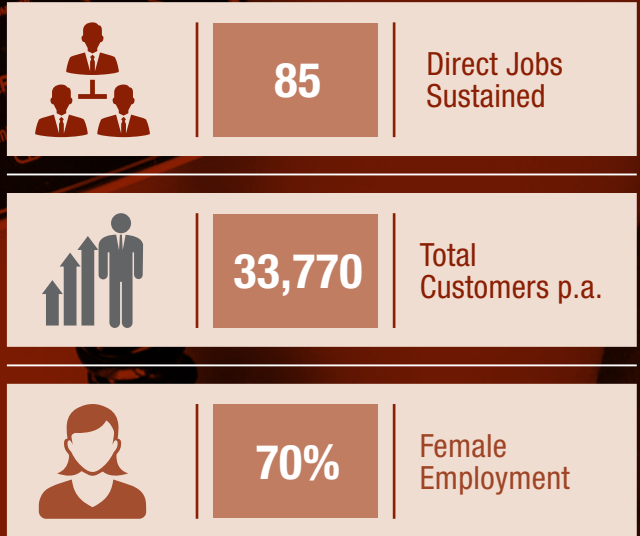


“We could not have dreamed of touching so many lives, without GroFin’s finance and support. Our capacity has almost tripled from 18 to 50 beds, and we are well on our way to achieving our vision to become the first choice primary and secondary healthcare provider in Port Harcourt,” says Dr. Emi Membere-Otaji.



In 2016, the entrepreneur approached GroFin to finance a new wing that entailed significant expansion costs as well as relocation to a nearby, larger premises that would allow for increase in bed capacity from 18 to 50. The old location will be retained as an ultra modern diagnostic centre, allowing the clinic to bring the benefits of in-house diagnostic services.

GroFin helped the entrepreneur to improve the provision and delivery of quality and affordable healthcare facilities in his community. GroFin funding for the new Princess Medical Centre is being used to acquire medical equipment, furniture and fittings, a generator, transformer and armored cables.

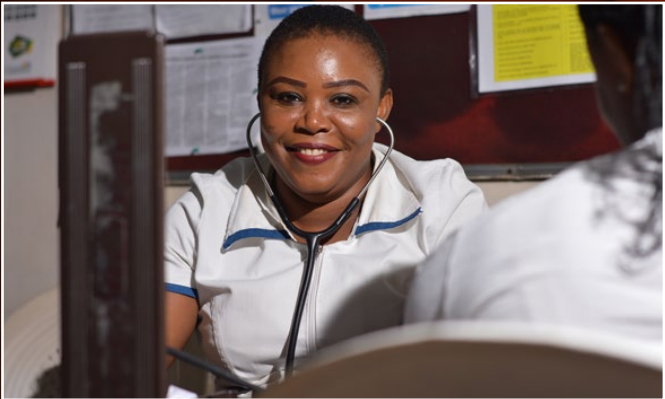


Apart from finance, GroFin also provided business support in reviewing the client’s business plan and financing structure, restructuring the financing plan for expansion and developing an emergency preparedness and response plan for the client.

Today, the clinic is equipped to offer 24/7 services, with a resident doctor, midwife, laboratory scientist, radiographer and an ambulance driver in case of emergencies, especially at night. Also, having identified a need for more specialised gynaecologist services in Rivers State, the expanded clinic offers advanced ultrasonography, a Labour, Delivery, Recovery and Postpartum (LDRP) ward, a standard modular theatre for obstetrics surgeries, a neonatal ICU with incubators and other ultramodern facilities.

Finally, the expanded healthcare facility not only provides Medicare for many families, groups, companies and organisations, but also serves as primary and secondary healthcare provider for most of the registered HMOs (Health Maintenance Organisations) and the NHIS (National Health Insurance scheme) providers in Port Harcourt.

Besides the enormous impact on the community by its provision of essential healthcare services, the clinic also offers immense employment potential. GroFin’s investment and support will help to maintain the pre-investment staff strength of 85, while adding 67 jobs. The company would thus engage a total of 151 employees, capable of supporting about 906 persons in the community.



