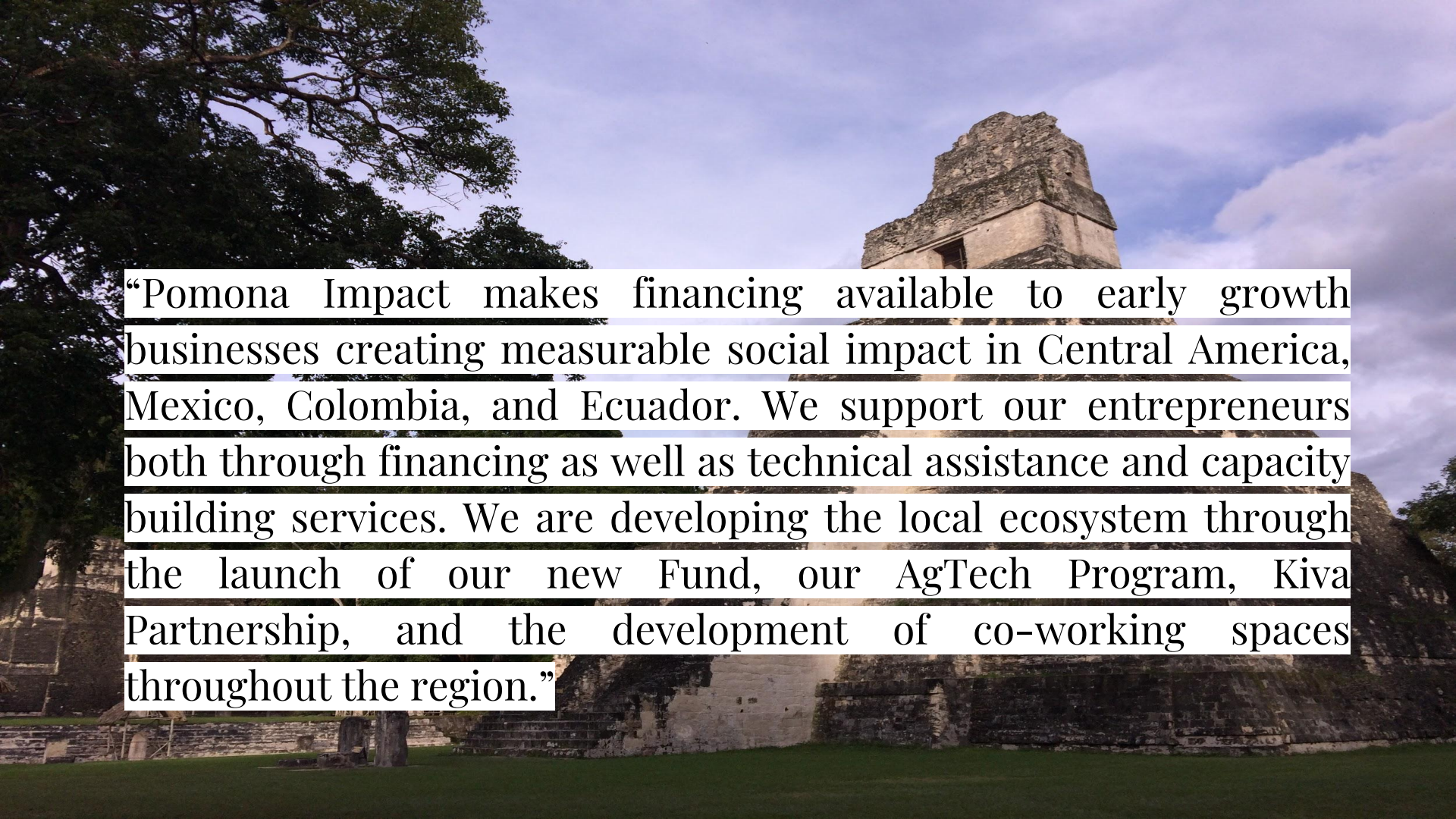




ANNUAL IMPACT REPORT
2017

The background of the image shows a large, ancient stone pyramid, likely Mayan or Aztec, with a smaller structure on top. To the left, a large, leafy tree is partially visible. The sky is blue with some white clouds. The text is overlaid on a white rectangular background.

