Agromatch

Income generation for rural communities and increased farm productivity

Anticipated transaction impact
Employment opportunities for mechanics and small farmer access to equipment to improve productivity.

Impact score	Pass (3,22/4)
Credit score	Pass (3,1/4)

Loan Overview

Commitment limit	USD 100,000
Tenor and structure	48 monthly payments of interest and principal
Interest rate	8.50%

Financial Overview

Revenue 2023	USD 732k
Revenue as of August 2024	USD 527k
Financial obligations as of August 2024	USD 334k
Net Assets as of August 2024	USD 296k

Company Information

Legal name	Agromatch SpA
Incorporation date	2018
Corporate address	Santa Magdalena 75, 308, Providencia, Santiago, Chile
Nature of business	Tractor leasing and employment opportunities for mechanics
Website	https://agromatch.cl/

Shareholders

Name	Share (%)
Francisco Astaburuaga	30%
Marco Vercelino	45%
Fernando Martínez	25%

Company management

Name	Nationality	Position
Francisco Astaburuag	Chile	CEO
Marco Vercelino	Chile	CCO
Fernando Martínez	Chile	CTO

Business overview

AgroMatch is an online matchmaking platform for renting agricultural machinery and equipment. Its technology is based on three pillars: digital sales channels, automation of the leasing process, and data capture and analysis. AgroMatch also has its own fleet of tractors and agricultural equipment that it rents through the platform. The platform solves the twin problems of high idle machinery capacity (+60% of the year) and the high cost of leasing and renting machinery for farmers. It also provides work to mechanics who maintain the farm equipment.

Agromatch has nearly 3,600 registered members composed ofg farmers, machinery owners, mechanics, and transporters. Generally, 10% of the registered users are active (360), of which around 16% are small farmers.

The leasing service allows small farmers to save up to 50% on production costs due to mechanization. The equipment and vehicles also increase productivity, which translates in more earnings.

AgroMatch coordinates the operation, including transportation, technical assistance, and maintenance. This technology has allowed the company to position itself as Chile's largest machinery renting platform in only five years without raising investment capital.

The company works with over 90 mechanics, 100% of whom live in rural communities. Mechanics are responsible for repairs and maintenance during and after the leases. AgroMatch pays them in cash, compared to the customary 30 to 60 days they get when servicing other clients. Furthermore, mechanics can earn up to 2x their earnings compared to working in traditional workshops. AgroMatch pays them well, as part of its core competencies is its quick response time if the equipment or vehicles break down.

In addition, the company provides mechanics with training and financing to purchase tools and spare parts to become micro-entrepreneurs. Mechanics are located close to each customer, allowing a quick response time in case of equipment or vehicle failure.

AgroMatch requires a USD 100,000 loan to purchase four tractors and increase its leasing capacity. This will generate more job opportunities for current and future mechanics.

Impact background and delivery

According to the last census conducted in Chile, 66% of farms are considered small producers. Small farmers have yields that are, on average, 35% lower than industrial-sized farms. However, small farms are better for the environment than large-scale mono-crop operations. One of the biggest causes of the yield gap is the lack of mechanization, which drives productivity. Small farms either lack modern equipment or pay a high cost for equipment that sits idle for most of the year.

Agromatch implemented a first pilot in January 2021 to coordinate associative wheat harvesting for six small farmers. This project hired a single service provider to perform the mechanized harvest work. The farmers spent less than 80% of the cost they used to pay individually for equipment and labor.

AgroMatch seeks to promote collaborative leasing as the primary source of access to agricultural machinery in LATAM by making the process transparent and efficient. The platform aims to minimize these machines' idle capacity and enable small farmers to boost productivity and reduce costs. Registered farmers are dedicated to fruit production (cherries, tabletop grapes, and nuts).

The platform allows farmers to avoid purchasing tractors and expensive equipment, representing cost savings of up to 50% during the maintenance and harvesting seasons, which peak from October to April. Clients pay a one-month deposit before receiving delivery of the vehicles or equipment. Through this platform, small farmers have the same opportunity as big farmers to profit from mechanization without investing significant amounts in machinery.

AgroMatch equipment and vehicles can work in different types of fruit trees and crops with varying harvesting seasons. This allows the company to cover up to 10 months of leasing yearly. For the remaining months, AgroMatch focuses on agricultural tasks in addition to harvesting, such as preventive applications, fertilization, and pruning. AgroMatch also provides year-round leases for 48 months, giving it a recurring monthly income.