BUSINESS SUPPORT

Supporting SGBs as Impact Vehicles



GROFIN STEP BUSINESS SUPPORT PROGRAMME: Providing SMEs with Tools for Sustainable Growth

The Aspire Funds have enhanced their business support offering with the introduction of the GroFin STEP Business Support Programme. With GroFin STEP (“Success Through Effective Partnerships”), our professional investment staff apply appropriate risk finance with pre- and post-investment business support to develop sustainable, high impact small and growing businesses (SGBs) within an efficient, scalable delivery model.

As a pioneering development finance institution, we recognise that a one-size-fits-all approach is not fitting to address the challenges faced by SGBs in different countries and markets. We therefore seek to customise our services to suit the needs of each individual client. Each entrepreneur starts benefitting from business support as soon as they become eligible to apply, regardless of whether GroFin ultimately decides to approve the financing solution or not. In 2017, close to 150 such enterprises in the Niger Delta have benefitted from the assistance of our Investment Managers in the form of expert guidance, handholding, business mentoring, coaching, and/or other value-adding services.

Our pool of experienced and highly-qualified investment staff have all been trained and certified by the US-based Association of Accredited Small Business Consultants (AASBC). On top of their expertise, our clients also have the option to benefit from our network of accredited international Technical Assistance service providers, such as PUM Netherlands Senior Experts, Medical Credit Fund, and VV Grow amongst others, with whom GroFin has established relationships to provide assistance of a specialised nature, if necessary.

This strategic blend of financial and value-adding business support allows the companies we invest in to grow and extend their reach. In 2017, 60+ enterprises have continued to benefit from our post-finance business support under the Aspire Funds in Niger Delta region.



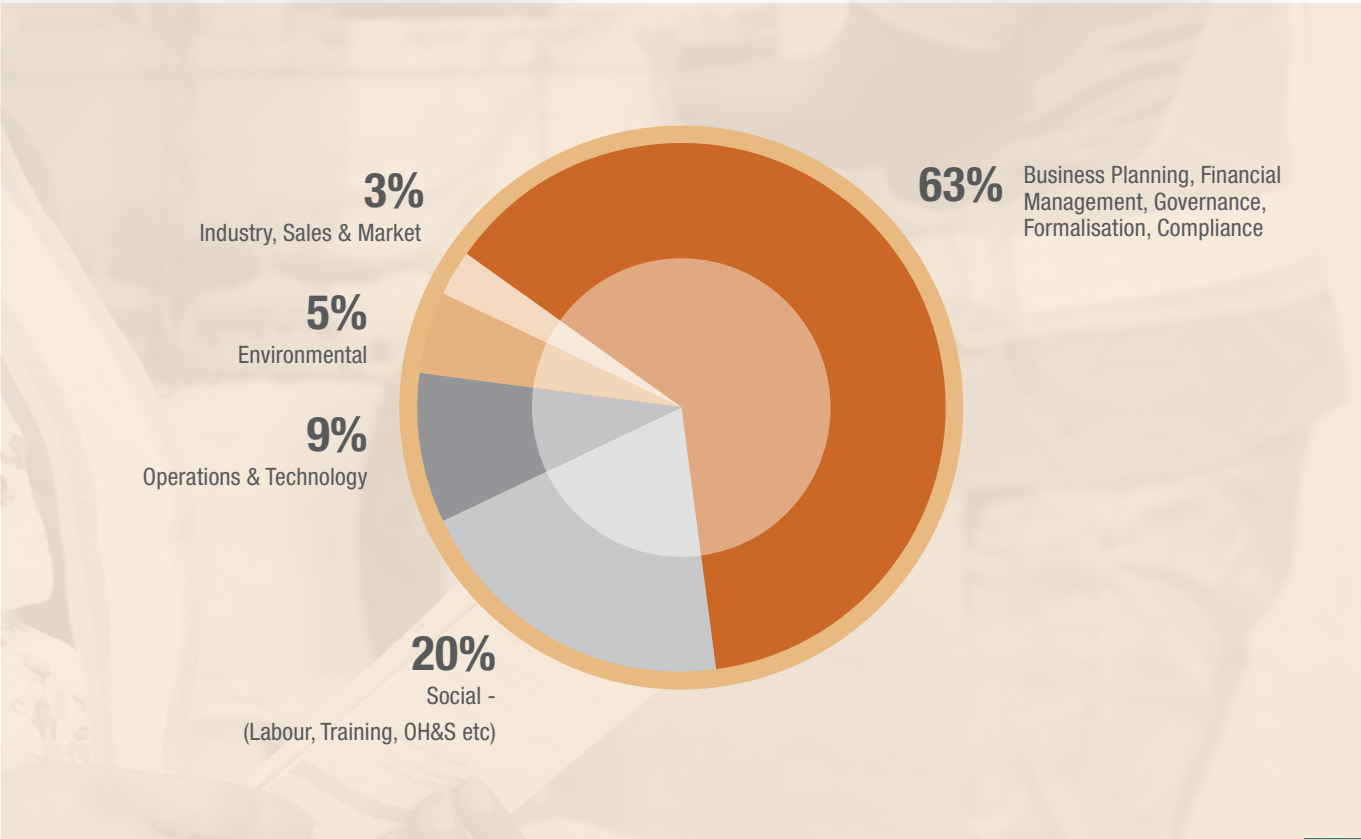
BENEFITS OF GROFIN STEP BUSINESS SUPPORT PROGRAMME: Positive Outcome and High Impact