“Pomona Impact makes financing available to early growth businesses creating measurable social impact in Central America, Mexico, Colombia, and Ecuador. We support our entrepreneurs both through financing as well as technical assistance and capacity building services. We are developing the local ecosystem through the launch of our new Fund, our AgTech Program, Kiva Partnership, and the development of co-working spaces throughout the region.”

Letter From Managing Partner: Rich Ambrose



Another terrific year has flown by and I love the exercise of taking inventory of the year to assess our achievements and lessons learned with the goal of doing it bigger and better in 2018. A few quick highlights that stand out from last year's work include continuing to work on tackling the 'missing middle' by investing in several more high-impact businesses including Ecofiltro, Organic Gum, Energryn as well as Wow Projects, Grønn, and B'enam & Co through our Kiva line of credit.

Additionally, our AgTech Accelerator Program continues to gain greater regional recognition among entrepreneurs, academia, and public and private sector partners. We are honored and grateful to the Argidius Foundation and Overbrook Foundation for providing multi-year grant funding that now positions us to scale up our AgTech activities via more acceleration, incubation and bootcamp programs across Central America.

In light of all the positive developments of the year, the challenge will be around how to expand and grow our impact. With regards to improving access to finance, Pomona will be launching it's new \$30mm Fund II to invest in Central American early-growth companies in agriculture and basic services with a targeted first close in June of 2018. The Fund II aims to invest in companies that will create 15,000 jobs and improve the lives of 500,000 within the next five years. We are also seeking to increase our Kiva line of credit to ensure that we can continue to support the high-potential enterprises that we encounter that are simply too early or small to qualify for a direct investment from Pomona.



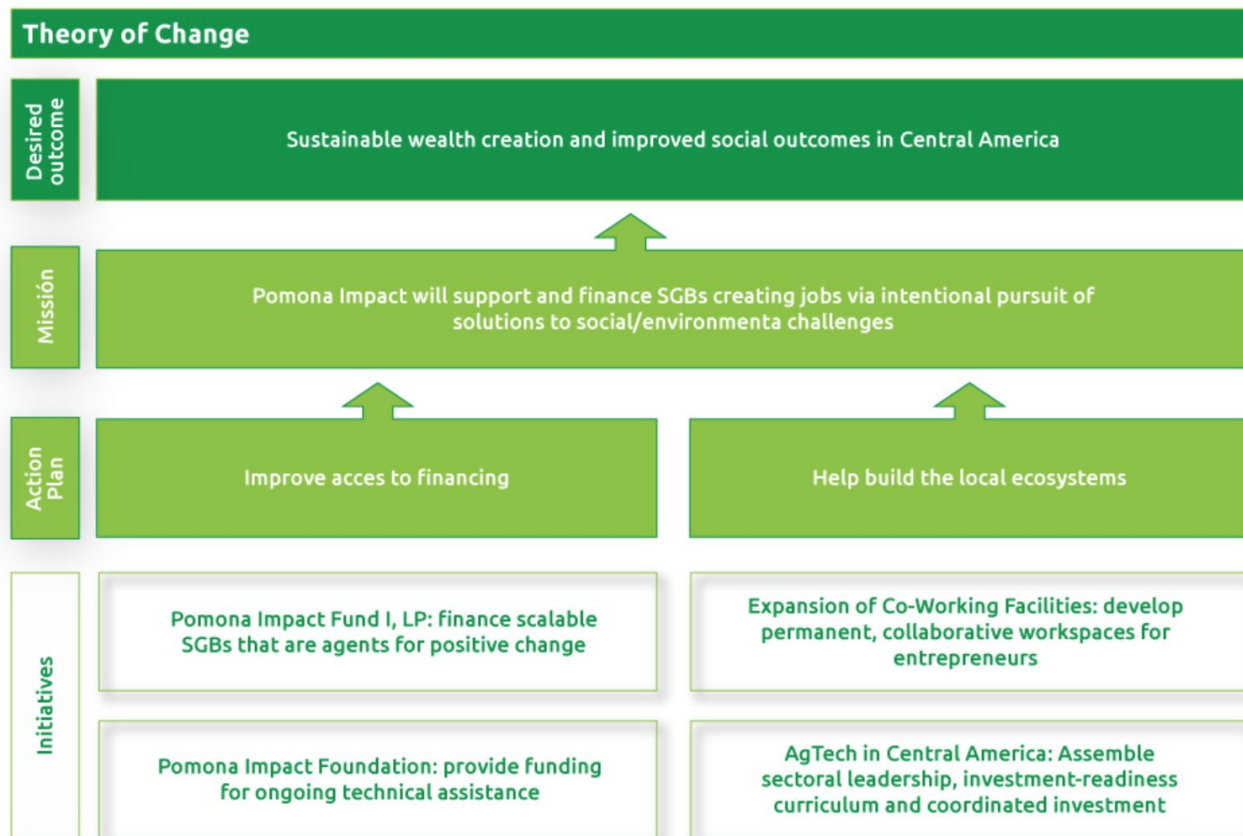
The AgTech team will work with 24 entrepreneurs to prepare them to engage investors during its two accelerator programs with the goal of unlocking over \$1mm of investment capital (for those graduates), support 5 entrepreneurs under its new 6 month incubation program, and run at least 2 more Bootcamps at local agricultural universities to encourage entrepreneurial thinking among its students. In order to deliver on all of these goals, the AgTech is growing its team and investing in technical resources to expand the team's bandwidth.