AgroMatch's fundamental mission is to include small farmers, and it is working to refine its model to ensure that more small farmers use the platform. Generally, the leasing price is the same for any farmer in terms of value per rental time. For example, a farmer may pay USD 37 per day per tractor. However, transportation is usually problematic for small farmers, who may be farther from Agromatch and its other customers. Transportation alone could cost up to USD 300. Thus, individual small farmers pay more per hectare than large farmers.

AgroMatch is working with over 50 cooperatives in 15 regions to correct this. Through these partnerships, AgroMatch aims to improve its capacity to reach small farmers and decrease transportation costs, as it will be spread among several farmers. The company is partnering with Fundacion de Innovacion Agricola and its Agrocoopinnova Program. Through these cooperatives, AgroMatch expects to reach the small farmer market much more efficiently, increasing the number of hectares per client from 2-5 to 50-80.

The company is also working with the public institution INDAP (Instituto para el Apoyo a la Pequeña Agricultura) to allocate the budget to small farmers' organizations and reach them more efficiently. By achieving this, AgroMatch could get these small farmers to pay closer to USD 37 per day, with the same conditions, quality of machines, rates, and professionalism that a large producer can access.

The company also promotes employment in rural communities by offering training for mechanics. Mechanics specialized in agricultural machinery are hard to find in the market. Most of these mechanics are hired by large machinery distributors to perform after-sales work. Other mechanics do occasional field work on nearby farms. AgroMatch has a network of over 90 mechanics in Chile, responsible for repairs and maintenance during and after the leases. This system allows the company to allocate mechanics close to each customer, allowing a short response time in case of failure.

On multiple occasions, AgroMatch has enabled individual mechanics to become small business owners. AgroMatch pays each mechanic up to USD 15,000 yearly, exceeding what many traditional companies offer. The company supports mechanics by financing up to USD 12,000 for initial inputs (trucks and tools). These loans are repaid with the work performed by the mechanic. AgroMatch also pays in cash for each job, unlike the 30- or 60-days customary in the industry. In its six years of operation, AgroMatch has generated over USD 300.000 in job opportunities for rural mechanics.

A mechanic earns an average of USD 80 daily, plus expenses such as transportation and parts. This fee can increase to USD 120, depending on the task's complexity. During harvest season, a mechanic can earn around USD 2,500 monthly thanks to AgroMatch. Mechanics are critical for the business model's scalability.

Figure 1 Orlando Barrera

Agromatch also allows mechanics to purchase the company's tractors with four years of usage for around 50% of the purchase value. For instance, Orlando Barrera, a mechanic who has worked with AgroMatch for three years, recently purchased two of the company's tractors for USD 12,000 each. Orlando now leases the tractors through the platform, generating additional income for his household.

Temporary workers on the farms drive the tractors. These workers must have a license to drive heavy machinery (Class D license) and specific internal training for using tractors and implements. In addition, before the delivery of AgroMatch tractors, a mechanic makes a technical delivery to indicate all the particular considerations of the leased machines.

AgroMatch works with government agencies to connect demand and supply in small farmers' productivity projects. Some of these organizations are the branches of the Ministry of Agriculture in Chile (INDAP, FIA, INIA, ODEPA), with whom the company has secured four contracts of USD 10,000 each in Monthly Recurring Revenue. AgroMatch has structured a project with international organizations (ECLAC, FAO, IICA) to fund and support associations and cooperatives of small farmers in Chile and provide the capacity to hire vehicles and equipment to boost productivity and collaboration. This project will generate a revenue of USD 150,000 during 2025 and double it by 2026. The contract is expected to be signed by the end of November 2024. The company strives to keep contracting with government agencies and international NGOs.

Industry Overview

Few companies in Chile provide tractor and equipment rental or leasing. Generally, companies have their fleet of vehicles and equipment for rent, which differs from AgroMatch, which owns some vehicles and equipment but uses its platform to close the gap between tractor owners and farmers requiring it for their production processes.

AgroMatch supports farmers who grow fruits on 5 hectares and up to 100 hectares. Chile registers over 334,000 productive hectares dedicated to fruit growing, of which AgroMatch serves less than 1%. The company has enough room for growth to identify and serve farmers. More so, Chile registers a tractor fleet of around 8.000 dedicated to all types of agriculture. Even if this entire fleet were devoted exclusively to fruit production, a gap would still remain.

Chile exports nearly 118,000 containers (around 2.9 million tons) of fresh and dried fruit yearly, with fresh fruit (cherries, grapes, apples, and blueberries) accounting for 73%. Exports were valued at USD 6.8B in 2023. All AgroMatch farmers produce and sell fresh fruit.

On the other hand, AgroMatch is creating a mechanics' ecosystem that provides maintenance services with a high-quality standard. Due to the lack of technology for different business models similar to AgroMatch, these companies are constrained in their response time if the vehicles or equipment need maintenance or fixing. On average, a traditional mechanic in Chile earns USD 650 monthly by working independently or in a workshop. AgroMatch offers an exciting opportunity for mechanics to earn more and improve their skills.

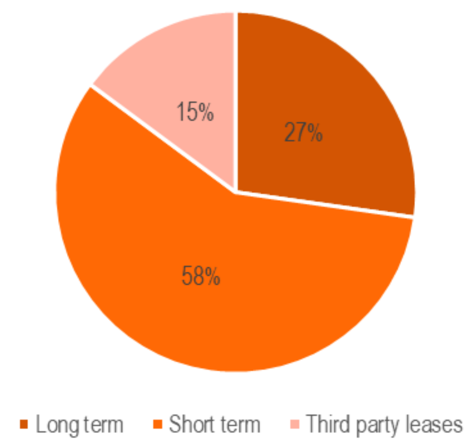
Company Overview

AgroMatch was born thanks to Marco Vercelino's experience with Agromecaniza and Agrorental, two companies he founded that sell and lease equipment, vehicles, and agriculture machinery. Marco sits on the boards of both companies and has no managerial tasks, as he's focused on strengthening AgroMatch. These companies are still operating and are focused on serving farmers with large land extensions. Agromecaniza and Agrorental are traditional rental companies that own vehicles and equipment and have a fixed supply. These models are different from AgroMatch as the company leverages its supply based on tractors owned by farmers. Marco is also dedicated to renting his properties through Airbnb, which gave him the idea of providing better use for vehicles and equipment in agriculture. Marco realized the demand, which came from small farmers, was already in place. The critical mass of these producers could generate a change in the traditional leasing business model and, at the same time, include and empower rural entrepreneurs.

AgroMatch facilitates access to agricultural machinery by using existing resources. The company connects the demand and supply of agricultural machinery, allowing the scalability of a collaborative ecosystem in agriculture. AgroMatch has fulfilled over 4,300 leasing transactions in the past four years.

AgroMatch's revenues can be divided into three categories: long-term equipment leases, short-term equipment leases, and matchmaking fees. Over 50% of AgroMatch's fleet is deployed on large farms under three-year contracts. AgroMatch earns USD 1,110 per month per tractor, while its debt service is approximately USD 700 monthly. AgroMatch's remaining fleet is rented to smallholder farmers at an average of USD 37 per day, meaning it must be deployed 19 days per month to cover the debt service. The company leases vehicles for at least 15 days to cover the debt service per tractor. Utilization for this category is currently running at 30 days. Lastly, Agromatch earns a fee of USD 13 daily when it matches a lessor with a lessee on its platform.

Typically, a new tractor costs USD 25,000, which requires nearly USD 3,000 for maintenance, repairs, spare parts, and insurance. A tractor buyer must pay around 20% of the value upfront and finance the balance. If a buyer finances USD 20,000 at 14% p.a. for three years, the monthly payment plus additional expenses would be almost USD 1,350. Renting a tractor through the platform is at least 23% cheaper than buying one.



Graph 1 AgroMatch Revenue distribution per category (2024 August)

AgroMatch's unit economics are positive. The company rents tractors for USD 1,110 a month and spends almost USD 250 on maintenance and insurance monthly. Interest payments and depreciation add to USD 500, leaving a net of nearly USD 360 per tractor monthly. The monthly fee is the same for tractors rented through the platform. In this case, AgroMatch charges a 36% fee (around USD 400) for the platform's usage and vehicle maintenance. The unit economics are again positive, resulting in a net of USD 217. Transportation fees are additional, depending on the covered distance.

Since its inception, AgroMatch has received over 5,800 requests from farmers through the platform. The company has only fulfilled 565 requests (less than 10%). The other 90% of those requests went unfilled due to the lack of available machinery, evidence of the unmet demand in the market. Over the years, AgroMatch has analyzed the demand according to dates, areas, and machine types to project future demand and availability to focus sales, marketing, and recruiting efforts. During 2023, AgroMatch's average fleet occupation was 92%.

Some of AgroMatch's milestones to date are over 150 monthly rent requests, reaching USD 1M in revenue in 2022 without private investment, 50 tractors in its fleet to complement the leasing offer, and over USD 100,000 in net income in the first half of 2024. In addition to AgroMatch's tractor fleet, it manages 70 through the platform.

The company has received several national and international awards, such as Startup Olé (Spain), Startup World Cup (California), and Conectagro (Chile). AgroMatch promoted the creation of AgroTech Chile, the leading association of AgTech startups in the country, with nearly 70 affiliated enterprises. Francisco Astaburuaga, AgroMatch's CEO, currently serves as president of this association.

AgroMatch has secured USD 150,000 (non-reimbursable) through the Corfo Fund, a Chilean entity that supports and promotes entrepreneurship through grants and technical assistance. These funds will be used to enter the Peruvian market.

The company has credit lines with Banco Institucional de Chile (USD 350,000) and Katz, an investment fund in Panama (USD 1M), to purchase tractors and equipment.

AgroMatch launched in Peru in September 2024 and has already signed long-term leases valued at USD 100,000. In the next two years, Agromatch aims to achieve a revenue of USD 500,000 in Peru and a combined net income of USD 500,000 in both countries. It's also working to convert the first two prototypes of combustion tractors to electric power in Chile and improve the platform's functionalities.

In AgroMatch words, the "Agricultural Electromobility" project seeks to design, prototype, and introduce Chile's first refurbished electric tractors, using discontinued machines and transforming their combustion systems to 100% electric. Chile has positioned itself as one of the primary references in this practice globally, generating the human capital and knowledge needed to carry out retrofit designs. Introducing electric tractors will almost completely mitigate CO2 emissions and generate significant financial and environmental benefits for producers. This circular economy project will maximize the life cycle of already available assets. The project is currently being evaluated by Corfo Chile for USD 250,000 in funding and is expected to launch in Q1 2025.

Management

Francisco Astaburuaga Co-Founder and CEO	Francisco is an electronic engineer with over 8 years of experience in the tech industry, and co-founded AgroMatch in 2018 and became its CEO. He has several postgraduate studies in management, machine learning, and coding. He's president of AgroTech Chile, an association comprised by AgTech companies and its foundation was led by AgroMatch. Francisco is in charge of general management, finances, and strategic project design, presentation and implementation.
Marco Vercellino Co-Founder and CCO	Marco is AgroMatch's co-founder and CCO. He's an agronomist with over 30 years of experience in developing and validating agricultural machinery rental companies. Marco has directly assisted more than 15,000 hectares regarding the most optimal and profitable mechanization model according to crop, zone, capital, utilization, and mode. Marco also founded Agromecaniza and Agrorental, two agricultural equipment leasing and distribution companies in Chile that are still in the market. Marco oversees the commercial strategy, customer service, and relationship management with clients and suppliers.
Fernando Martínez Co-Founder and CTO	Fernando is an industrial engineer and co-founder of AgroMatch. He has nearly 10 years of experience in tech companies and several postgraduate studies in coding and machine learning. Fernando also founded Central Remates, a platform that facilitates auctions' offer and demand. This company is still operating. He is responsible for the platform's development and improvement.

The three shareholders make the final decisions according to the area each manages. When these decisions impact the team's work, the team is consulted. If Francisco leaves the team, Marco will be the next in line to resume the CEO's tasks.

Supply chain

AgroMatch's fleet is centrally located across Chile, covering over 850 km from Santiago to Valdivia in the south. Upon receipt of the customer's request for a tractor and deposit payment, AgroMatch delivers the tractor by land, driving the vehicle to the farmer. AgroMatch doesn't own a warehouse or plot of land to park the tractors. Instead, maintenance services are done within the clients' farms or at the mechanics' workshops. The tractors are transported from these locations to the following user. All tractors on the AgroMatch platform are covered by insurance.

Country overview

Chile has nearly 18 million inhabitants and is considered a high-income economy by the World Bank. Its GDP was USD 301B in 2023, and inflation was 3.9%, decreasing for the last three years. Chile is recognized for its stable economic indicators and monetary policies. The country is implementing more sustainable policies to reduce fossil fuel consumption and CO2 emissions. Chile is investing heavily in electric transportation and renewable energy sources.

Agriculture contributes nearly 10% to the annual GDP, and with almost a quarter of the world's supply, Chile is the world's largest copper producer and exporter. One of the main challenges facing the Chilean agricultural industry is the prolonged drought, which has persisted for more than a decade. Drought conditions have particularly affected regions such as Atacama and Coquimbo, decreasing planted areas. By leveraging technological innovation, sustainable practices, and strategic partnerships, Chilean agricultural stakeholders can overcome challenges and take advantage of emerging opportunities, ensuring the long-term viability of the sector and its contribution to national prosperity.

Financial Overview

Financial performance

PnL (USDk)	**2020**	**2021**	**2022**	**2023**	**2024 August**	**2024F**	**2025F**
Revenue	298,5	724,3	986,7	732,7	577,3	806,0	886,6
Cost of Sales	-193,6	-376,7	-532,6	-588,1	-366,1	-507,0	-557,7
Gross Profit	104,9	347,6	454,1	144,5	211,2	299,0	328,9
Overhead costs	-94,9	-277,0	-445,1	-144,2	-49,2	-145,1	-159,6
Net Profit	10,0	70,6	9,0	0,3	162,1	153,9	169,3
Financial performance metrics							
Revenue growth rate		143%	36%	(26%)		10%	10%
Gross profit margin	35%	48%	46%	20%	37%	37%	37%
Net profit margin	3%	10%	1%	0%	28%	22%	19%

Figure 2 AgroMatch Historical (2020-2024 August) Forecast (2024-2025) Profit and Loss Statements

- AgroMatch earns USD 1,110 monthly per leased tractor. On average, a tractor operates for 10 to 11 months yearly compared to four to five months if it is owned by a farmer (seven to eight months of idle capacity).
- Sales decreased from 2022 to 2023 as the company refocused its commercial strategy. AgroMatch prioritized leasing machinery without operators (tractors of less than 80hp and implements), with gross margins of up to 50%. This strategy started implementation during the third quarter of the year. At the same time, it reduced its efforts in business lines of high turnover and low margins (mechanized harvesting services, sowing, machinery sales, and others). The new commercial strategy is expected to increase the gross margin to at least 40%. Up to August 2024, it evidences a gross margin of 50%.
- Depreciation in 2023 increased considerably due to a fleet expansion, which affected profits. However, this figure needs to be more accurate since, in accounting terms, AgroMatch considers a depreciation of eight years per tractor with zero residual value. This is not the case; for example, it sold 12-year-old tractors at 60% of the original value.
- In 2022, AgroMatch had to write off approximately USD 20k from three clients with poor harvests and bad financial management in 2019. Farmers must pay in advance for the time they'll lease the vehicles and equipment to ensure this will not happen again.
- AgroMatch has been a profitable social enterprise for the last four years and is expected to continue being so in the future. However, in 2022 and 2023, it only achieved breakeven, as in 2022, they started leveraging the business and had to pay interest. AgroMatch's growth model is based on financing its assets rather than selling stocks.
- The company shows growing revenue, except for 2023, as they were refocusing its sales strategy.
- The cost of sales comprises equipment and vehicle maintenance, mechanics' payments, lease payments for tractors owned by some users, and transportation for the leasing operations.
- On the other hand, payroll, insurance, and marketing expenses represent the overhead costs.
- We made projections for 2024 and 2025, considering the new commercial strategy. We expect consistent and conservative growth of 10% yearly, as the company has already done. Also, as mentioned, the gross profit margin is expected to be around 40%, achievable as AgroMatch already shows a 50% gross margin up to

August 2024. Regarding overhead, we used 18%, the average expense for the last four years, minus the fixed overhead expenses that the new equipment will leverage. The net profit margin is projected to be nearly 22%.

Financial position

Balance Sheet (USDk)	2020	2021	2022	2023	2024 August
Cash	13	47	21	33	87
Receivables	68	133	156	189	212
Other current assets	6	27	16	105	151
Current assets	86	207	192	327	450
Short-term debt	15	23	105	184	141
Current liabilities	47	97	208	428	389
Long-term debt	0	0	229	211	211
Non-current liabilities	0	0	229	211	211
Total assets	86	207	571	773	895
Total liabilities	47	97	437	639	599
Total equity	39	110	134	134	296

Figure 3 AgroMatch Historical (2020-2024 August) Balance Sheet

- Cash balance is relatively low as AgroMatch receives monthly payments from the leasing operations and uses these resources to pay tractor owners' fees, labor, and mechanics' salaries. Receivables represent the fees yet to be paid by farmers renting the tractors under multi-month contracts. AgroMatch collects monthly on these contracts.
- The company has established a sustainable growth model through leverage to keep increasing its assets. The new tractors will generate enough revenue and profits to cover the debt service.
- 50% of total assets (USD 430k) are the tractors AgroMatch has acquired through financing from financial institutions, manufacturers, and internal funds. About USD 95k of these are free and clear of encumbrances.
- Payables represent the fees AgroMatch owes to tractor owners renting their vehicles through the platform. Working capital fluctuates depending on the duration of each transaction. Some renting operations are short-term, whereas farmers with over 50 hectares sign 11-month contracts.
- AgroMatch has almost USD 360,000 in financial obligations (short- and long-term) used to finance tractors and equipment purchases. Nearly 75% of the vehicles are financed.
- The difference between the financial obligations and leasing data presented in Figure 3 and the BS for August 2024 is due to the accountant still working on the quarterly FS. Some of the accounts are recognized and changed quarterly. AgroMatch confirms that the data in Figure 3 is accurate.
- AgroMatch shows a growing equity balance thanks to its profitability. It has enough assets to offset liabilities, as it has been building its asset base (tractors and equipment) for the last seven years.
- Depreciation in 2023 and 2024 up to August is the same, as it will be recognized by the end of 2024.

Transaction Overview

AgroMatch requests a USD 100,000 term loan to purchase four tractors, increasing its fleet to 54 vehicles for its operation in Chile. The additional tractors should generate an annual revenue of at least USD 44,000. As mentioned, the unmet demand is more significant than AgroMatch's response capacity. We expect these tractors to be operating from day one.

The company has active loans from Banagro, CNH, DLL, and Banco de Chile to purchase tractors and equipment. CNH and DLL are financial services companies that provide facilities for buying equipment and tractors in several countries.

It has also been approved for a USD 1M credit line with Lionshead, an investment fund in Panama, which hasn't been tapped yet. AgroMatch has always been on time with their payments with all lenders. Details of its existing debt obligations can be seen below.

Despite having several financing options, AgroMatch wants to start working with impact lenders and funds to keep improving its impact framework. Currently, financing options in Chile are expensive and more restrictive.

Institution	Facility	Monthly payment USD	Interest Rate p.a.	Term (months)	Paid installments	Outstanding balance
Banagro	Leasing	$1,676	12%	48	38	$16,758
CNH 1	Leasing	$1,852	14%	48	33	$27,773
CNH 2	Leasing	$2,509	14%	48	22	$65,226
DLL 1	Leasing	$2,043	14%	48	23	$51,082
DLL 2	Leasing	$2,325	14%	48	8	$92,985
Banco de Chile	Leasing	$2,192	12%	48	11	$81,114
Total		**$12,596**				**$334,938**

We calculated the DSCR considering these obligations and BR's loan. The DSCR would be 1x. Agromatch must have its current *and* BR's fleet occupied to service the loans. AgroMatch will purchase four tractors with BR's funds, and they will secure our loan. The high demand in the market and high tractor utilization (92% during 2023) make us feel confident that the vehicles will be operating almost all year. In the worst-case scenario, AgroMatch can sell the tractors and repay the loan. The purchased tractors will be the collateral for this loan. Also, Francisco will be a cosigner of the loan agreement.

Major risks and mitigating factors

Risk	Probability	Risk mitigating factor
AgroMatch doesn't get new clients.	Low	▪ AgroMatch has only been able to cover less than 10% of the historical requests through the platform due to limited tractor access. It's unlikely that the tractors will not be leased, as there is a long waiting list of farmers interested in renting the vehicles. ▪ AgroMatch can sell the used tractors if needed. In seven years of operation, AgroMatch hasn't experienced defaults on contracts from long-term customers.
Chilean entity subsidizes Peruvian operations.	Medium	▪ The expansion into Peru is designed to operate lightly for the first few years, similar to how AgroMatch opens a new region in Chile. The company has a small operating team aligned with contracts and purchase orders from large and medium-sized farmers. Additionally, in August of this year, AgroMatch was awarded a USD 150,000 non-refundable grant from the Chilean public fund to finance initial operating expenses in Peru for the first 18 months.

Conclusion

We recommend extending a USD 100,000 term loan to AgroMatch to purchase tractors and expand its fleet. The tractors will be rapidly placed in the market as the current identified demand exceeds the offer they manage through the platform. Repayment will come from the company's profits and the monthly revenue from leasing them. We spoke with a few farmers and mechanics, who expressed gratitude to the company. Mechanics value a consistent and fair monthly income generation. The company always pays on time and in cash, depending on the type of service they provide. On the other hand, farmers value easy access to vehicles and equipment that help them reduce their production costs and make the harvesting and maintenance process more efficient and less time-consuming.

Appendix 1: Impact Assessment

Impact score: 3.22 out of 4

Prospective borrowers are rated with 1 point for Low, 2 points for Moderately Low, 3 points for Moderately High, and 4 points for High. Minimum score of 3 for approval.

Category	Subcategories	Score	Weight	Wt. Score
DEPTH AND BREADTH *Is the breadth of impact wide, relative to the current size of the org? How meaningful are the changes to the beneficiaries? Are the beneficiaries truly excluded and marginalized?*	Impact relative to the current size of the organization	3	30%	0.9
	Meaningful changes to the beneficiaries	4		
	Beneficiaries' exclusion	2		
SYSTEMIC CHANGE *Is the social enterprise focused on lasting change? Is the social enterprise driving policy change or serving as an example to the industry and its peers?*	Wider impact commitment	4	25%	0.87
	Beneficiaries' autonomy	3		
INTENTIONALITY *How committed is the social enterprise to its social or environmental mission? Does the social enterprise measure its progress using pre-selected metrics?*	Focus on impact	3	25%	0.75
	Impact reporting	3		
COMMUNITY ENGAGEMENT *Are the beneficiaries active voices in crafting solutions? Is the social enterprise building local human resources?*	Stakeholder involvement	4	10%	0.4
ADDITIONALITY *Is Beneficial Returns' investment crucial to the company's continual growth? Is the company using the funds to create new streams of income?*	Credit history	3	10%	0.3
	Use of funds	3		
TOTAL				3.22

Appendix 2: Credit Assessment

Credit score: 3.1 out of 4

Prospective borrowers are rated with 1 point for Low, 2 points for Moderately Low, 3 points for Moderately High, and 4 points for High. A minimum score of 3 for approval.

Category	Subcategories	Score	Weight	Wt. Score
BELIEF IN MANAGEMENT *Can we obtain strong references about the character and ability of the entrepreneur? Is leadership at the social enterprise plural, resulting in a completeness of requisite skills? Is the governance structure adequate? Are financial statements prepared monthly and audited?*	Entrepreneurs' character and motivation	4	30%	1.12
	Completeness of skills between entrepreneur and next level management team	4		
	Governance	3		
	Reliability of financial information	4		
CAPACITY (PROFITABILITY) *Does the social enterprise have a positive earnings trend? Has it pursued external certification that raises the barrier of entry to its customers? Are top customers adequately diversified? Are suppliers adequately diversified? Is quality control and improvement an ethos within production? Is working capital adequate relative to the cash conversion cycle?*	Ability to be profitable	4	30%	0.9
	Revenue quality	3		
	Supply and operations reliability	3		
	Working capital performance with respect to the business model	2		
TRANSACTION CREDIT *Is the social enterprise's DSCR adequate for the debt obligation? Is there collateral for the loan with an adequate loan-to-value amount? Is there a guarantor for the loan?*	Ability to service debt	2	20%	0.6
	Collateral or guarantees	4		
CUSHION AND EXTERNAL FACTORS *Is the social enterprise operating within a highly regulated industry? Is competition stiff due to low barriers of entry? Is the current ratio high (>=1.75)? Is the social enterprise lightly leveraged (D/E < 1.0)? Does the social enterprise have adequate runway; does it exceed the loan term?*	Vulnerability to industry-specific regulations	3	20%	0.48
	Competition	2		
	Liquidity	3		
	Leverage	2		
	Runway (Cash divided by the last 12 months' operating cash flows)	2		
TOTAL				**3.1**