GroFin STEP seeks to ensure our clients embark on the right path to adopt best practices, learn from previous lessons, de-risk their business, beat the growth cycle, and be ready to capitalise on business opportunities coming their way. As part of our integrated finance solution, we work with our clients to agree on a robust Business Support Action Plan containing several measures to address key risk and opportunity areas, which should then be implemented at post-finance stage.

Critical areas which we review using our in-house developed Viability Tool revolve around the following: Environmental, Social & Governance (which includes Strategic Planning, Cash Flow & Financial Management, and Business Structuring); Operations & Technology; Industry, Sales & Marketing; and aspects pertaining to the entrepreneur and his/her team.

So far, our clinical examination of investee enterprises has enabled us to propose over 150 robust Business Support Action Points (BSAPs), which have been, or are being, implemented by our Aspire clients at post-finance stage.

Breakdown of Business Support Action Points Agreed with GroFin’s Aspire Clients





WOMEN EMPOWERMENT

Human Rights Watch (2002, 2005b and 2007c) perceives Niger Delta women as the poorest of the poor. A UNDP (2006: 125) study also shows that out of the 30.4% of women who cited lack of money as a barrier to accessing healthcare in Nigeria, 47.1% were from the Niger Delta region.

The ecology of the Niger Delta region largely determines the economic activities of women and is substantially different from the other parts of the country. Coastal ridge barriers, mangrove and fresh water swamp and forests combine with the soil types, water, climate, plants, animals and the overall ecosystem to dictate the extent and type of women activities. Thus, women in the Niger Delta mangrove forests are found working mainly in fishing and gathering seafood whilst those in the mangrove and fresh water swamp systems are farmers.

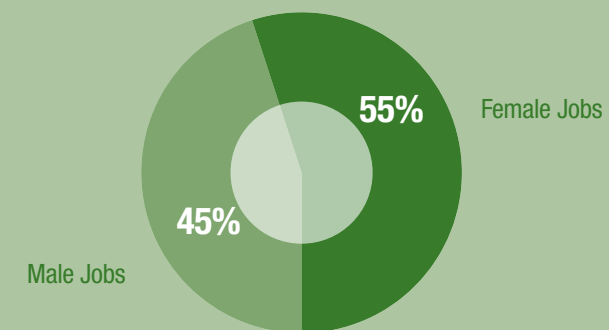
Encouraging women to move out of these traditional, land-use based occupations, whether through entrepreneurship or employment in formal sectors, is then an important aspect of women empowerment in the Niger Delta. Towards this end, the Aspire Small Business Fund contributes significantly to women empowerment in the region by prioritising women entrepreneurs

for its finance and support, with 56% of all approved investments being in women-led businesses as at 31st December 2017.