There are a lot of pieces in motion but the response from entrepreneurs, partners and stakeholders all seem to communicate that we are chipping away at building something important, with meaningful impact. So we remain energized and eager to dive into the year to come. Don't hesitate to reach out if you see the opportunity to work together on creating a more inclusive and sustainable future in Central America.

Sincerely,

Rich Ambrose

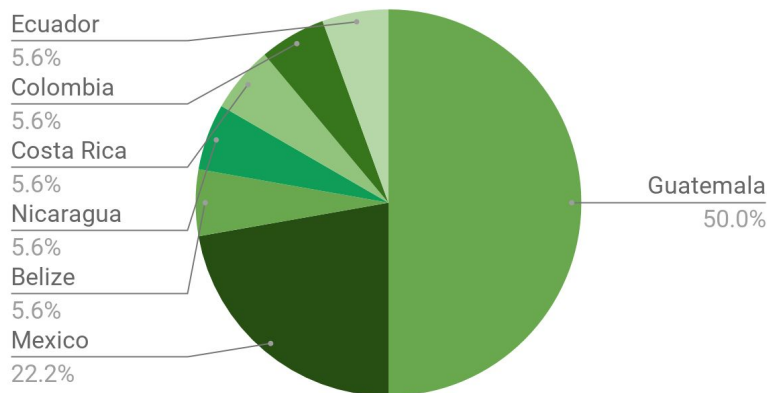
Our Theory Of Change



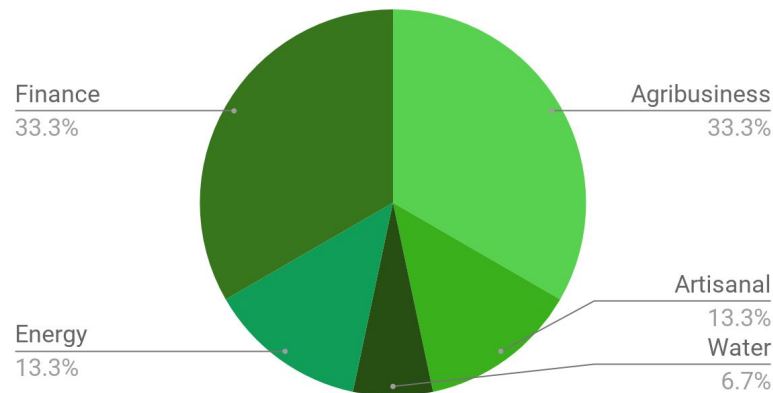
Pomona Impact: Introduction

2017 was an exciting year for us at Pomona Impact. We have been growing our team with the hiring of a new Investment Officer, Ann-Christin Kortenbrede, as well as a Partner, Daniel Granada for our new Fund, the Pomona Impact Fund II. We also invested in three new companies: Organic Gum LLC (Wild Gum)(Guatemala), Energryn (Mexico), Ecofiltro (Guatemala) and made a follow-on investment in ePesos (Mexico). To date, Pomona Impact has committed **\$1.86mm in 20 companies** in a wide range of sectors and countries in Central America, Mexico, Colombia, and Ecuador. We provide financing to entrepreneurs who fall into the “missing middle” gap of financing and who also are looking to scale their businesses and create a measurable social and or environmental impact. Since our founding in 2011, our portfolio companies have created **1,633 jobs and benefitted 81,645 people***.

