

United for Impact

Lendahand Impact Report 2023





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Welcome to our Impact Report 2023

United with our crowd, shareholders, and borrowers, we have empowered countless financial institutions and companies in emerging markets. This year, the entire Lendahand team is proud to present the tangible results of our committed work, which have been instrumental in advancing our collective impact.

In 2023, as we marked a decade of Lendahand, we not only celebrated this milestone but also took it as an opportunity to reflect on our journey - through successes and challenges, particularly the performance of investments in direct businesses and small lending portfolios. These experiences have enriched our understanding of finding ways how to tackle those challenges, enabling us to fulfill specific promises on impact.

Looking ahead, we will continue to innovate and expand our impact through diverse investment avenues in microfinance and direct business engagements. Our commitment is steadfast: to use every investment to build a more equal and just future for all.

We hope the insights and impactful results from this year's report inspire you as much as they inspire us to keep driving financial inclusion forward, one investment at a time.

Thank you for being a pivotal part of this grassroots movement where we all have a voice and an impact.



Team Lendahand

How We Make Impact



“Our ultimate goal is to drive sustainable economic development in emerging countries, ensuring no one is left behind.”

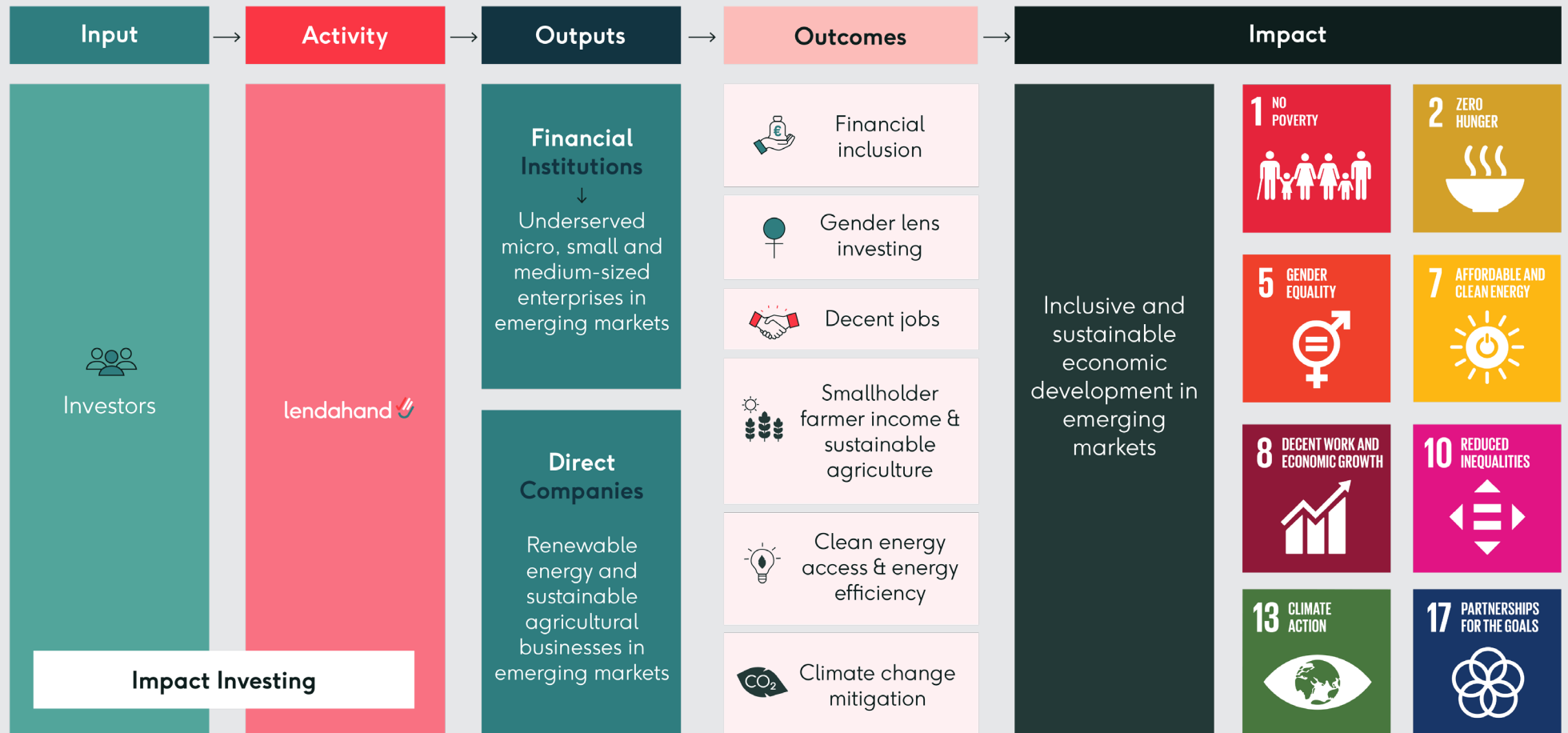
In emerging countries, the private sector comprises 95% of small and growing businesses across various sectors. These enterprises are pivotal in fostering employment, innovation, and sustainable economic development. However, approximately 70% of these businesses lack sufficient access to affordable and reliable financing to scale up. This challenge spans from a female entrepreneur in Mexico needing capital for her bakery to a company in Kenya producing electric vehicles.