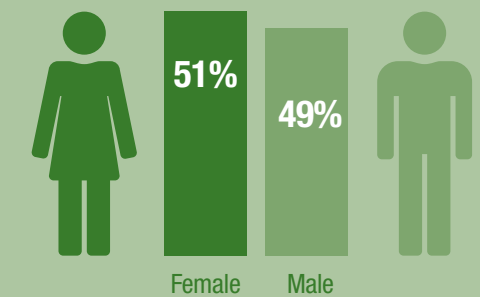
Women-owned enterprises tend to be smaller than those led by male entrepreneurs and are concentrated in the services sector, such as in healthcare, education, and personal or retail services, especially in the sub-sectors of apparel manufacturing, health and personal care stores, miscellaneous store retailers, internet retailers that require little capital for start-up and operation, and specialised design services. Keeping this in mind, the Fund supports multiple businesses dealing in healthcare, food processing, catering, restaurants, brick-making, dressmaking, mobile phone shops, plumbing, furniture making, crèches, hair salons or barbershops, automotive repair garages and retail businesses, among others.

Moreover, in 2017, the ASBF achieved a significant milestone in terms of improving capacity building among its women entrepreneurs by enrolling several clients in a global business mentoring programme and providing them access to the experience and knowledge of mentors from enterprising nations such as India, UK, Switzerland, US and Canada.

JOBS SUSTAINED BY GENDER



COMPOSITION OF ENTREPRENEURS BY GENDER AS AT 31 DECEMBER 2017

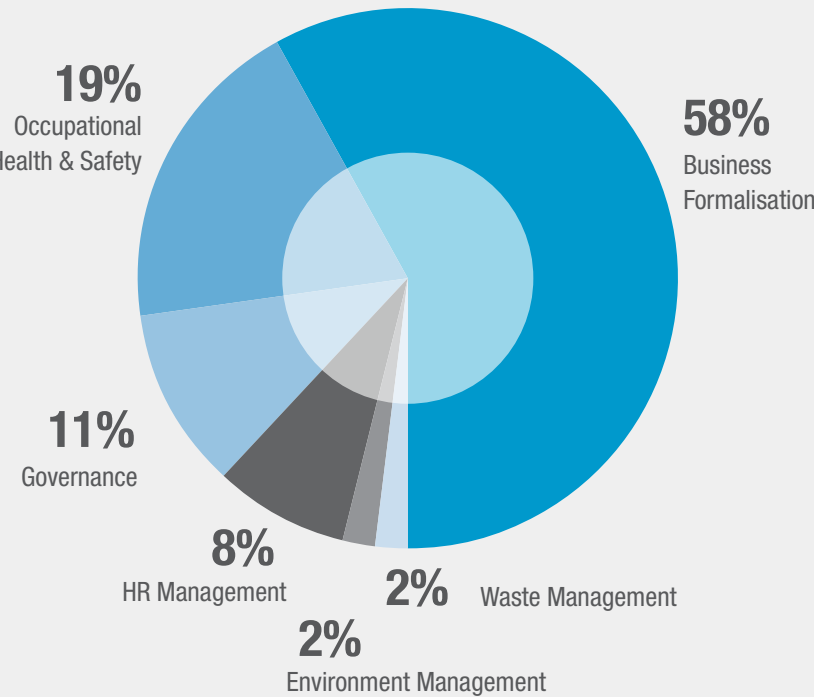


GroFin’s Environmental, Social and Governance (ESG) investment integration strategy, ensures that all our investees adhere to ESG practices that are integrated in their operations, mitigate any environmental risks, occupational health and safety hazards, and ensure compliance with local legislation and operational requirements.