Investments by Geography



Investments by Sector



*All data is based on reported numbers from our portfolio companies. Not all of our portfolio companies could report their data in time for this report. Some graphs only report investments made within the target region. We have also made follow-on investments in some of our companies and that were not counted in the graphs.

Pomona Impact: Impact Created This Year: 2017*

*All data is based on reported numbers from our portfolio companies. Not all of our portfolio companies could report their data in time for this report. Some graphs only report investments made within the target region.



166 Jobs Created



51,259 Lives Touched



\$2,292,524 in New
Investment Capital



9,890 Lives Touched:
Low Income

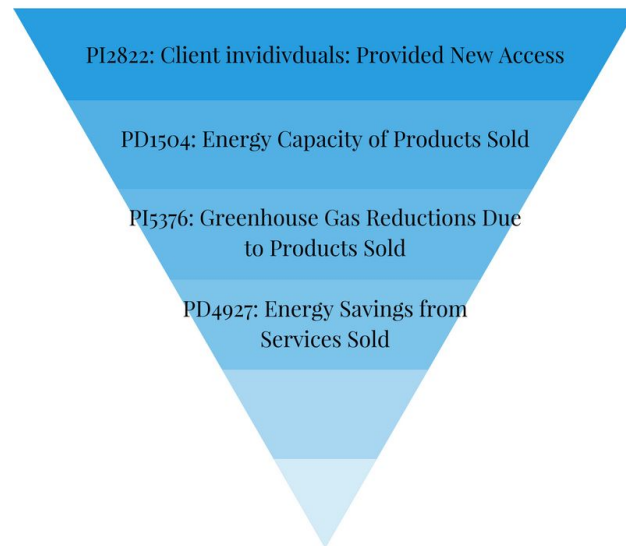
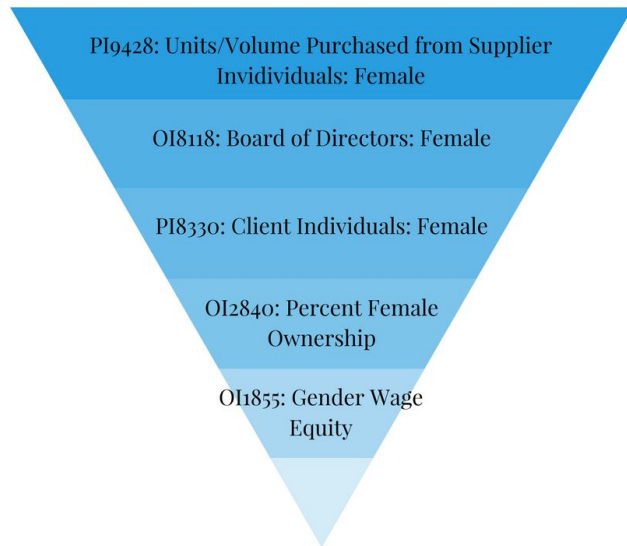


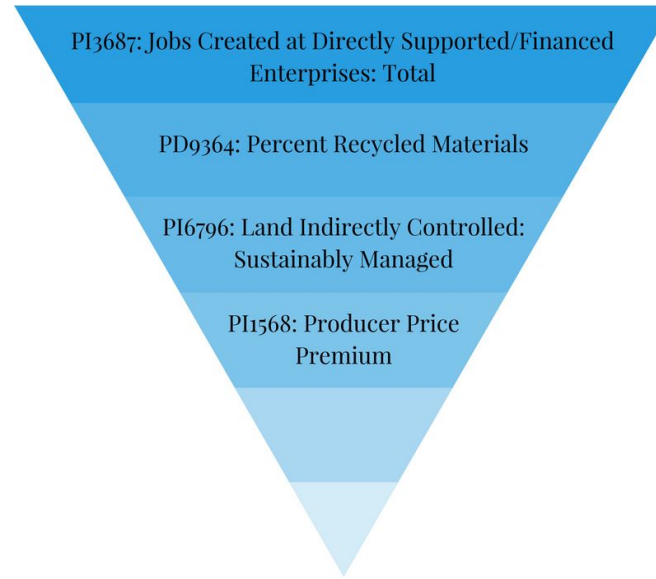
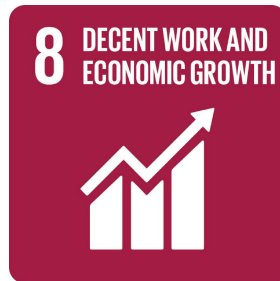
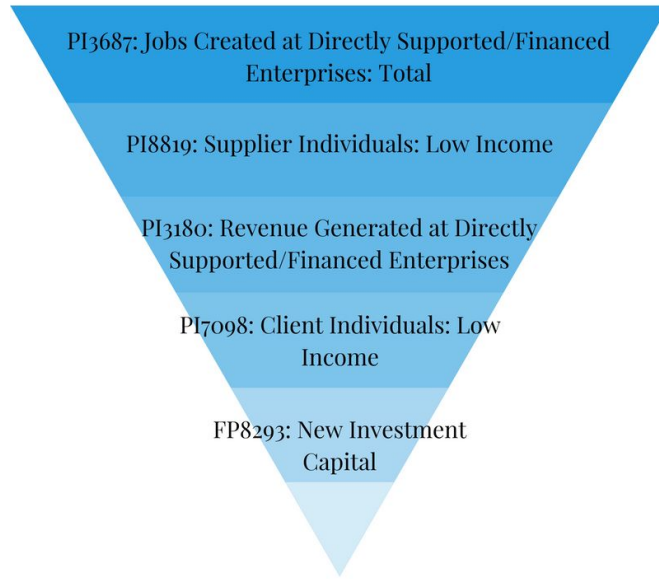
\$2,677,050 Revenue
Generated



1,400 Provided New Access to
Goods & Services

UN Sustainable Development Goals and IRIS Metrics





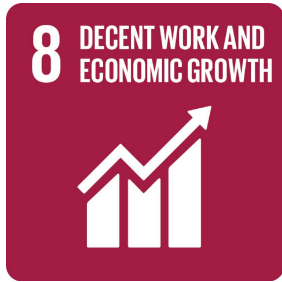
Supporting the United Nations Sustainable Development Goals



Goal 5: Achieve gender equality and empower all women and girls. At Pomona Impact, we strive to identify women leaders and entrepreneurs who go the extra mile to ensure that women and girls are given equal access to products and services throughout Central America, Mexico, Colombia, and Ecuador. Many of our portfolio companies (both current and exited), including Runa and Wakami, focus on providing training, support and leadership opportunities to their female employees, while Founders, like Emily Stone of Uncommon Cacao, are women industry-leaders who are blazing the trail in creating better transparency in agriculture supply chains.



Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all. Through our investments, we look for innovative companies that are opening up access to renewable and affordable energy to those who need it most. Energryn, a company based in Mexico that sells home solar powered water heaters, is a leading example of this model. Energryn allows families to have access to clean, renewable power to heat water, providing access to something that is seen as a luxury but should be considered a basic need. Hot water helps families, especially children, sanitize home products and helps keep children from getting sick when bathing in the colder winter months.



Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all. One of our main cross-portfolio indicators that we use to assess all potential companies is their ability to create quality jobs for people in the region. This could be in terms of volume of jobs created linked with salary and advancement opportunities, and/or additional training and benefits provided to employees. Crucial to the sustainable growth of the region is the ability to create jobs that keep people in the region, reducing the need for people to migrate to other areas to pursue employment. Wakami, one of our first companies that we invested in, not only provides training and advancement opportunities to their women employees but also the ability to get discounts on products to improve their home like solar panel, eco stoves, and water filters.



Goal 12: Ensure sustainable consumption and production patterns. Many of our portfolio companies work to ensure that their products and/or their producers have access to getting certifications. This not only helps add value to the final product and the return that goes to the producers and their families, but it also ensures more sustainable methods of production and/or harvesting. Organic Gum, LLC (Wild Gum) works with gum producers in the Petén region of Guatemala to get their raw gum to be certified organic, making these producers some of the only certified producers in the world. Runa, a fair trade natural energy drink in Ecuador, also makes sure their producers get certified organic and fair trade as well as get training on sustainable farming practices where they live and work in the Amazon rainforest.

Portfolio Company Highlight: Organic Gum, LLC



Organic Gum LLC (WILD Gum brand) is based out of California and operates in the Petén region of Guatemala. Organic Gum works with smallholder *chicle* farmers that harvest the raw base material used to make the only 100% biodegradable and certified organic gum in the world. Pomona Impact invested in Organic Gum in May of 2017:

"This investment will generate compelling financial returns and measurable long-term impact by strengthening the chicle value chain in Guatemala and leveraging stellar distribution channels throughout the USA." - Rich Ambrose, Managing Partner and Co-Founder of Pomona Impact.

Organic Gum is helping to create sustainable jobs in a region that has struggled with migration to other areas, mostly to the U.S. Additionally, it seeks to preserve a way of life and tradition that has been threatened by shifting global markets and to increase demand for natural gum base versus relying on petroleum-based gum base.

"We are extremely excited to begin a partnership with Pomona Impact and look forward to a very rewarding long-term relationship. Pomona...will have significant positive impact on our Board of Directors and on our ability to grow the business and to continue to support economic development in Central America." - Chip Budde, Co-Founder of Organic Gum, LLC.



Portfolio Company Highlight: Energryn



Energryn, a company based out of Mexico, manufactures and sells home solar water heating systems under their brand Solesyto. Energryn is focused on creating access to solar-heated hot water for families whose only current option is to heat water using wood or gas stoves. Pomona invested in Energryn in December of 2017:

"Energryn has created an innovative and easy-to-install solution at a competitive price for a problem that affects most Central American homes. The Solesyto water heater is ideal for families who want to have affordable and environmentally-friendly hot water in their homes. This is exactly the kind of solution Pomona is working to scale throughout the region." - Daniel Granada, Partner at Pomona Impact.

Access to hot water helps in sanitizing household goods such as dishware as well as helping to prevent children from getting certain illnesses during the cold, winter months. Having a renewable source of energy also helps to diminish the use of gas and wood stoves, helping improve environmental sustainability and health indicators of households.

"The experience with Pomona during the investment process was very efficient and productive, establishing fluid and reliable communication. We believe that Pomona will be a strategic ally for Energryn in Central America, both to access those countries and to help market our products and technology through their network and investee companies." - Andrés Muñoz, Founder of Energryn

Portfolio Company Highlight: Ecofiltro



Ecofiltro is a Guatemalan-based enterprise that manufactures and sells home water filtration systems using a cross-subsidization model across Guatemala and the region. Ecofiltro creates high-end filter models to sell in urban areas at a higher price point to help subsidize part of the cost of simpler models sold in rural areas. Pomona invested in Ecofiltro in November of 2017:

"No member of government or business has done more to provide access to clean water for the rural populations in Guatemala than Philip Wilson. And the growth prospects for Ecofiltro in new markets remains very exciting." – Rich Ambrose, Managing Partner and Co-Founder of Pomona Impact



One of the major causes of death among children in developing countries comes from polluted drinking water. The Ecofiltro filter has the ability to eliminate 99.9% of all waterborne pathogens that cause a majority of illnesses due to its unique mixture of sawdust, clay, and silver colloidal.

"So happy to have partnered up with Pomona for financing our factory expansion at a critical juncture in our growth planning which will allow us to serve Mexico and the rest of Central America with more Ecofiltros!" – Philip Wilson, CEO of Ecofiltro

Pomona Impact: AgTech Program Highlights (2017)



This year was an important year for us, as we were able to reach some significant benchmarks, both in launching programs and obtaining funding support in order to keep working on our programmatic goals.

During this year we were able to create the following in terms of impact::

- Support more than **40 entrepreneurs**
- Organize **2 Accelerator programs**
- Organize **2 Bootcamps**
- Form a **network of more than 50 mentors**
- Organize a **Venture Day** with **more than 75 influential sector leaders** in attendance
-

Thanks to the work we have been doing and the goals we have accomplished, we received financial support from the the **Argidius Foundation**, **Overbrook Foundation**, and the **SG Foundation**. Their support will help us create long-term strategy and planning goals and help us increase the impact in innovations in agriculture in the region, as well as support entrepreneurs in the sector to grow and obtain more investment.

The year 2018 already has begun with some big goals and projects:

- A new partnership with **Texas A&M** and the **Borlaug Institute** for a new program working on a project involving the production coffee seedlings in El Salvador.
- Organizing 1 mixed Accelerator for NGOs working in environmental conservation and AgTech entrepreneurs
- Organizing 1 Accelerator for AgTech entrepreneurs
- Forming new alliances with regional Universities to develop 2 new Bootcamps



Pomona Impact: Kiva Partnership

As part of our ecosystem building activities, we have partnered with Kiva as a local fund to source small investment deals to support early stage companies in Guatemala (and in the future in Central America). Loans are typically in the \$15,000 - \$20,000 range and are placed on the Kiva site to be funded. These loans help create social impact throughout Guatemala and get social entrepreneurs started with the purchase of equipment or other expansion activities.

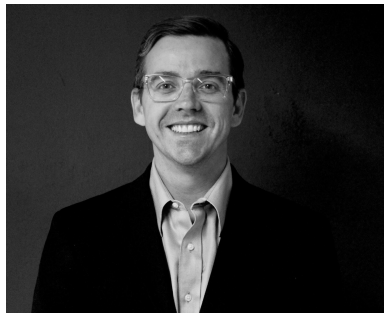


Grønn: Grønn is a Guatemalan based company that produces upcycled glass products for home use. Their main focus at the moment is developing glass cups and home decor from used bottles that are collected in restaurants, hotels, businesses and more. They also work with a local NGO to help provide jobs to women who live in the most at-risk regions of Guatemala City. Grønn received \$15,000 from the Pomona - Kiva partnership.



B'enam & Co: B'enam & Co is a Guatemalan social enterprise founded in 2015 that designs and produces handmade reusable bags. B'enam means "travel" in the local Mayan dialect of Kakchiquel. B'enam will use their loan to increase the production of their reusable bags, which are made with cotton and thus reduce the use of plastic. This loan will allow them to purchase two industrial sewing machines that will increase production and ensure work and the payment of a fair wage for their artisans in western Guatemala (400% more than they used to earn) who make the fabric on standing looms. B'enam & Co received \$14,300 through the Pomona - Kiva partnership.

Pomona Impact: Current Team Profiles



Rich Ambrose: Managing Partner, Pomona Impact Fund. Rich is co-founder of Pomona Impact and is passionate about spurring on positive change across Central America through impact investing. He also co-founded Impact Hub Antigua and Chamba, two innovative co-working spaces in Guatemala that serve as nerve-centers for entrepreneurship, and is on the Board of Directors of Enactus Guatemala and ANDE's Steering Committee for Mexico and Central America. Rich has over 15 years of experience in private equity and structured finance at EMP Global, Latin American Partners, OPIC and Pomona. He holds a BA from Furman University and an MBA from Georgetown University.



Daniel Granada: Partner, Pomona Impact Fund. Daniel has over 10 years of experience helping entrepreneurs raise capital for growth and impact in Latin America. Before joining Pomona, he structured investments at the Inter-American Development Bank Group, focusing on scalable business opportunities aimed at the base of the economic pyramid in Central America. He holds a BA in Political Science from Florida International University, a Masters degree in Public Management from SDA Bocconi and an MBA from INCAE Business School.



Julio Martínez: Director of Acceleration: AgTech Program. Julio was born and raised in Guatemala, where he has helped manage his family's company, Ganorsa. During his time as operations manager, he was in direct contact with rural areas of Guatemala and other Central American countries. He is a member of the Enactus Guatemala Board of Directors and is a teacher at Universidad del Valle de Guatemala. Julio has a BA in Industrial Engineering from Universidad del Valle de Guatemala and an MBA from Unis Business School in Guatemala.



Sarah Sterling: Director of Impact: Pomona Impact Foundation. Sarah has over 5 years of work experience in Central America, including serving as a Peace Corps volunteer in El Salvador where she focused on rural education and small business development. She previously worked for the Center for Social Impact Learning at the Middlebury Institute for International Studies at Monterey, and brings her skills in project development and management, logistics, fundraising, and outreach to the team. She has a BS in International Development and Latin American Politics from the University of Vermont and a MPA from the Middlebury Institute of International Studies at Monterey.



Ann Kortenbrede: Investment Officer, Pomona Impact Fund. Ann joined the Pomona team as an investment officer after working for the investment banking of Deutsche Bank in Frankfurt. She focused on M&A and Equity Capital Market transactions. Furthermore, she worked for multiple structured finance divisions of DZ Bank. These included the Asset Backed Security team in New York City and the Leveraged Finance team in Frankfurt. She is holding a Master of Science degree in Economics from the University of Münster (Germany). Additionally, she completed studies abroad at the Université des Sciences et Technologies de Lille (France) and at the State University of New York (United States).