Focusing on employment, these entrepreneurs account for seven out of every ten jobs. Yet, despite their significant societal and economic contributions, these small and medium-sized enterprises (SMEs) consistently face barriers to financial support. The International Finance Corporation estimates the financing gap for these entrepreneurs at \$5.2 trillion in the formal sector and \$2.3 trillion in the informal sector.

Lendahand contributes to providing affordable and fair financing for these underserved entrepreneurs. Through our crowdfunding platform, European retail investors can invest simply and reliably in impactful small and growing companies in emerging countries. The platform offers access to affordable, flexible, and fair loans. Investments can be made in two ways: directly in businesses or through local financial institutions that use their expertise and presence in the country to lend money to small-scale entrepreneurs. Lendahand's investments foster financial inclusion, support job creation, provide access to sustainable energy, help mitigate climate change, promote emancipation, ensure fair prices for farmers, and improve living conditions.

Our ultimate goal is to drive sustainable economic development in emerging countries, ensuring no one is left behind, in alignment with the United Nations Sustainable Development Goals.

Impact Pathway



Interested to learn more about how we manage and measure impact?
Head over the **Lendahand Impact Framework**.



click here

Where We Make Impact

17 Countries

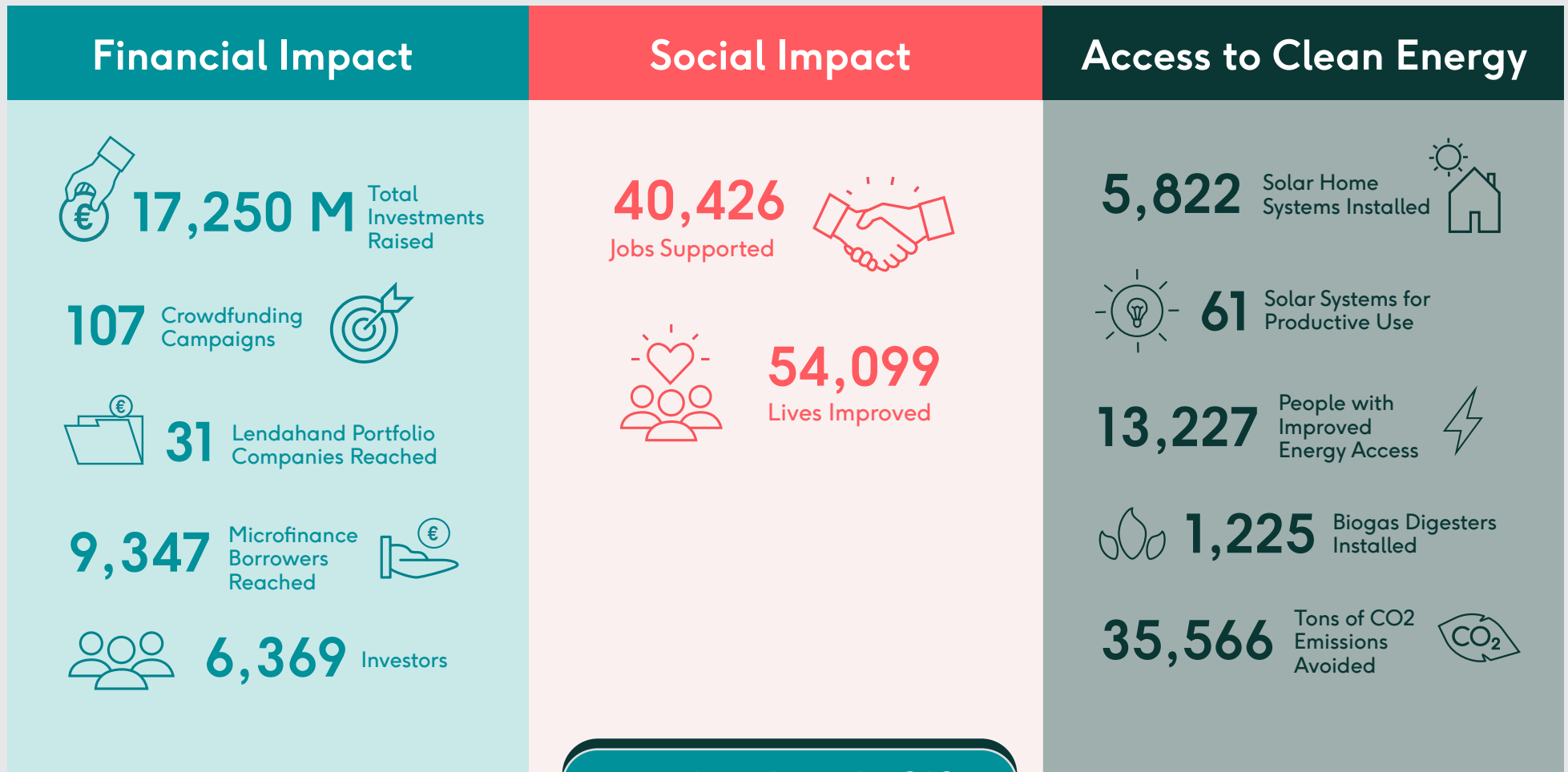
Ecuador, India, Indonesia,
Kenya, Kyrgyzstan, Malaysia,
Mexico, Moldova, Mongolia,
Nicaragua, Peru, Samoa,
Tajikistan, Timor-Leste,
Tonga, Uzbekistan,
Vietnam

- Historical and Active Portfolio
- Countries with Investments in 2023
- Lendahand



Impact 2023 in Numbers

United through Lendahand, our crowd of investors accomplished the following financial and social impact results over the year **2023**. Explore this report to get more context and the stories behind these numbers.