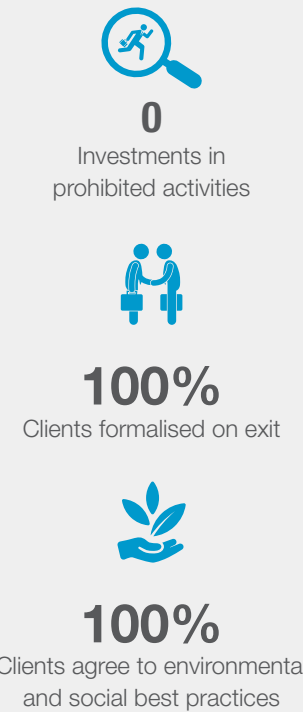
All GroFin investees are screened as per GroFin’s proprietary ESG risk and screening methodology to identify and address any ESG risks at the level of our clients. GroFin’s ESG Integration Strategy aligns with best practices in the industry and is guided by:

- The World Bank’s Group Environmental, Health and Safety Guidelines (‘EHS Guidelines’)
- CDC’s Third ESG Toolkit for Fund Managers (released in June 2015)
- The International Finance Corporation’s (IFC) Performance Standards on Environmental and Social Sustainability (2012)

As at end of 2017, GroFin’s business support directed to address ESG risks for the Aspire investees had been directed towards the following



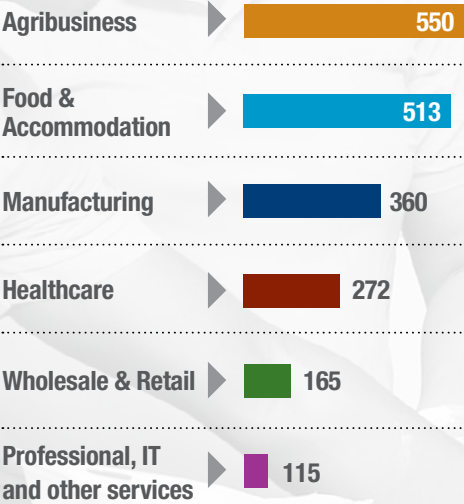
ESG Performance as at end of 2017:



TARGETING EMPLOYMENT



As at end of 2017, the Aspire Funds have maintained their target in terms of investment in high impact sectors (Agribusiness, Manufacturing and Healthcare) having received particular focus. As a result of our investment and tailored business support, we have helped sustain 1,975 total jobs.



HOW ASPIRE MEASURES IMPACT



The impact numbers in this report are based on a review of GroFin's internally managed database of clients for the Aspire Funds as at end of December 2017.

Primary impact (direct jobs sustained, direct female jobs sustained, % semi-skilled/ unskilled employment, number of learners served, number of patients served, number of customers served etc) is captured at the level of our clients at investment, quarterly and annually. Impact data is collected using proprietary templates and tools during mandatory quarterly client site visits carried out by the GroFin Investment staff. The impact data is then uploaded on GroFin's ERP system, eFront, which is managed centrally. Each quarter the GroFin Impact Team carries out data accuracy and completeness checks to ensure that up-to-date and quality impact data is being captured.

