

## **To our Employees, Investors, and Ecosystem Members:**

**HAPPY NEW YEAR AND THANK YOU:** It is our ritual, err...tradition, to write a letter to all staff, investors and stakeholders of Venture Garden Group (VGG), during this period - usually at the end of each year or the beginning of the following year. This tradition has been going strong for about 7 years, with approximately 8+ letters now and the year 2018/2019 would not be any different. To all our team members that work hard every day to make VGG what it is today; to the parents, spouses, children and families of our team members – who support our Spartans to work even nights and weekends; to our board members that back us with their mentorship and guidance; to our private equity investor partners that entrust us with their LP's cash; to our founding investors that took a chance when we had nothing; to our customers who trust us with improving their operations through our data-to-cash products – The VGG Partners would like to thank you all! We couldn't be here without you!! We wish you, a great year in 2019; the fulfilment of all the amazing yearnings for your life, and realization of your heart desires.

I also like to thank my Partners, Kunmi Demuren and Demola Idowu, for always being there. And for the union we share, guided by our Principles; bound together by an uncommon passion and aspiration to build something great that will outlast us; and to do it with young people, that we can teach, learn from, and grow together to become the leaders that Africa so badly needs. The continuous alignment of our pursuits and dreams, is what will enable us to deliver our mandate. And we hope that we'll have the opportunity to invite more people into the Partnership very soon.

**THE DELAY, REST & DISTRACTIONS OF THE WORLD:** The letter this year is coming much later than usual because I actually completely shut off for 10 days and tried to blank my mind, reflect, and spend time with family. Difficult!! I must tell you. In this hyperconnected world of today, I feel like we are all losing our minds and souls faster than we know. You know the analogy of the boiling frog? Let that not be us. It is difficult to blank out and take a deep breath, to reflect and ponder in quietness. It is getting worse every year – distractions from Instagram - the 'gram', Snapchat messages, Facebook messages from high school alumni groups, Twitter messages from even American President Trump, or the latest accusation from your bored Uncle, that you have been online and his WhatsApp message shows 'read' and yet you haven't responded in two hours! We are living in a world full of too many distractions, and we are losing our minds, slowly. It is thus important, to find new ways to meditate, reflect, and rebuild, periodically. To pause and hit reset, so we can re-discover our soul, and not lose our identity or the original purpose and conviction, for which we are alive. That is exactly what I did. It was worth it. I feel refreshed, and I have clarity of purpose. I can see 2050 very clearly. And I hope to share it with you as this year rolls by.

**OFFICE SHUTDOWN FOR REST:** I wanted everyone on the team at VGG to also get the chance to slow down, reflect, and recalibrate for the new year. I encouraged the team to shut down the office between Christmas and New Year and to give people extra time off work, as it has been a very busy year, and a pivotal one indeed. But 2019 is of more importance and consequence. I tried to resist the itch to call people, ask for yet another document or report.

Outside chasing a couple of important outstanding receivables, thanks Gab and Adeola and their teams (for chasing cash during the holidays) – I believe we did quite well to give folks space to rest. More rest than we have given, in the history of the company during the holidays, I believe. In fact, towards early-November, we were already deeply in 2019 tactical planning mode – we already knew where we would end up financially for the year 2018; and we were ready to begin the design of 2019; a feat we had never achieved in the history of the company – we usually are scrambling to finish the year strong and find the last naira to hit our goals, till some days before Christmas. 2018 was a bit different. The planning culture is getting deep-rooted, slowly...but surely.

**FOUNDATION RE-BUILT, LETS GO, LET'S GROW:** 2018 was an important year. We turned a corner; an important one. It was a landmark year, I believe; one which would have an important marker placed on it – when we look back to the foundational years many years from now. The team worked extremely hard, and the results are starting to show, as we pulled away strongly, from a negative EBITDA oriented company, into a sustained positive EBITDA company. And not just one-off, but, into a world of consistent EBITDA growth (modus operandi) – baked into the operational ethos moving forward. I will explain more. It is the year that we flagged off the completion of the famous 'rebuilding of the foundation for a skyscraper' rhetoric that started in January 2016. Many of my past letters re-emphasized this. A phrase rooted in the fact that the foundation for a four-storey building is very different from that of a 104-storey building. Rebuilding the foundation reflects the imperative to go back to the foundation of the company – and prioritize the work around processes, tools, people, culture, and a data driven ethos over revenue growth and profit – in order to have a more sustainable company. A company that can stand the test of time and accommodate exponential growth and the proverbial hockey stick 'J curve' that every startup dreams of. We are there! I believe the foundation is now deeper, stronger and solid - for us to pursue growth and sales, aggressively without being worried about a crumbling base. 2019 marks a new era in our journey to build the Venture Garden Group of our dreams – a company built by purely Africans to solve African problems: transforming Africa through Technology. A company built as an African 'model institution' and an enduring organization of excellence. A company that will produce the next 1,000 Africa leaders. A company that will have significant impact on "the NEXT Billion people".

**REDISCOVER YOUR SOUL, WHY AM I HERE?** Disconnecting from the daze of interruptions and disruptions, to rediscover our soul, requires asking ourselves a very critical question. Why am I here? Why am I alive? What was the original intent of getting together to give a significant part of my life to this one 'thing', 'team', 'company' or 'mission'? During our last Culture transformation retreat with my senior management team – I posed the question to everyone. And one could see the puzzled faces, demonstrating that we don't ask that question often enough – this is a problem, I thought. Following the presentation, we had an 'aha' moment, together. It was clear to me, that a time for reflection is critical, and it was time to confront the brutal facts, like Jim Collins would say. To jointly ask, WHY are we here, in this jungle together? If we all know each other's intentions, we will know how to create the ONENESS that allows us to win together. The holiday time off, became a time when we could retrace our steps, to re-align, to resign, or to re-activate the conviction that originally made

us commit to be different, to be bold, to make impact, to make meaning, and to seek to create value here in Africa, to show the world that it can be done better...so that, when we re-commit to self, and to our colleagues - we can then get to run on all cylinders, and truly give our all to anything and everything we pursue. It is important to note that, for me, not going “all-in”, and not giving it my all, means it is not worth the headache. As we say, go big, go hard, or go home. Impossible is Nothing! During this period of disconnect, I also realized how hard we work, the top 20% performers of the company show up to work 7 days a week, and we have to encourage them to leave the office at 9pm; they are always connected and working from wherever they are, even on weekends and holidays. So, if we are a hardworking company, why don't we also have a soul to play hard, take breaks at the end of the year, celebrate our significant accomplishments periodically through the year? A lot of soul searching indeed, and new fresh revelations that I am excited to roll-out this year.

**AFRICA'S VICIOUS CYCLE OF COMPLAINERS:** As a group that is representative of the majority-youth demographic in Africa, discovering our purpose, and recalibrating is extremely important. We all need to sharpen our soul, body and mind – to focus on results, while getting rid of the bickering and complaining. This is an important step that African youth must take as aspiring trail blazers. The generation before us can only do one thing when they get together – and that is to complain. Like the children of Israel, We must break out of the cycle of complaining – and just do something! There is a reason why the African continent has the largest number of failed businesses, why we have the most aged leaders/presidents and have the highest poverty levels – we have the highest number of complainers and ‘so called experts without a self-awareness of what they don't know’. Everyone projects themselves as experts – they have all the answers to why Nigeria is broken, and leadership is a failure. We bicker all over social media, under the apple tree, and after football games, on all the things that are wrong. In our own sphere of influence, don't we just perpetuate the same things that we complain about?

Most African businesses never last more than one generation; most do not produce sustained financial results over a significant period of time, and hardly do you find those that make it to IPO on global stock exchanges, thereby producing outsized financial returns. African businesses are not focused on building the next generation of leaders that go to start/run other new businesses (entrepreneurs) or intrapreneurs, who create businesses inside an existing business. Instead every smart person wants to create their own little 5-man mushroom company, so they can be king or queen. Owners of larger companies do not provide paths to sharing equity and profit with their high performing staff, either, so why would they stay for long? Because in all of these, as a continent, we ultimately have never created the self-fulfilling cycle of momentum where private sector success outshines the lure of public office as a means to wealth and financial security.

**THE AFRICA OF PRODUCT DEVELOPMENT CAPABILITIES? FOR THE NEXT BILLION AFRICANS, WITH DIGNITY AND ECONOMIC POWER:** The Africa we dream of is one where private enterprises are built the right way, drive the right behavior, incentivize hard work, creates long term wealth and prosperity for true contributors; and ultimately produce a meritocracy culture and accountability framework that empowers the Next Billion

Consumers – most of them, from Africa. Africa, is one of the remaining two continents that can produce this kind of scale, within my generation. And Nigeria, being the most populous country on the continent. That is why I am here. As I think about Africa in 2050, I ponder, what we can do, to create an environment where people can realize that Technology has deeply transformed our world already – especially in matured markets? and that Technology will provide radical transformation and change the development trajectory of the African continent. The question is not IF, the question is WHEN, and WHO will drive it. The question of WHEN is a rhetoric of technological inevitability. The question of WHO, is simply whether these solutions will come from the West or from China or home grown? And will the data of the continent, (our Vibranium) be owned by France, US, China, Russia or Britain? Or will a local African country even be a contender, to ensure our people have the right product to liberate themselves and drive economic growth? Can we create an environment where due to the deep conviction of this realization that it's a race of time, we give it our all, every single day. Can we develop new ideas, new products that help to shape future products that empower the Next Billion? Can we begin to cultivate the habit of inventing and creating – not just importing and copying? A culture where we look deeply at the challenges in key sectors, use technology to solve them, thus creating solutions that drives impact for African consumers. This is the mandate of our final transition into a Product and Platform company in 2019.

This idea creation orientation is what got VGG to where we are today – over the past 8 years, in every sector we went into, we became the #1 in thought leadership in Nigeria, at least – Tech driven - Fintech, Aviation, Social welfare, Power, and Education. We are number 1, period. We are leaders in the deep knowledge of the challenge of the sector, the ability to envision solutions, and the ability to create (or invest) in startups around them. After the performance of 2018, we are now becoming leaders in turning those ideas into profitable standalone businesses. The challenge of 2019 is this: Can we develop the skills required to be able to scale-up these ideas into big businesses? This will only happen, if we have the willingness to unlearn and relearn; to give it our all through relentless hard work; to tap into our innate potential as humans, and to have the empathy to understand the customer pain points. We will only reach this goal, if we imbibe a culture of humility, and collaboration , leveraging collective intelligence, and ultimately making a positive dent in this vision for 2050 to radically empower this next Billion - with the economic power, dignity, and voice to be a true consumer and producer by world standards.

**REDISCOVERING THE VGG MISSION:** When we started VGG 8 years ago, we knew the only way it would be worthwhile, after having to leave a comfortable environment that “works” (United States), and build a new business in an environment that is full of intrigues, disappointments, unpredictability and chaos (Nigeria) – would have to be if the impact on the continent was massive. It had to be massive, feel impossible, and the eventual financial reward (if we came close to the goal), would have to be huge and justify the risk of leaving all the comfort behind. After all, we have hundreds of friends and acquaintances in the Diaspora, who only complain about what is broken in Africa – while they continue enjoying the comfort made possible by the Western countries. Do we join and complain, or do we attempt to do something about it? This sentiment is even more top of mind, at this time more

than ever before – with the nationalistic populist sentiments in the UK (Brexit) and USA (The building of the southern border wall in the United States), and the unprecedented brain drain currently ongoing where the number of Nigerian youth departing the country is as high as it has been in over two decades. I don't regret that decision. I would make it all over again. And I ask those running away from Africa now, to reconsider. No massive breakthrough ever happened without a fight. South Africa, Malaysia, Singapore, China? None.

We knew we wanted to build a large, successful technology business, but we also felt strongly that we wanted to help make the lives of Africans better. We wanted the black person to be a person of pride and dignity; not a second class citizen of the world. We felt there is nothing an African cannot do, after all we were in classes in America where we were the minority, and still came out tops. We competed in businesses and won. So, why not?

What's wrong? Building a big business and making money would not be enough to leave a comfortable life, with 24/7 electricity and good healthcare including 911 that works! We had a deep conviction that the accelerating evolution of technology will play a pivotal role in the future, in the development of the African people, and as a result, the continent. We also felt that the power of Data; and converting paper cash into Digital Payments will be at the core of the movement.

Today, I think we are seeing validation of that hypothesis. When you study the biggest headaches that Countries have with Facebook (Cambridge Analytica, Senate hearing of Mark Zuckerberg, election outcome control, Russia investigation, etc), Google (AI, control of information – staff walkout and the Google China project), Amazon (commerce control), Huawei (CFO detention in Canada), AliPay & WeChat in China, mPesa in Kenya, Aadhar Identity project in India, etc. – they all point to the incredible country level transformation that can happen – positive or negative, based on the advent of technology. What would control the future is Artificial Intelligence, Machine Learning, Robotics, Digital wallets, Digital Identity, Ride sharing, Self-driving cars, Solar power, Blockchain, Cryptocurrency, Virtual reality, Cybersecurity – etc? These technologies and more, will be changing the landscape of economies, employability and economic warfare at country levels. Whichever country/company is controlling these technologies will control the creation of jobs, access to credit, workforce productivity, movement of commerce, maturity of democracies and ultimately economic conditions of countries. If African companies are not being built to positively influence these outcomes - the impact will be worse than the days of slavery and the colonial masters. The efficiency, speed and efficacy of digital colonialism will be unprecedented and unrivaled.

**MAKING A SMALL DIFFERENCE WITH DATA-TO-CASH SERVICES TO CRITICAL SECTORS:** For the VGG founding partners, the dots were clearly connected: If we can build a successful Data-to-Cash company, we will have the tools to make the lives of our people better (our team, our customers, our partners, our investors and other stakeholders). But way more powerful than that, is that if we focus on building several cross-sectorial data analytics, and payment platform companies, we would have a chance to build a diversified holding company or conglomerate – that can withstand the shocks of a developing continent



(sector nuances, political and other forms of unrest, and currency risks). We decided to take the approach of incubating these ideas using a sector focused method organically (Venture Garden Group), complimented with an inorganic approach, where we invest in other people's ideas (GreenHouse capital).

We would have done our part to positively impact our immediate community of users – the common African man or woman or child – seeing the power of emerging technologies, in the hands of an African company, owned and ran by Africans. Data-to-Cash capabilities have allowed us to help African government institutions be more transparent with how they collect money from citizens with products like *VatCollect*, *RACS* and *CMS*; it has helped them use data to improve the utilization of these funds to improve infrastructure with products like *AviCollect* and *EBIPS*; they are now able to plan better with a data driven approach through our products such as *VPOCC*, *DAMS* and *OCC*; they can now audit for anomalies to reduce leakages. With products such as *GREMS* and *CCaS*, our corporate clients can now digitize and digitize services online and publish on mobile phones to improve service quality and access; our *VigiLearn* and *ApplyOnline* services have enabled top universities to be able to educate more African youths with higher quality, globally oriented education; with *VigiPay eMarkets*, diaspora Africans can now deliver payments (electronically) faster, and cheaper to the right recipient that needs it anytime/any day in less than 3 minutes, at no fees, compared to the existing solutions such as Western Union and Moneygram. Through our data-to-cash products such as *FMS*, *FIDAPS* and *BSP* in development, we can see improvement in the airline industry by improving data transparency amongst airlines and banks, and we hope in the coming years, to use *PowerTrack* and *PowerCollect* to be able to improve the number of hours of electricity that the average Nigerian gets at home.

Data to cash is awesome! To put things in proper perspective, and appreciate the journey, sweat and blood. VGG has developed most of the products described above, in 'project mode', alongside sector ideation capabilities (consulting services) into 5 significant sectors and generated \$44m (N10.7b) in the past 6 years, and this performance excludes our first 2 years in business. The future is all about taking these projects into scalable products and activating exponential cross selling.

**DIFFICULT TERRAIN REQUIRES MARKETING THE MISSION, COMMUNITY/ECOSYSTEM BUILDING APPROACH, AND INSPIRING THE ONES COMING AFTER US:** Seeing how difficult a terrain doing business in Africa is, and even harder in Nigeria – we could not go around advertising our mission and objective from day one. We would be laughed out of the room. It was more important for us to just do, and execute, fail forward, get up, learn, execute again, while trying to get better year after year. Even after 5 years into the journey in 2016/2017, we did not feel worthy of marketing, promotions, advertising, taking interviews, and talking about these types of ambitions and goals. For all intents and purposes, it was still an experiment. In fact, we still don't think we are worthy today – what keeps us sharp and hungry is the feeling that tomorrow is not assured, and we are still trying to figure it out, lest we become comfortable, and lose it. But the time of reflection and rediscovering our soul, had me reflecting again – that maybe we do need to become a more public brand now – simply telling the our story of our quest to transform Africa by Africans, through technology.

We need to be deliberate about our mission to build a community of entrepreneurs, talented employees, managers, and other youths that will contribute to the future of the continent; as well as government officials, university professors, research students, and corporates. We have a community building role to play. It became clear to me that we need to tell our story to this community, and inspire the ones coming after us, while evangelizing what each one of these participants can do to change the narrative. Thus, I began the series on LinkedIn/Twitter/Facebook on my 21 lessons in doing business in Africa as the first attempt to galvanize this ecosystem and community. Our VGG Alumni, the first 50 staff that worked for VGG in the first 3 years (the 3 hardest years of my life) would today be able to relate better with the lessons – because they can see the “before and after”.

In 2019, we will play a stronger ecosystem convener role, to drive thought leadership and this narrative – that will hopefully inspire the future contributors to this mission. We plan to use our Alumni network, our partners and customers, through our communication, events, and conferences - to activate an ecosystem of people and Africa believers, who will think differently about the future of Africa, the future of product development, and solving our own continent’s problems through innovation – shifting away from complaining, talking, and doing nothing. This community has to be built inside out, from our current employees, customers, investors and stakeholders...to our investee companies and their employees, and most importantly, the VGG Alumni individuals, who have the special privilege to have seen clearly, what the before looked like (when it was just a dream, and very rough) to this point. There is nothing like having been there, in the front lines of the war – true veterans, Generals of war, make strong Believers.

### **RECOGNIZING THE GENERALS OF WAR, SEEDING THE ECOSYSTEM THROUGH THEM:**

This work we do burns one out; it is not for the weak or faint hearted. Attempting to do things right in this environment means that you work 5X harder than others. The mix of emotions to survive is like a rollercoaster – and calls for unique individuals who have traits akin to the love of ‘insert-in-any-extreme sports here’. At VGG, from day 1, we have set the bar high for hiring staff – for the environment – and in 2019, that bar is being extended much higher. For people that made it past our hiring process, into VGG since inception, most people cannot do this type of work (fast paced, exponential), in this type of environment (Nigeria) for much longer than 3.5 years. It is an outlier, to find 5-8 year tenured staff within. This is largely due to the Nigeria+Tech industry+Millennial factor – and the fact that the work is HARD. It’s not easy to work here. With all of that said, I have a hypothesis that 5-10 years from now, most of our best Alumni will then come back to join the ecosystem (or a similar one), after resting it out.

In recognition of these veterans that gave their all, to help VGG succeed, but are no longer here - we launched our VGG Alumni Programme – a tight knit community of about 500 people who have gone through the VGG environment, and who have a strong emotional connection to the vision, and have a deeper understanding of the intricacy of this “movement” (even more, after their time here than when they were here); and are now looking to contribute later on in life, in other ways (e.g. deals, employee referrals, mentoring, etc.). We also created

a room dedicated to them, at Vibranium Valley – called Isheri Room (our original office where developers were living upstairs, and the company was downstairs) with a wall inscribed with the names of every single one of these individuals! For those veterans who are still with us, we launched an elaborate long-serving-award programme to reward and recognize the Spartans that have stayed with us for 3 years and more – some for 8 years – gifts, vehicle plans, and special ESOP equity plans are in the works for them this 2019. We also launched the VGG GameChanger Ecosystem group – a group of 40 entrepreneurs and leaders of different tech companies, who got their start at VGG, or who received investments through GreenHouse Capital, our fintech early stage investment arm. The three lessons for us here, is that it takes a community to create a momentum that cannot be quenched – so we must nurture these communities – as our greatest asset. Secondly, we are playing the long-game, and we must recognize and appreciate this longevity. The third lesson is that our marketing and publicity of Transforming Africa through Technology will be grounded with these communities! Good things do not come overnight, if they did, the impatience of the typical Nigerian worker, company owner, investor, or government – would have produced sustainable success, over and over again. It has not. Short-termism never will.

**KEEPING OUR HEADS DOWN, THE BEGINNING OF THE OUTWARD STORY:** We spent our first 7 years, with zero advertising, covert operations, no press coverage, no interviews, and no significant web presence – up until 2018, when we took our first CNN interview; launched Vibranium Valley; took speaking engagements at over 25 conferences from Africa Private Equity Conference to Bloomberg to KPMG Fintech Summit, and so on across 5 countries as a ‘pilot’ for taking our advocacy and impact story outwards. There comes a time, when the story has to be told, more publicly, especially when the momentum is largely unstoppable. This is the rationale behind us now coming out of stealth mode and beginning to publish some of our work. It was the rationale behind creating a work-environment that is commensurate to the ambitions of the company to contribute to the transformation of Africa with innovation; as well as the ethos of thinking World Class in everything. Enter Vibranium Valley, inspired by the Black Panther movie, which shows Africa in a light of hope, with the secret sauce of Wakanda country’s wealth and tech being the presence of Vibranium mineral.

**NIGERIA’S VIBRANIUM MINERAL IS ITS PEOPLE (YOUTH) ACTIVATED WITH KNOWLEDGE AND DATA:** We believe that the Vibranium for Nigeria, is it’s people – the youthfulness, the deep yearnings, the passion, the relentless nature, the RAW talent, and the potential; as well as the local resources that this talent can unravel, if combined with Education and Financial empowerment. So, Vibranium = People (youth) + Education + Financial empowerment. Vibranium Valley seeks to be the ‘mecca’ for the concentration of the African talent, who understand that innovation and digital transformation, through data-to-cash – deliberately applied to critical sectors will create the economic empowerment that we seek. Vibranium Valley seeks to be that common Address postal code, where entrepreneurs and innovators can come to, in order to deliberately work towards creating ideas, products and companies that can become the next billion-dollar Unicorn (\$1b valuation) or more appropriately (we don’t have to copy Silicon Valley in everything) the African Gazelle (\$100 million market cap idea). We hope that Vibranium Valley is where the world will come to get the raw transactional Data on key sectors of the African economy,



which will activate investments, market entry and mobilize talent/capital. Our wish is that the thought leadership conferences, seminars and sessions, that are result oriented, data driven, and action focused – will be hosted here in Vibranium Valley in 2019. Many of these will rely on proprietary data aggregation, analytics and insights powered by our Garden Data, our new Consulting practice, alongside our ecosystem partners of Big 4, machine learning companies and universities.

**VIBRANIUM 2018 IN REVIEW – THANKS TO OUR VISITORS:** We are proud of all the dignitaries, foreign embassies, foreign investors, universities, high school students, and other guests that have come to tour the location. They all tend to leave inspired that if this can be done, here in Nigeria, there is hope for the continent again. And that hope is in the young people, and the power of technology to leapfrog the empowerment of the country. They leave convinced that beyond empowerment through education; the ability to mobilize capital, will be the key to unlocking the Vibranium of Africa. If we do not control the capital into key sectors, we are still the slave. Big kudos to Remi at SpaceFinish, the team that designed and constructed the building – happy married life! Remi got married a couple of weekends ago. And to Sam Fabayo, who joined VGG as a junior officer, and a Graphic designer, but morphed into a Project Manager of a million-dollar construction project! This is the platform that VGG provides – if you want more responsibility, you can get it, and you will grow. Huge kudos as well to Nichole who championed this project from start to finish. Her eye for quality and excellence made this project a reality for us. Her negotiations skills made it possible for us to achieve it within a super tight budget! Here is a blog post that journals all the key events at Vibranium Valley in the year 2018. [https://medium.com/@communications\\_25371/our-year-in-2018-exciting-f6d6e54bc92a](https://medium.com/@communications_25371/our-year-in-2018-exciting-f6d6e54bc92a)

**CULTURE TRANSFORMATION TO ELIMINATE THE NIGERIA DISEASE AND BIG COMPANY SYNDROME:** No matter the strategy, or the product, or the sector; as long as you are building a company in Nigeria, you will run into similar challenges that Nigeria has. We cannot isolate ourselves from our environment, and what team members experience after 6pm when they leave the boundaries of the workplace – the ‘Nigeria way’ kicks in again, with everything they experience on the way home, and at home. The only way to arrest this problem, is to double down and focus on Culture. This realization became especially true, when our employee count grew from 50 to 100; from 100 to 200, etc. We started losing who we were. We began to lose our soul. People got complacent. The feeling that we had ‘made it’ began to set in. We started acting like a ‘big company’. Some people wanted big company salaries, without willing to grow into it. We started getting frustrated about the lack of policy documentation on particular topics – comparing ourselves to companies that have ‘made it’, like Banks; who have been building their institutions for 30 or 50 years. This is what happens naturally, as you move from startup mode, and quick growth occurs, and people have the perception of success. People start to clock out at 6pm on the dot, compared to when folks worked till midnight out of passion and adrenalin in the search for the uncharted part of success. This is what happens when you forget where you are coming from. When you ignore the days of noodles and garri+kuli kuli; the days that the office was downstairs of the duplex, and all the programmers lived upstairs. When the illusion of success, a big fancy office, cushy

chair, overshadows the essence of why we are here in the first place. And this is what happens, if we do not take enough time to study the companies that came before us – who were the GE's of their time in Nigeria (Peugeot Auto Nigeria, Bata store, Kingsway shop, Concord Newspaper, Arik Air, Oceanic Bank, Nigeria Air) - who thought they had made it. Then disappeared into dust, and ceased to exist, their shadows...gone in the wind!

**THE CULTURE OF ONENESS AND DISCIPLINED EXECUTION:** To arrest this dangerous tendency, we started what would be one of our most important initiatives in the history of the company late 2017; an 18-month culture transformation programme that began with the Partners, Senior Executive team members, and then would get cascaded down all staff of the company. Our theme for 2018 was CP3, which stood for Culture, Product, Platform & Process. The Culture theme has been one of the most rewarding activities we have done in quite a while, and that's why it is first in the theme for the year. Anchored by the Company ethos, and our Principles, it is now clear to us as a leadership team who we are, what we stand for, and what will not be tolerated – and we believe this alignment has set the foundation for us to hold each other accountable and for us to do the right thing, by all of our stakeholders, especially our customers. Realizing the value of creating a company with complete ONENESS; ONE VGG...as well as DISCIPLINED EXECUTION...was a powerful discovery for all of us. When we realized and embraced the power of ONENESS as a core ethos, we started seeing how it eliminated turf wars and fiefdoms, while creating synergies, cohesiveness and collaboration amongst our leadership team – which then cascades down through the organization. Contrast this against the natural state of play; we studied the dysfunctions of the State vs Federal in Nigeria – and the lack of synergy or collaboration; Religion demarcations and its silos; ethnicity boundaries that makes one tribe feel superior to the other, instead of leveraging diversity of thoughts as a strength. This is the dysfunction across Nigeria and Africa – it is then easy to see how within the organization that will survive the test of time, you must create a culture that will get us immune from our environment's natural disposition. Oneness and collaboration is extremely key as a cultural asset for us - after all it is said, "If you want to go fast, go alone. If you want to go far, go together".

As I read in Satya Nadella's book (the new CEO of Microsoft) on Culture – I realized that for anything monumental to happen, there needs to be one great mind or a set of agreeing minds. He didn't mean yes-men and yes-women. Debate and argument are essential in every team. Improving upon each other's ideas is crucial. People should speak-up. We needed a senior management team (SMT) that will 'disagree but commit' always. They will leave that room, and the world will think they are brothers and sisters – because they sing the same tune, say the same words, align towards the same direction, regardless of differences in ideologies, opinions or objections. We needed everyone in the leadership team to see the SMT as their first team, not just another meeting they attended. Through the last 6 months of 2018, we rotated the Chairman-ship of the SMT meetings to reinforce this journey, and we have come a long way. I am happy.

**THE CULTURE OF HUMILITY AND A MINDSET OF GROWTH (CONTINUOUS IMPROVEMENT):** As leaders of a largely millennial employee group, the way we operate has to move from the old school autocratic models, into a servant leadership model, where we

teach, coach, mentor and empower others, as leaders. We don't need heroic leaders, who have a longing to shine and look good; we need leaders that know how to inspire their people to do great work. This humble approach to leading by activating intrinsic motivation, is what Jim Collins described as a "Level 5 Leader" in his book "Good to Great". Our quest is to create an environment that breeds hundreds of Level 5 leaders. A culture where our leaders make it clear that nobody needs to appear perfect or feel pressured to be the smartest person in the room. A culture where it's okay to feel vulnerable, to ask questions and seek help. To listen more than talk. To thank our colleagues generously when they contribute and collaborate. That ability to have mutual respect, but to be able to talk openly about opinions, thoughts, debate with data and facts, etc. – regardless of your level in the hierarchy of the organization, versus the African culture where everyone wants to look good and be seen as the king of the nest; and the relentless strive to be perceived as the smartest in the room – at the detriment of quality thoughts and results orientation.

During the process of Microsoft's culture transformation that Satya brought to bare when he became CEO a few years ago, he described what he met like thus: "At one point, Microsoft had gotten to a point where if a senior leader wanted to tap the energy and creativity of someone lower down in the organization, he or she needed to invite that person's boss, and so on. Hierarchy and pecking order had taken control, but through this cultural journey – we have learnt to create balance". These monumental changes in core ethos and culture has led Microsoft, back to being one of the world's most valuable companies! After being on the brink of losing it (just like Blackberry) – right after the colossal failure of the \$7.6b acquisition of Nokia. I'm greatly inspired by the leadership style of Satya.

The humility culture also then leads to a mindset of growth, and what I call continuous improvement. The **GROWTH MINDSET** – a state of dynamic learning in order to improve, was a very profound concept for me. I remember when we were a startup – we all felt like we didn't know it all, and we solved more problems faster, with that mindset – especially towards our customer. We had customer empathy. We were green, and eager to learn. We were like a sponge just soaking up new information. But when I look at what happened before our culture transformation started – we started getting farther away from some of our mentors and early backers. We automated everything and just pushed reports to them, without the personal touch – we were beginning to lose that stakeholder empathy. We did not visit key customers as often, after all, they could call the call center or email, and we were responding to their issues. We were beginning to lose customer empathy. At that time, we felt that we knew way more than the customer about their business and their problems – after all we studied abroad, and their organizations are dysfunctional. We ignored their voice in the journey to solve their problems, because we actually already knew the answer. In all of this, what was missing was that 'feeling heard'; as small as this is, is everything. In that process, we lost the humility, the hunger, and the innocence that allowed us to survive the startup phase. The humility, coupled with the growth mindset is what triggers empathy. And to develop world class products, right here locally (versus importing ready made products from Western countries), we would need a high level of customer empathy and customer intimacy. As managers, we would need employee empathy to be able to motivate our young workforce to become exemplary future leaders, and to bring out their best in

innovation and creation of winning products. Empathy has become a very significant word for me, in 2019. If I can activate Empathy in all my interactions, I am more likely to serve better that customer; my team; my mentors; my investors; and all of my stakeholders. Also, if I can encourage direct, and open conversations with team members, in the form of radical candor – we are likely to solve problems together.

**PLAYING FOR THE LONG GAME:** We have to continue to align everyone on this journey with us, that great things do not happen overnight. Building a sustainable company in Nigeria is a long game – it is not a get-rich-quick scheme. We are committed and here for the long run. We constantly try to balance this ethos with short term survival, because we are in Africa, not Silicon Valley. Nevertheless, it is important that our investor stakeholders, staff and ecosystem align with us on this. This alignment begins with ensuring that everyone that joins us on this journey as a team member, embraces the idea that this is not a journey just for a quick extra buck. It's not about maximizing your short-term salary as compared to other local firms playing for the “now”. Instead, we need soldiers; those that deeply believe in why we are here and what we are trying to achieve. Folks aspiring to grow personally, create impact, create meaning and are assured that the long term financial gain dwarfs short term income maximization. People who become senior leaders in the organization would have to prioritize growth and protection of the institution, over and above personal ambition. Our culture code requires that everyone prioritizes the institution over self by committing to a process framework of succession planning – and this includes me, as CEO. Our succession planning programme is an important sub-part of the culture transformation. Because we are playing for the long-game. It's about building products that would activate the Next Billion. It's about Africa's transformation. It's about 2050!

**CULTURE IS ONE OF THE MAIN THINGS THAT COULD STAND IN THE WAY OF SUCCESS; AND I AM THE CHIEF CULTURE OFFICER:** One of my most important jobs is to set the culture tone across the company; and to deliberately create moments and scenarios to reinforce it constantly. During my reflection, it became clear to me that if we don't achieve our dreams, it won't be because we could not find customers; it won't be because the market in Africa was not big enough, and it won't be because we didn't have enough funding to execute, It would be either we could not attract and retain the right talent willing to do great work; or because we did not get our culture right. If we do not get the culture right, it would be my failure; my responsibility. I should be the one to be blamed. As I reflected on what could get in the way of that, I had to own up to this and admit my weakness. The weakness of having not being firm enough in the past to ensure there is a low tolerance for deviations from our agreed culture code. So, as we go into 2019, this is an area that I must grow and develop. It became clear in one of our polls, that my team wants me to hold them more accountable and be firmer with them to enforce and reinforce responsibility and accountability, with consequence. It has been a good journey, to get everyone on the team, to feel comfortable seeing in the open, 360 degrees rating of each other; what the statistics and data is saying about your colleague's perception of you. And to be able to embrace the feedback, create a development plan, commit to your peers with an accountability partner, and begin to improve. While we are not completely there yet for everyone, we have come a long way. This speaks to the growing Maturity of the SMT. I am proud of each and every

member of the team – the Nigerian environment had not prepared us for this way of working, but we have all chosen to invest in ourselves, and break out of the environmental rot.

## **2018 YEAR IN REVIEW: CREATING THE FOUNDATION FOR GROWTH:**

**From a finance standpoint,** we rolled out our ERP platform, to move into an enterprise scale company Management Information System (MIS) platform. The company ESOP program was designed. The company bonus system was developed and rolled out. Financial Result dashboards and reports were standardized and diligently released in a timely manner before COB on the 6<sup>th</sup> working day of most of the months of 2018. The Finance team partnered with the SBUs to achieve a less than 20% variance from EBITDA budget. High quality reports were delivered, consistently to the various Board committees, and Board meetings all year – 17 different meetings in FY 2018 (more work needs to be done on timely delivery). A new VGG company strategy as a Platform Holdco was designed with the Analyst team. Working with the SBU analysts, a full investment memorandum and investment financial models, for 3 entities (AviTech, EduTech and PowerTech) were created in 2018 (saving us almost N5m per SBU). I am very proud of the foundation that the Finance team has created. 90% of the reports produced were accurate and consistent. The finance team was able to drive cost savings from eliminating the use of external advisors and consultants for investment memorandum creation, valuation, and business plan development.

While there is room to improve, our plan for 2019 accounts for this including (a) setting up a team to chase receivables proactively (b) driving deeper synergies between finance function and the SBUs through the Finance Business partner model with embedded staff (c) Improving the SBUs taking ownership of timely delivery of governance meeting data and reports, to the right quality. (d) completing other tools and automation that makes the finance work digital end-to-end. Nichole, over her 3 year tenure with VGG has done an exemplary job of transforming our Finance operations to world class. Taking an old finance team when she joined, that was dysfunctional, and turning it into best in class for the size of our firm in the region is impressive work! Thank you, Nichole. Now, we look forward to taking this best in class team and operations – sweating its value through SBU growth; and taking all that we have learnt, to monetize it in different ways.

**From a People Operations standpoint,** we built several HR platforms to automate all aspects of People management. A revamp of the performance management system for a newer(third) version, was completed. The culture transformation programme was launched. Leveling of all job types, including that of the Senior Management team, and rolling out a unified salary system and competency map framework to drive career growth, career maps and career transfers were completed. A succession planning framework was developed also. The onboarding and offboarding system were revamped. The People Ops team had a solid year of results –The team was able to reduce staff attrition from 37% IN 2017 to 28% in 2018.... Average time to fill a role reduced from 60 days in 2016 to 26 days in 2018... They reduced the cost of using outside recruiters by almost N10m in 2018. While there is room for many improvements in 2019, we have accomplished a lot. In 2019, I expect (1) our HR analytics to go into top gear, so we can proactively control our employee costs to assure standalone profitability (2) improved SBU performance, by People Ops being deeply



embedded within the SBU and being a true partner to the SBU GMs (3) Completion of key tools, technology and data to make HR completely automated (4) Sweating the culture transformation work and our existing processes. I'm particularly excited about the launch of our HR Business Partner model of operations. When I called Funmi from her prior role as the Head of the Business Analyst team in 2016, to take over the People function, deliberately putting someone with zero HR experience in charge, it seemed like an experiment. But, that was what we needed, to deploy unorthodox principles required to transform our people operations. Today, I am proud of what Funmi and her team has delivered for a revamped HR – I'm sure companies will pay us to use our templates and frameworks. Those are a lot of accomplishments, over her 8-year tenure at VGG, starting from an entry Analyst straight out of college, to having concluded the transformation of VGG's HR over the past 2 years. Kudos to Funmi.

**From a Legal standpoint**, the legal team, one of the leanest teams in the company, achieved with very little resources (3 people), the highest level of reliability, discipline and diligence. They took over and insourced all the outsourcing of Company Secretary services we had in 2017 and prior, saving us a lot of money – this means providing coverage for almost 17 governance meetings! The turnaround time, responsiveness and diligent follow up on all Legal workstreams was impeccable. They created forms and templates allowing all businesses to request their services in a standardized and holistic manner. They subscribed to global tools that allowed them to create robust templates for contracts - from the knowledgebase of all our historical agreements, lessons learnt from problematic contracts, and benchmarking against global templates. This has improved the quality of agreements, and the speed of production. The team also diligently tracked and registered important company owned trademarks. In 2019, I look forward to them expanding their work into IP rights, data ownership, and filing patents for all our product innovation in 2019 as we get into owning more proprietary data and intellectual properties internally. Excellent work to Adeola for her leadership of this team, the lean machine.

**From Engineering:** The engineering team, which is the heart and production line for the company, went through an intensive year focused on institutionalizing their work, with an extreme focus on processes, tools and systems, to make each SBU more resilient to Developer attrition, a national problem for all technology firms in Nigeria. The team launched the Enterprise Development Process as the main process for writing software within the company for uniformity, repeatability and continuity. The engineering team adopted and enforced the use of Jira as the tool for tracking all development activities; implementation of DevOps with automated continuous integration and continuous deployment; institutionalizing security checks across code, infrastructure and social engineering – culminating in acquiring the ISO 27001 security certification; which was done in record time, with the leadership of our Operational Excellence Team – well done, Toye and team. As part of security improvement – the Single Sign-On initiative (SSO) with maker-checker was launched with 20 products now already integrated for improved application security. The engineering team standardized functional, technical, and architectural documents for all aspects of software development – including enforcing a Tech governance committee review – all driven by an engineering operations team. Most of these initiatives were costly, time

consuming and took away from focus on business growth and revenue – but was important to institutionalize the department. We are yearning to see 2019 being the year that we put all of these systems and processes to bear – and see the value extraction come to life through embedding DevOps into the SBUs and focusing on business and revenue growth versus strictly processes and policies. Thank you to Kayode, Sam and Tesilimi for their leadership.

**From the Business:** In 2017, MPR sessions were institutionalized to drive a culture of performance and accountability. In 2018, all businesses moved to automated dashboards, for their operational and financial reporting during Monthly Performance Reviews (MPRs), away from PowerPoint presentations. The MPR process was restructured to always happen much earlier in the month than before, right after financial close – giving the business better opportunity to course correct within the same month. The MPR Panel was formally launched during the year.

Several management committees were launched in 2018, to decentralize key operations and provide oversight and controls, for example: Disciplinary committee, Performance Management Committee, Tech Governance committee, Pricing/Commercial/Risk committee – all multi-disciplinary teams created for stage gating the operational execution of projects within the company; which also reduced the reliance on a single person for critical decisions.

Significant investments were made to hire a veteran Consultant, to assess the organization, and make recommendations towards creating a roadmap to transform into a Product & Platform company; from a project driven company. This roadmap is being executed and monitored by the advisory board. In addition, the company hired a Senior Executive - Chief Product Officer, Olayemi Jinadu to shepherd this transformation of the company into a more product focused, diversified portfolio, including creating a Product centric structure that will help every SBU transform into a Product organization; Platformization of the firm, catalyzing the impact of the MPRs for commercial orientation, managing the operational structure for multi-location/regional expansion for scale.

## **FINANCIAL PERFORMANCE OF 2018**

We are thankful that the 2018 year would end financially in a positive space. Where we are seeing the results of our intense focus on standalone profitability for each of the SBUs. Our idea for financial growth and stability, and our operational ethos would be fundamentally based on 4 principles (1) How frequently we can create viable new data-to-cash SBUs from R&D (2) How quickly we can grow an existing SBU to sustainable EBITDA positive position, and then (2b) Consistent cash positive position (3) Our ability to create liquidity for our shareholders.

Our full year FY 2018 financial result “estimates” show us seeing a healthy gross profit of 73% and an EBITDA of 28% for the year. Compared to FY 2017, we will see a FY 2018 revenue growth of approximately 40%, and we will end up with a very strong 280% increase in EBITDA. Our budget for 2019 has us achieving 100% increase in EBITDA this year.

At the end of 2018, we should have five of the SBUs at EBITDA positive. With the balance three on track to be EBITDA positive by the end of Q1 2019. We are excited.

VGG seeks to be the fastest growing G2B/B2B Platform Holdco company in Sub-Sahara Africa with its growth catalyzed by proprietary data to cash platforms; As we strive to move to high-growth mode, VGG Holdco's operational ethos would be to perfect its platforms, and then reward the most ambitious Managers that can scale up new and existing subsidiaries to become highly stable-recurring revenue businesses with standalone profitability – at the shortest time. The types of managers and leaders that VGG must attract are individuals who can help its subsidiaries achieve these goals as core tenets. While this does not exclude our ambitious innovation initiatives – all of these will be abstracted into a small secluded R&D – that will be working on our future platforms such as our LendX capital-as-a-service play.

### **FINANCIAL PERFORMANCE – SUBSIDIARIES**

We are happy that the formula for incubating a new sector SBU, and becoming the #1 thought leader player in that sector in a short period of time has become something we have come to master. We are the #1 player in Technology driving Aviation, Education, Power and Social Welfare in Nigeria. Even though these tech driven sub-sector areas may be brand new – we see our pioneering role here being a premium that we are set to extract value from, once we get the brand to become stronger in the market place.

**Avitech: The SBU that is most stable and mature:** Avitech has continued to lead the group's performance, optimized its revenue lines with gross margins as high as 90%, and pushing new frontiers with the expansion of its revenue lines; while deducting its fees directly at source. Over 40% of its revenue is in US Dollars, and it's poised to incorporate Product and Platform based growth in 2019. Nnamdi has done an excellent job of using AviTech as a demonstration of high performance, consistently exceeding budget, cashflow positive, lowest attrition rate, and an incredible amount of gymnastics to renegotiate the AviTech-FBN relationship, with support from the finance and legal teams. The engineering team within AviTech has also set some good examples to replicate – with some of the lowest attrition rates. Our focus for 2019 is to double down to complete the new investment, to drive resale of the product and build diversification and resilience into the business.

**EduTech: The SBU with infinitely scalable high impact:** Within 3 years, Edutech has been able to increase the number of students to almost 4,000 and has now become EBITDA positive. EduTech graduated its first set of students in December 2018. This is a significant milestone – as it validates the theory of providing technology driven education, at a higher quality than traditional in-classroom, and the award of the exact same certificate during graduation to these students. Edutech's 4,000 students today, is the proof for the concept that it's ready for prime time - it now has capacity to scale to 40,000 students with proper investment. Gossy has done a good job in working to rebuild all the products for scale, and driving frugal spending on marketing and other activities, while trying to prove the model end-to-end from marketing, admission, online classroom, all through to graduation and certificates. The area of focus in 2019 is to embed business relationship managers in the partner schools, drive customer intimacy; and crack the regulatory hurdles that will drive scale; while doubling down on the investment required for scaled up marketing.

## **VigiPay: The Payment Platform poised for Exponential and the anchor for Regional Growth**

VigiPay provides 'last mile' diaspora Remittance into Africa. The company intends to expand this to include a B2B Africa regional money transfer platform partnering with Swift and Ripple blockchain technology for funds transfer. VigiPay went live with a pilot in March 2018, and today processes \$500,000 USD in daily remittance from the USA to Nigeria. When marketing kicks in Q1 2019, VigiPay will ramp up and hit expansion target of \$4m daily GMV - riding on its partnership with US based remittance companies. Our target is to hit \$6m per day within the next 24 months via Pan African last mile remittance corridors with Kenya, Tanzania, Uganda and Ghana. The VigiPay model, while being EBITDA negative, is a J-Curve growth of Revenue, and with economy of scale – it creates the pure Private sector play for VGG; and the platform for global growth. Eghosa has done a great job to secure what will become a global partnership with one of the world's fastest growing remittance companies into Africa. We now need to turn that potential into actuality.

**GSV** – Garden Social Ventures - which specializes in providing Data-to-Cash products and platforms for the Social Welfare, Micro-loan and Social investment subsector – spent 2018 developing a Nation-wide blueprint, which is a 5-year roadmap document to drive the process of institutionalizing for Nigeria, with a core philosophy of open data, digitized direct government-to-person payment disbursement system which is also fraud proof. This was an ambitious project funded by the Gates foundation, worth almost \$1m. We believe that the work produced is so profound in that it creates the blueprint for all Nigeria (and other African countries potentially) to be able to move “beyond aid”, to self-sufficiency, if adopted. We look forward to the adoption of the blueprint to lead to demand for our data products and payment platforms over time. Newly joining VGG in 2018, Chichi has settled right in, and the work being done here is so significant, and legacy-building for the continent. It also could open incredible payment volumes and data systems for GSV if the recommendations are adopted.

FinaTech as an entity spent 2018 showing us that by living by, and adopting the company processes, you can create repeatable success. This entity, did a great job of instituting the Enterprise Development Process (EDP) in all of their activities. The quality of the resulting product, low rework rate, and customer satisfaction in all the solutions developed for the Lagos State Lottery Board was proof that process works. We hope to make this SBU a good case study for the commitment to processes and policies.

PowerTech as an entity, has achieved its stability in terms of product-market fit. Powering the invoicing and billing cycle for the largest Distribution company in Nigeria. Through the team's tenacity, we are close to cracking the code on how to use technology to solve the Power problems in Nigeria. The team worked hard to get to standalone profitability, despite all the challenges of the sector.

Garden Data as an emerging platform spent the year developing its capabilities and are on the verge of having products in production, paid for by customers in 2019 – using other SBUs as its delivery partner, as well as partnerships with the Big 4 firms.

**WHAT 2019 MEANS TO US: CONSOLIDATION, SWEATING OF ASSETS/EXTRACTION OF VALUE, STANDALONE PROFITABILITY & SUSTAINABLE EBITDA GROWTH:** As a person, I look forward to practicing a culture of open and direct communication within my immediate teams; as well as building more empathy into my practices for the year.

We would continue our theme of CP3 in 2019 – and it will be **called CP3 amplified**. So, we will continue to focus on Culture, People, Platform and Processes. Our Culture focus will emphasize our founding ethos of oneness and disciplined execution, as well as succession planning; while we continue to invest in our people development, through training and empowerment.

Operationally, our focus would be on (1) Consolidation – across all the past investments in processes, tools and policies (2) Decentralization of People Ops, Finance, and DevOps into business partner structures (3) Platform enhancements for prime time (4) Standalone profitability (5) SMT as a Sales Engine

As an organization we would double down on the enhancement of the Payment platform (VigiPay domestic and Fidesic's offline payment potential) and Data platform (Garden Data). These platforms are the catalysts for SBU growth and profitability. We will not be rolling out new tools, processes and policies – instead we will focus on enhancing on the ones we have launched. Improving awareness, usage and extraction of value.

## **CONSOLIDATION & DECENTRALIZATION**

All processes, tools and policies will be put to use for value extraction. The accomplishments of the shared services departments will become monetized this year

1. Processes - sweat them to drive repeatable outcome, do it right first time, succession planning)
2. Tools (People Ops, Finance, Templates, Jira, ERP) – adopt them to help us make decisions faster
3. Policies – drive adoption, evolving them based on feedback – to drive the right behavior
4. Shared services – all the great work that Finance, Legal, and People Ops have done, we will monetize as part of the “shared services center” being net positive on a standalone basis

The decentralization of People Ops, Finance, DevOps and other shared services capabilities; and creating a “Finance/HR Business Partner structure” will accelerate the growth of SBUs, by bringing to bear all of the cross-SBU knowledge and best practices from 2018 when the team sat together full-time.

## **ENGINEERING TEAM AND PLATFORM PLAY**

Engineering will need to extract value faster out of all of the 2018 investments in processes, structure and institutionalizing for sustainability. This will mean faster execution of product delivery and innovating through deeper customer intimacy. Under Demola's leadership this year, we are looking forward to seeing an Engineering team that is deeply embedded in the



business, and fully aligned with business growth objectives – and the realization of the investment in process development would be achieved.

Ultimately, the proof in the pudding will be how our data-to-cash platforms can catalyze time-to-profitability. Vigipay, Fidesic and Garden Data must tangibly catalyze profitability of SBUs, through shared platforms that create a market advantage for SBU leaders. We trust that the addition of our Chief Product Officer, in collaboration with Vigipay, Fidesic and Garden Data leaders will bring this promise to bear.

### **STANDALONE PROFITABILITY**

Relentlessly driving to achieve Standalone profitability on every initiative, project, and SBU – is the driving force for the year. All decisions should be guided by this. The organization would need to learn how to take quick action to course correct based on proper instrumentation and financial guidance – from a more predictive finance team, embedded in the SBUs

2019 will have its turbulences around three major challenges: Elections, Currency fluctuations, Brain drain due to mass exodus. Hopefully we have created the systems that will allow us to weather the storm if it goes bad; and if it doesn't, we hope that our consolidation efforts yield exponential growth.

### **VIBRANIUM VALLEY**

Vibranium Valley will continue to be the leading strategy to establish our brand as the #1 technology thought leader. Vibranium Valley itself will drive towards standalone profitability in 2019, using hosted events, seminars, conferences and coworking. I'm excited that we will continue to double down on our public brand image, so that it can help us swing new business acquisition; coupled with our senior management team (SMT) focused on leveraging their relationships for resale of new or existing products within existing SBUs.

### **SMT AS SALES ENGINE**

Our SBUs will need to scale fast this year, in order to accomplish its 100% EBITDA growth target. This will function, through our newly constituted Sales Engine, will be decentralized into the SBUs, but centrally coordinated and mentored under Kunmi's leadership. This is in addition, to SMT sales referral capacity. We are looking to replicate Kunmi's sales acumen in our SMT team this year, and winning a lot of new business.

In summary, we are excited to be alive in times like this. We are in the right continent, at the right time and empowered with the right resources through our backers. 2016-2017 were foundation building years for our future. 2018 has been a cornerstone year for us, demonstrating that we can create standalone profitable businesses, if we focused on that. 2019 will be our first attempt to drive scale. Definitely, there would be headwinds due to environmental conditions and elections – but we are comforted because we have created a more resilient company. Our short term goal for 2019 is simply to create scalable businesses on top of the foundation we have built. Our mid term goal, is to see measurable impact in

the customers, sectors and countries that we serve. Our long term goal, is to make a significant dent in moving Africa forward.

Ultimately, it's all about Transforming Africa using Technology. It's about playing the long game and impacting the future. It's about 2050. It's about the next billion Africans, now empowered, with education, employment, with data, with access to capital – all driven through digital innovation from the VGG broader ecosystems. Our SBUs, our Greenhouse startups, our Alumnis, and our fellow tech companies. We are rooting for everyone!

A lot of y'all believe so much in this crazy dream of ours, and keep backing us, in every way that we have asked. THANK YOU! If you made it this far in the 2018/2019 Annual letter, you have just read through 20 pages and 11,000 words, of the summary of our journey through 2018. 2019 will be an even bigger year, but I promise you, I will keep it shorter next year! A big thank you to Ore, Miracle, Yemi, Samuel and Nkechi who were my editors, read it all through, and helped to identify typos and grammatical errors.

Stay tuned, as we will also produce a summarized 'readers digest' version of this in the next few weeks.

Signed.

**Bunmi Akinyemiju**

**CEO**

**Venture Garden Group**