INVEST NOW FOR 2024

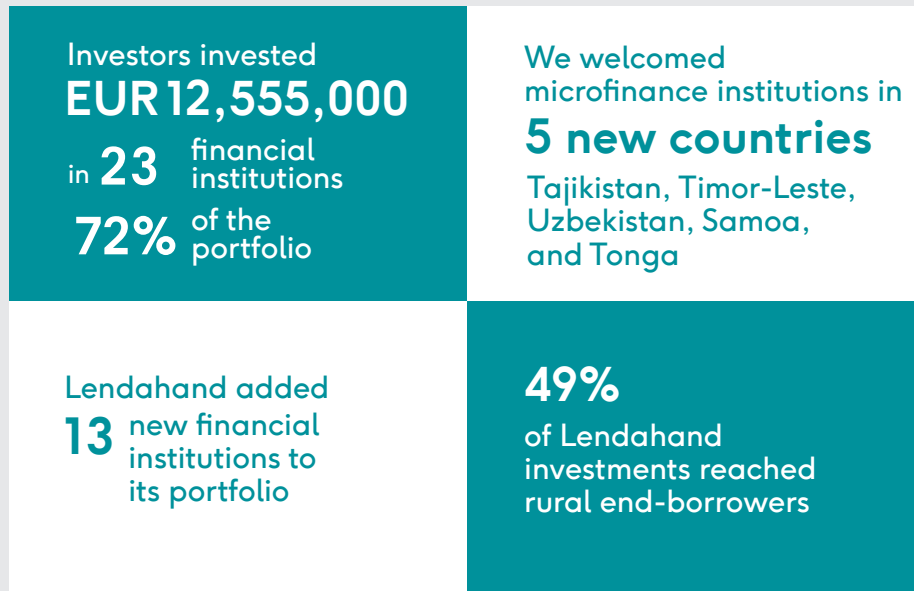


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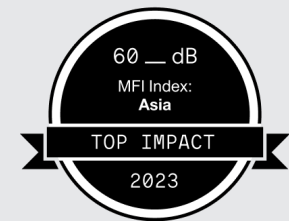
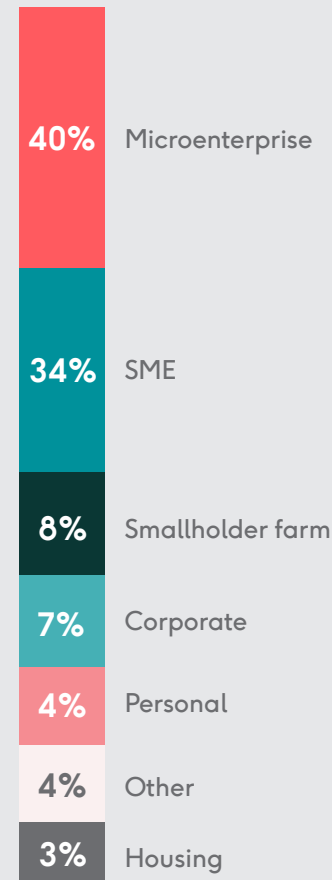
Financial Inclusion

Financial inclusion addresses the challenge of limited access to conventional banking for many entrepreneurs, particularly in emerging markets. Traditional banks often require stringent criteria that exclude small businesses and low-income individuals. Microfinance institutions and digital lending platforms present a solution to these underserved groups by providing them with microfinancing and growth financing that suit their needs. Through these services, entrepreneurs can secure the necessary capital to maintain or expand their businesses and improve their economic standing.

By investing in financial institutions with a social mission, you support the economic development of individual entrepreneurs in emerging markets and contribute to broader societal progress. Every investment in financial institutions on Lendahand supports the work of multiple entrepreneurs at the same time, fostering a cycle of empowerment and development across communities.



Investment Allocation by Loan Type for End-Borrowers.



Microfinance institution HUMO in Tajikistan won the MFI Top Impact Awards from 60 Decibels in 2023. Out of the 114 organizations surveyed, they made the top 3 for their region by demonstrating making a positive impact on the lives of their clients. The Lendahand crowd invested 350.000 euros in HUMO's activities in 2023.

How does Lendahand Contribute to Financial Inclusion?



Microfinancing

Microfinance is a crucial lifeline for entrepreneurs who are typically excluded from traditional banking services. By investing in microfinance institutions like Kaebauk in East Timor, Lendahand plays a pivotal role in supporting small businesses and fostering local economies.

Targeted financial support can empower entrepreneurs like Miranda to improve their livelihood and strengthen their communities, especially in regions where traditional banking and general wealth are out of reach.



MIRANDA

Starting her restaurant in 1999, Miranda has become famous for her buffet of organic Timorese dishes of local produce. With initial financing from Kaebauk, she was able to purchase essential ingredients and cooking equipment. A subsequent loan is helping her to renovate and enhance the welcoming atmosphere of her restaurant, which is strategically located on Dili's busiest road, attracting both locals and travelers.



Growth Financing

Growth financing aims to support the operations of small and medium enterprises (SMEs) and enhance their market reach. The IFC estimates a \$5.2 trillion financing gap for formal entrepreneurs in emerging markets.

By securing loans tailored to their growth needs, businesses can make strategic investments that propel their development forward. It allows entrepreneurs to scale their businesses and build ecosystems that support broader economic and social development.



DAVAARJARGAL

During a visit to financial institution InvesCore in Mongolia, our team met Davaarjargal. Her specialty shop features naturally produced soaps and bath salts. Thanks to the financial resources, she not only purchases raw materials from local nomads—boosting their income and livelihood—but also expands her business capacity. She now also organizes workshops to empower other female entrepreneurs by teaching them the art of soap creation.



Digital Lending

Digital lending platforms are revolutionizing the way small and medium enterprises (SMEs) access financing. Unlike traditional banks, which often require extensive collateral and lengthy processing times, digital platforms like Funding Societies in Indonesia leverage technology to offer quick, flexible, and collateral-free financial solutions.

Their approach is particularly beneficial for businesses in sectors where physical assets are minimal, but growth potential is significant.



DENNIS

Dennis owns video production house KITA in Jakarta. His company's main asset is the talent and creativity of his team, which typically doesn't meet conventional banks' collateral requirements. With support from Funding Societies, Dennis is able to rent advanced equipment, enhancing his company's capabilities in Indonesia's competitive film sector by facilitating immediate business opportunities and growth.

Investing in Women-Led Businesses

Half of the world's population is female, and when women are financially stable, their communities directly benefit. Research shows that women in emerging markets invest 90 cents of each extra dollar they earn in their families and immediate environments. This translates into better schooling, healthcare, overall lifestyle, and eventually economic growth.

Supporting female entrepreneurs and women-led businesses is important to foster sustainable economic growth in emerging markets. Lendahand secured a grant from USAID to grow this part of our portfolio. By employing a gender lens investing strategy, Lendahand enables crowd-investors to contribute directly to the advancement of gender equality, driving social change and economic development where it is most needed.

40% of our investments
reached women end-borrowers

40%

64% of the end-borrowers
reached were women

64%

Distribution of Female
Leadership and Staff
in Portfolio Companies

**Majority of Female
Board of Directors:**
Bailyk, Fundación Espoir,
SPBD Tonga, KWFT

**Majority of Female
Managers:**
Bailyk, MiCrédito, Validus,
SPBD Samoa, SPBD Tonga,
Fortune Credit

Majority of Female Staff:
Bailyk, Salym, Mikro Kapital,
Fundación Espoir, Creze,
MiCrédito, SPBD Samoa,
SPBD Tonga, Fortune Credit,
iProcure



Meet Four Entrepreneurs from Around the Globe

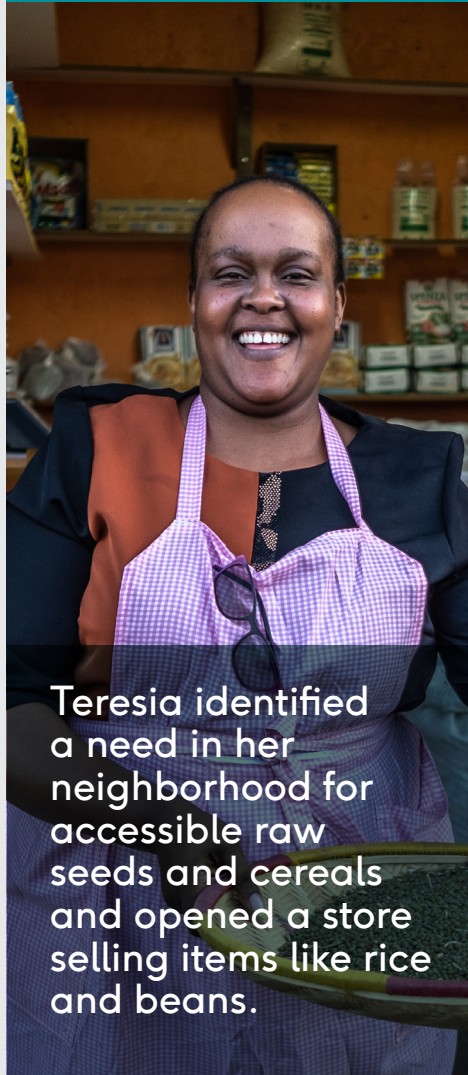
South America



A loan helped Doribel to improve her fruit and vegetable stall and established partnerships with local producers to buy in bulk.

MiCrédito
in Nicaragua

Africa



Teresia identified a need in her neighborhood for accessible raw seeds and cereals and opened a store selling items like rice and beans.

U&I Microfinance
in Kenya

Central Asia



Farida is preparing her field for the next farming season.

Bailyk
in Kyrgyzstan

Southeast Asia



Ilima's woven mats are treasured craftsmanship in the Pacific.

SPBD
in Samoa & Tonga

Jobs Supported

Small and medium-sized enterprises (SMEs) account for 70 to 95 percent of new employment in emerging markets. Lendahand doesn't leave this potential untapped and significantly contributes to job creation by supporting both direct employment in businesses and indirect jobs through financial institutions' end-borrowers. Investing in SMEs, Lendahand aided in supporting over **40,000 jobs** in 2023, ranging from informal and seasonal roles to formal, stable positions. Decent work opportunities promote sustainable economic growth and development in underserved and vulnerable communities.

Top 3 Financial Institutions that supported most jobs at end-borrowers:

1. InvesCore in Mongolia
2. Bailyk in Kyrgyzstan
3. Fundación Espoir in Ecuador



ARMAN



Now that Arman can invest in his store with loans from Kaebauk, he was able to hire three local young men to work with him. This gives Arman the opportunity to focus on growing his business and being present with his family.



Clean Energy

Clean Energy Solutions for Everyday Life

The Lendahand portfolio encompasses a diverse range of clean energy providers, supporting various aspects of daily life. These borrowers offer solar home systems for families in rural areas and larger solar solutions for businesses to reduce carbon emissions while ensuring business continuity by preventing power cuts and blackouts on the back of a reliable solar-driven power supply. Additionally, the portfolio includes access to biogas digesters and stoves that combat poverty and climate change and promote healthier living environments for families. In line with our commitment to innovative solutions within the sector, we also invest in electric motorcycles that are creating cleaner, and less noisy cities while saving on riders' fuel and maintenance costs.

The clean energy sector is typically a start-up scene with many innovative ventures, which has been shown to involve more risks - too high risks. To protect our crowd of investors while still being able to continue offering financing to impactful companies in the sector, Lendahand has taken measures to protect its portfolio in the future.

Want to learn more about our experience and stance on investing in clean energy?

Our CFO, Daniel van Maanen, was interviewed by Energy 4 Impact in 2023.

Head to page 15 of their **Crowdfunding Energy Access Report** to read his Q&A.



click here

Lendahand reached most people with improved energy access through borrowers d.light and sistema.bio

6.001 
solar home systems

6.739 
biogas digesters



Roam's
innovative
electric
motorcycles
are ready to hit
African roads.



Sustainable Agriculture

Building Resilience in Agriculture: Sustainable Coffee Production in Peru

As the global community faces the dual challenges of climate change and food insecurity, sustainable agricultural practices have become essential not only for the health of our planet but also for ensuring food security worldwide. In 2023, Lendahand's strategic focus on sustainable agriculture led us to Peru, where our partnerships with cooperatives such as Lima Coffee and Café Peru are making a significant impact. These organizations focus on enhancing environmentally sustainable coffee production while ensuring it benefits local communities.



Lima Coffee and Café Peru support small family farms by providing extensive training and implementing climate-smart agricultural techniques. Working with cooperatives, farmers can improve crop yield in the face of climate volatility, stabilize their incomes, and enhance their quality of life. Focussing on the holistic well-being of farmers, cooperatives help foster community development, close gender gaps, and ensure sustainable practices.

This commitment to sustainable agriculture promotes economic stability for farmers and contributes to a more resilient and sustainable food system. Lendahand investors directly empower local farmers in Peru's vital coffee regions.

Number of farmers supported with Lendahand financing in 2023:



All United for Impact

As a crowdfunding platform, Lendahand unites impactful companies and financial institutions in emerging markets with an enthusiastic crowd of impact investors. Behind the scenes, our dedicated team and collaborative partners work hard to sustain and enhance Lendahand's mission, ensuring it thrives and significantly impacts an ever-evolving world. In 2023, we not only worked with several collaborative partners

but also fully integrated impact crowdfunding platform PlusPlus into Lendahand. PlusPlus started as a joint venture with Lendahand and NGO's Solidaridad, Cordaid, and Truvalu in 2020, offering financial resources to small entrepreneurs in emerging markets mainly active in agriculture.

Our Crowd of Investors

6.478

**Active Investors
in 2023**

51

**Average
Age**

> 32%

**Female
Investors**

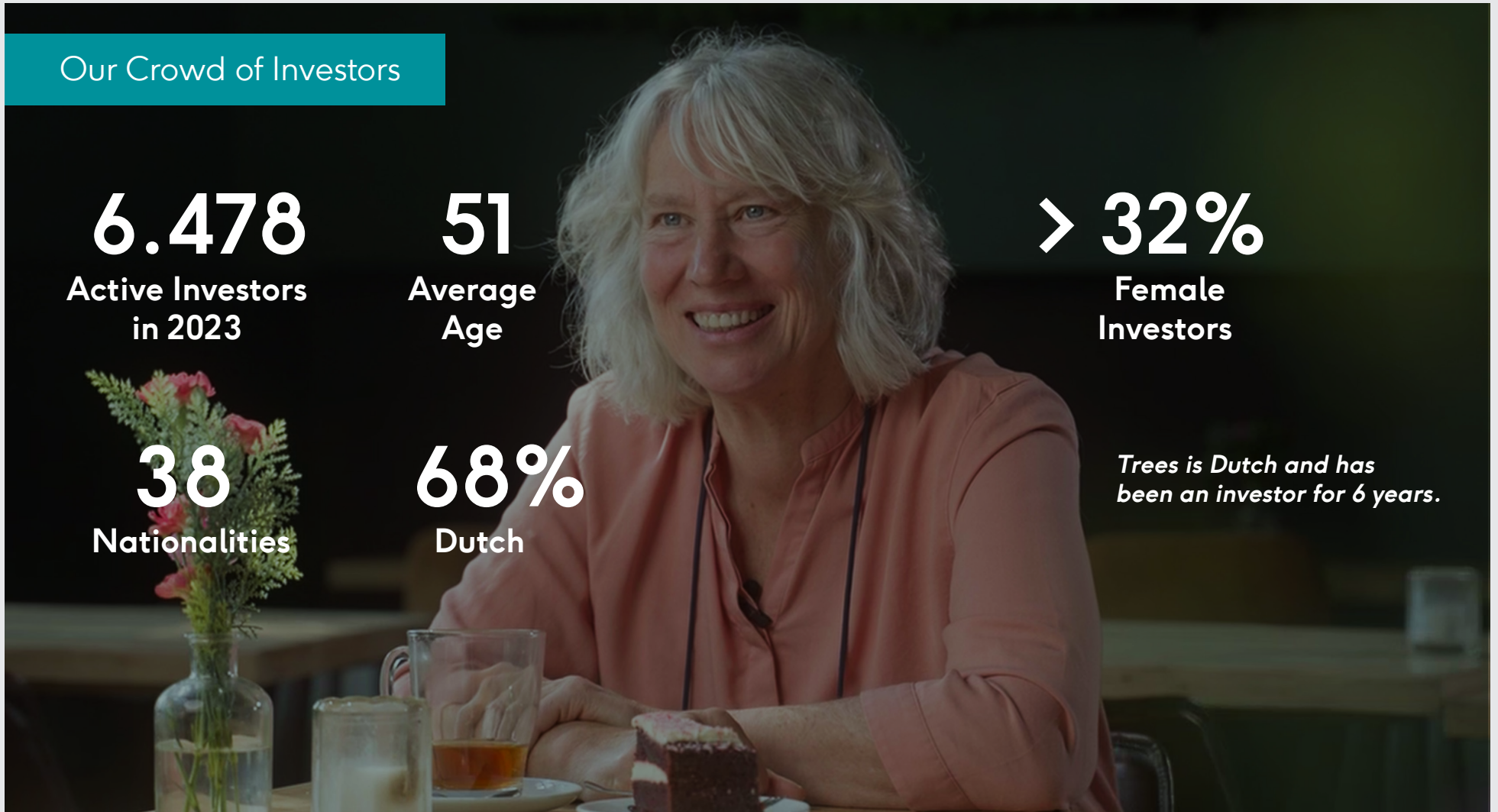
38

Nationalities

68%

Dutch

*Trees is Dutch and has
been an investor for 6 years.*



Our Team



Collaborating Partners





Unite with our 16,000 crowd investors and amplify
your impact in 2024.

[Visit Lendahand here](#)