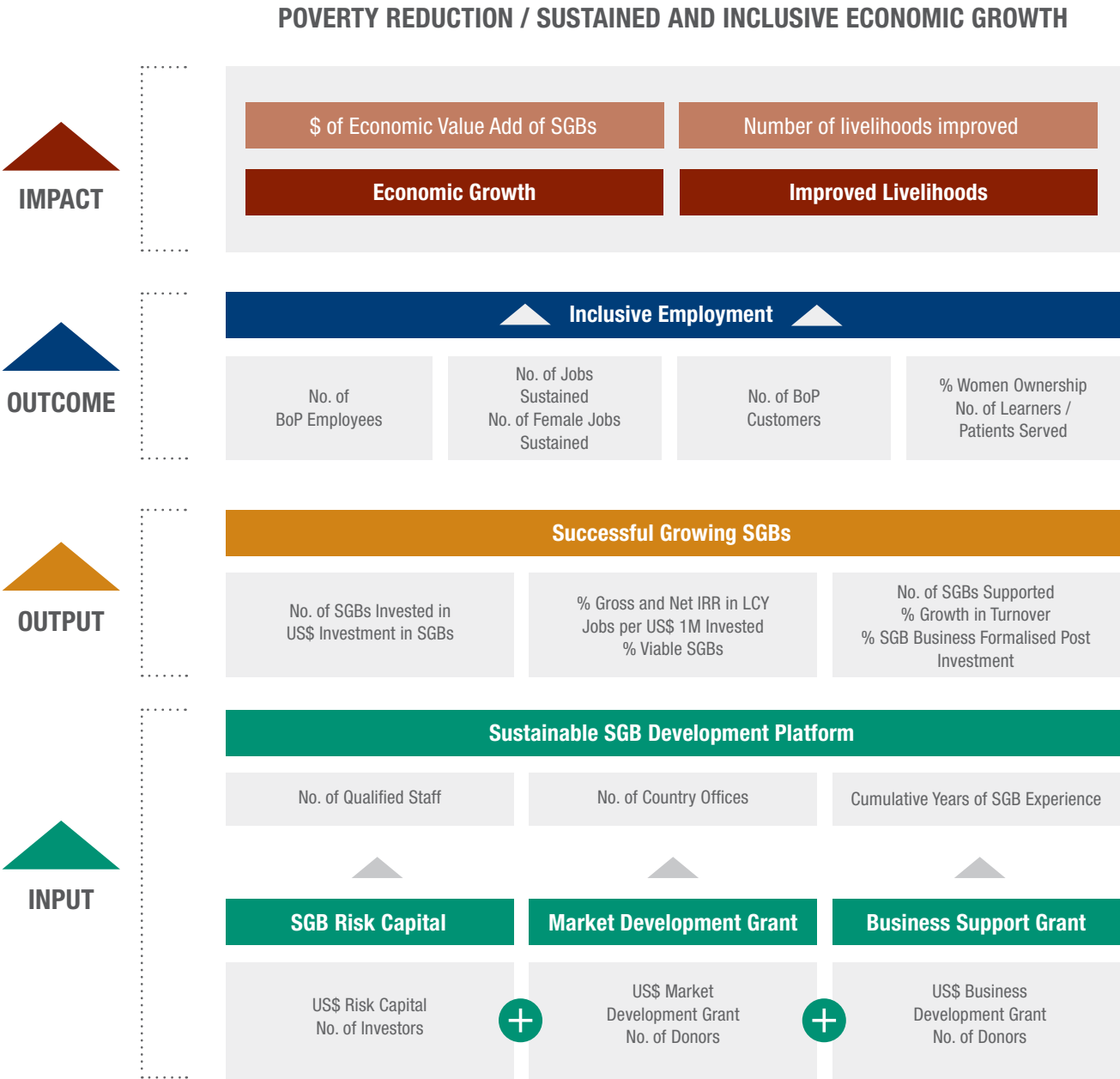
The socio-economic impact (indirect jobs sustained and livelihoods) is based on our analysis and derived using the model developed in 2016 by independent consultancy Steward Redqueen (<http://www.stewardredqueen.com>) based on GroFin client data as at end of 2015. Primary impact at

the level of the Aspire clients itself are known as direct effects. Economic spill over effects of our clients on the broader economy are calculated as indirect effects. These direct and indirect effects are measured along two development impact indicators: economic value added (sum of salaries, taxes and profits) and livelihoods supported.

GroFin recognises that the observed and estimated impact (e.g. direct jobs created, total jobs sustained, total economic value added) cannot always be entirely attributed to its interventions (i.e. providing access to appropriate finance, and delivering business support to SMEs). While GroFin is able to quantify, to some degree of accuracy, the effects (outcome and impact) of its interventions (inputs), we understand that there are other factors (other client funders, client activity, market activity etc.) that also contribute to the impact that GroFin estimates and reports on. Since GroFin plays such a crucial role in facilitating client sustainable growth, we report on 100% of the impact. However, GroFin does not claim full credit for these impacts and uses the words "contribute/s to", "sustained" and "livelihoods supported" etc. wherever possible to best describe the impact of its interventions.

Note: The indirect impact of GroFin's investments in terms of indirect jobs sustained and livelihoods supported are estimated using multipliers derived from the impact model developed for GroFin by Steward Redqueen in 2016, using GroFin's 2015 portfolio impact and other macro-economic data. Although these multipliers may be subject to change in time, depending on client business performance and the macro-economic environment, the overall principle and methodology of the model are expected to remain the same. GroFin may from time to time re-actualise these multipliers to better reflect the indirect effects of its portfolio with the support of Steward Redqueen.

ASPIRE IMPACT DEVELOPMENT FRAMEWORK





Charles Chikezie
Senior Investment
Manager



Gwen Abiola-Oloke
Regional Investment
Director
(Western Africa)



Friday Essienekak
Investment Executive



Ezinne Okorie
Credit
Administration
Manager



David Wakama
Investment
Manager



Bridget Aniето
Office Coordinator



Godwill Michael
Team Driver



Jolomi Arenyeka
Investment
Manager

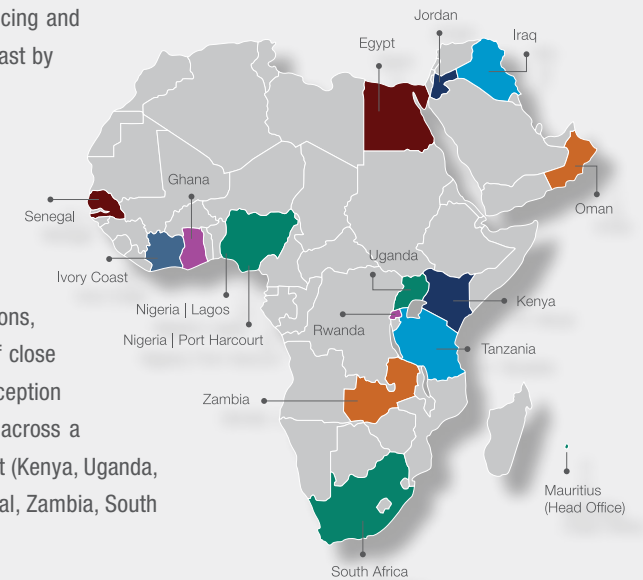
THE ASPIRE TEAM

ABOUT GROFIN

We are a pioneering private development finance institution specialised in financing and supporting small and growing businesses (SGBs) across Africa and the Middle East by combining medium term loan capital and value-added Business Support.

By generating employment, strengthening value chains and building markets, our investments bring about inclusive economic growth and improved living conditions in the low and middle-income countries where we operate.

As a trusted partner with more than 30 international development finance institutions, development organisations and other private funders, we have raised funding of close to US\$ 500M that we manage through ten funds and programmes. Since our inception in 2004, we have invested in over 675 SMEs and sustained over 86,190 jobs across a wide spectrum of business activities within 14 countries in Africa and Middle East (Kenya, Uganda, Rwanda, Tanzania, Nigeria – Lagos and Port Harcourt, Ghana, Ivory Coast, Senegal, Zambia, South Africa, Egypt, Jordan, Oman and Iraq) with our headquarters in Mauritius.



Co-Founder

Shell Foundation |



US\$ 472M
Raised Capital & Grants
Towards Funds



32
Investors/Funders



675
SGBs Invested In



86,191
Total Jobs Sustained



26,273^Δ
Direct Jobs Sustained



430,955^Δ
Total Family Members
Supported by
Investees p.a

All figures as at 31st December 2017

^Δ Within the scope of the Independent Limited Assurance provided on select GroFin figures as at 31st December 2017 by PricewaterhouseCoopers (PwC) UK.

Contact us

GroFin Port Harcourt

Telephone: + 234 705 295 1455
+ 234 806 554 9089

Email: portharcourt@grofin.com

Address: 77b Woji Road, G.R.A. Phase 2, Port Harcourt, Rivers State, Nigeria

GroFin Head Office

Telephone: +230 452 9156

Email: media@grofin.com

Address: 9, Medine Business Park, Bambous, 90203, Mauritius



Follow us:

