



KOINWORKS

Impact Report 1st Edition

2022

Leveling Up
Beyond Finance

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Leveling Up Beyond Finance

Leveling up beyond finance is about healthy financial returns and KoinWorks' testament and dedication to upholding what is vital: impactful returns for the environment, society, and everyone and everything's best interest - our future world.



With digital access more prevalent now than ever, KoinWorks commits to a partnership with entrepreneurs by providing digitally inclusive solutions oriented towards innovation for all their financial needs.

Every business at every stage (including microbusinesses and freelancers) will grow from the essential services that KoinWorks makes available 24/7 and in just one click of a button.

More than
2.2 Million

People have used KoinWorks services because they simply can't get access to fair growth capital using banks or paying too high interest rates to money lenders. KoinWorks provides underserved MSMEs and individual investors a one-stop-solution for everyone everywhere accessible.

KoinWorks Impact Essentials (1st chapter) is a good way to quickly learn how we successfully impact the lives and businesses of Indonesian MSMEs and their individual investors. KoinWorks aims high; to be the industry leader in combining healthy financial returns with cutting edge sustainable impact. The contribution from our stakeholders and their continued support inspire and strengthen us on this powerful journey.

Feedback Channel

If you've taken the time to go through this report, we thank you, and we'd love to hear from you. Also, if you seriously want to reserve a copy for the next report, please do email us at impact@koinworks.com



Letter from Wil

"Our Dreams Become A Reality When We Put Our Minds Together and Throw Action To It. That is how KoinWorks started."

Global recession and decline in the technology industry, often referred to as the "tech winter," has affected businesses worldwide, and the financial technology sector has been no exception. With forebodings that we pivot our products and services to a more feasible direction, we focused on our mission and stayed true to our course. And though challenges are constant in our growing industry, I am proud to say that KoinWorks has weathered many storms, but our approach remains clear, and we continue to thrive and grow because of it.

What is the story behind our resilience?

Our commitment to collaboration is one of the critical elements of our success. We have worked closely with our partners, users, and other stakeholders to ensure that our operations align with the market's needs and priorities. These strong relationships have allowed us to remain flexible and responsive to changing conditions.

Operating in line with authorities has also been integral to our success. We maintain symbiotic relationships with our government leaders rooted in strengthening our economy for the future. We have always been mindful of complying with all relevant regulations and guidelines to maintain trust and credibility with our users and stakeholders.

We maintain a strong ship

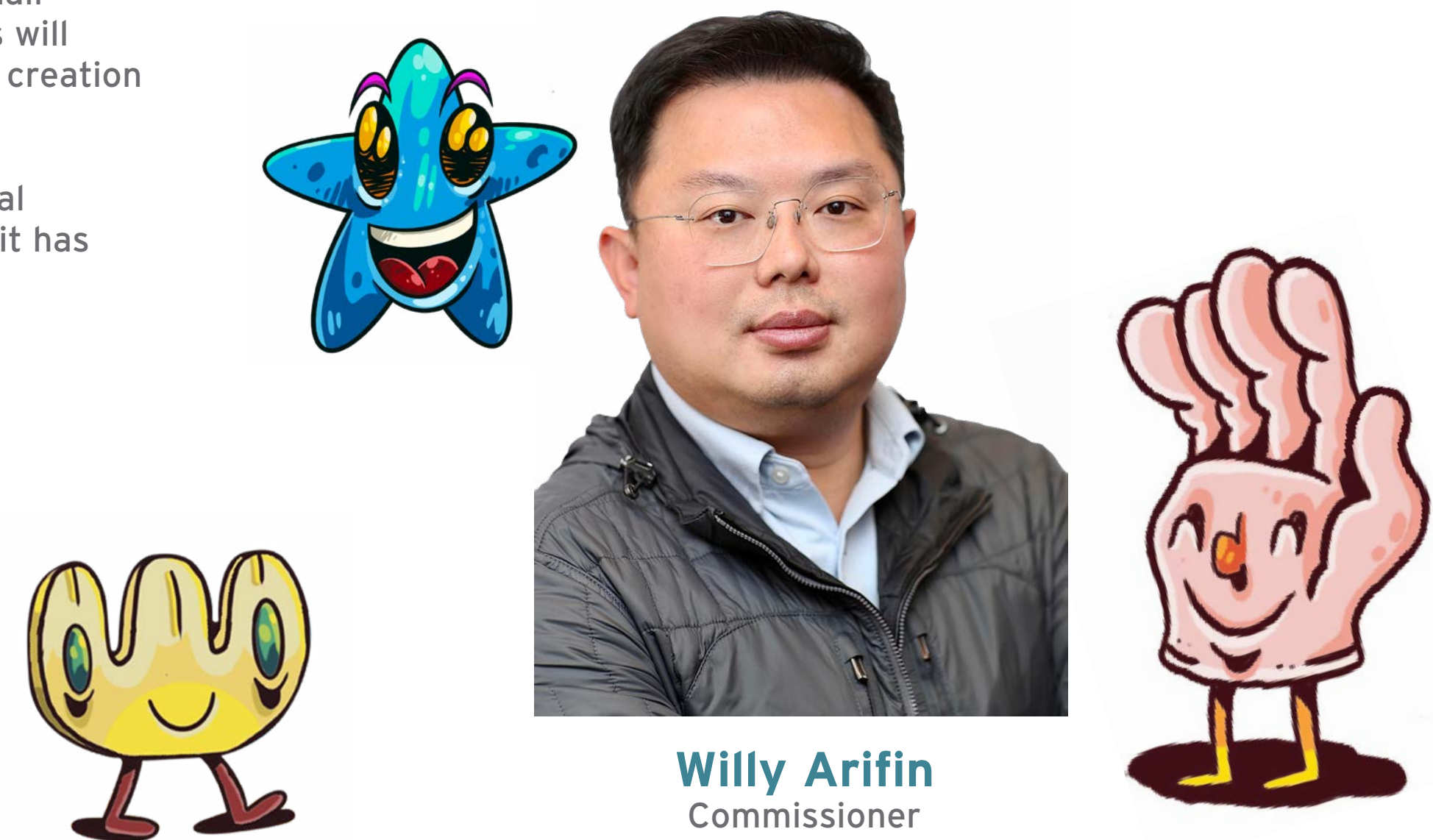
Because we have a leadership team that closely monitors industry trends and developments and aligns our policies and strategies with international best practices to future-proof our vessel. Because we go through treacherous waters together, we are supported by a team that trusts and acknowledges when we have to be malleable as an organization to accept that some parts have to be changed or shaped into a better version via operational upgrades that keep us fair, ethical, and responsible.

As we advocate for an inclusive digital business ecosystem, we look to the future with sustainability as our next major initiative. This is the way to positively impact the growth of Micro, Small and Medium Enterprises (MSMEs) and, in turn, these efforts will reverberate throughout the country's economy through job creation and uplifted communities.

In conclusion, the Covid-19 pandemic and the resulting global recession has been a challenging time for our industry, but it has also been a time of opportunity.

We are proud of our shared progress with partners and MSMEs

This report shares what we truly mean when we say we have committed to a positive impact and will continue to do so in the years to come. In this shared space of the one world we all live in, we hope that this Impact Report serves as a guide and lights a spark of interest, of hope, of understanding that we have to have sustainable goals together to survive, thrive, grow and prosper.



Willy Arifin
Commissioner
Executive Chairman & Co-Founder of KoinWorks

Letter from Ben

"We want to do better. The things that are wrong in this world are often in plain sight"

We come across them so often that we've forgotten what needs to be fixed, and that we can't and shouldn't go on this way, in a world profitable for the few, but inaccessible for many.

We should not be complacent in our success

As much is owed to factors unseen that have come together to make it so for a very specific set of humanity. Aided by technology, we now have concrete evidence that some people cannot prosper in life, not because of laziness or self-generated struggles – but because you need more than your commitment to your dreams to succeed. You need someone to help you realize it.

And for every person starting their own business, minding their own business, without a clue on how to move forward in this rapidly digitizing world, KoinWorks is that someone.

We established KoinWorks in 2016 with one mission

to enable everyone to fulfill their dreams by providing accessible and affordable financial solutions. Providing actionable solutions to make dreams a reality is the driving force behind so much of what we do. And much of what we do now only exists because we dared to bring it to life. We've spoken to millions of individuals, our users and partners, who have laid their hopes and dreams bare for us, and trust that we will embark on a journey with them to bring all of these to life. They inspire us to aim higher, work harder, and never give up in the face of challenges.

For most of our digital ecosystem of Micro, Small, and Medium Enterprises (MSMEs), these dreams are often simple ones - they

want to create jobs for their family and friends and improve the living conditions of the community that they live in. The bigger dreams we share – to drive economic growth – come when they themselves see that their tiny business empowers other small businesses as well.

We know what our role is

Once we learned, back in 2016, that only 28% out of 65 million of Indonesia's MSMEs have access to financial services despite their significant role in the nation's economy, we knew we had to do our part to make it better. And from there, we looked for the ways and means for MSMEs to have access to the financing they need to grow and succeed. Through our innovations and services, we wanted everyone to be a part of this journey to create a positive impact on all Indonesian lives.

Meanwhile, when it comes to our other essential partners, the individual investors, they have dreams that are often centered around financial success and stability. We want to be their reliable partner at every step of their financial journey. With our products, we want to open opportunities for every potential investor to fund the real sector in the most affordable way possible.

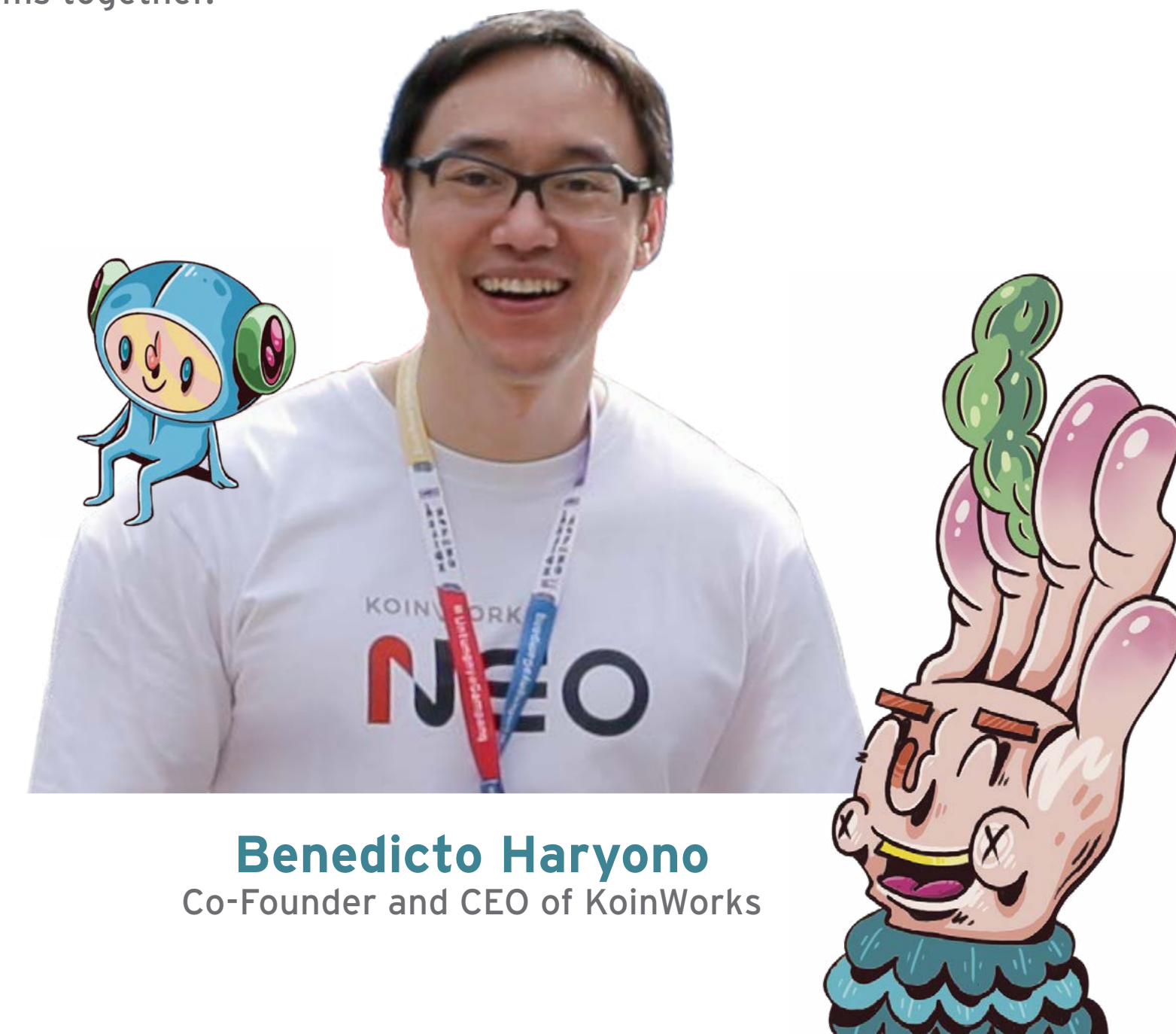
At last, we look at our biggest dream (for now, that is), which is to create a circular cycle of investing where everyone in the digital ecosystem benefits from each interaction they undertake. Small impact investments can bring the dreams of MSMEs to life and affect a lasting positive change in the lives of the businesses and communities they serve.

And throughout, individual investors can help make these dreams happen while achieving their own financial goals. Everyone wins in this scenario – in this dream that we now all share

I'm pleased to present the KoinWorks Impact Report for the Year 2021-2022

A look back at the many inroads we have taken for inclusive business practices, which have always been at the core of our business, and also an outline of the progress we have made in creating value for the global Sustainable Development Goals (SDGs) of the United Nations. We are proud of our impact in Indonesia, but we know more work is still to be done. That's why we are committed to finding new and innovative ways to create value for the SDGs.

I'd like to thank the KoinWorks teams, users, investors, stakeholders, and everyone who has been part of this journey that began with being able to do better and continues on to fulfilling our shared dreams together.



Benedicto Haryono
Co-Founder and CEO of KoinWorks

KoinWorks Impact Essentials



KoinWorks Impact Essentials 2022

Our CommunityWorks

\$1.1Billion (IDR 15T)

Disbursed to MSMEs to solve their liquidity constraints

Growth + 531% from 2020

840K

Entrepreneurs eager to grow their business with us.

Growth + 331% from 2020

+63%

Net impact to Indonesia

2.2 Million

People joined KoinWorks to unlock their financial dreams

Growth + 273% from 2020

1.4 Million

Individual investors contributed to MSME growth plans



25%
Underbanked MSMEs

37%
Women-led MSME

41%
First time access to loans

34%
Revenue growth after joining

106K
Started to digital transact

75%
Experienced strong asset growth

77%
Became more financial knowledgable

80%
Felt much better about themselves

60%
Less financial stress

78%
Stronger resilience for absorbing shocks

77%
Build up extra savings

116K
MSME new jobs created

KoinWorks Impact Essentials 2022

Our Green- Trooper- and GovernanceWorks

Energy Intensity
(kWh/Bio IDR Revenue)

Tech Zero

GreenWorks
Reduced energy and carbon intensity

Carbon Emission Intensity
(TCO2/Bio IDR Revenue)

33%
Women in Tech

TrooperWorks
We hired more 425 roles to help us make financial dreams come true

660
People in 2022

GovernanceWorks
Following international and local standards

KoinWorks Awards:

Most Favorite P2P Lending Platform 2022

One of 29 Top Southeast Asia Peer to Peer Companies and Startups

Best SME Payments Initiative Paytech Fintech Awards 2022

Finalist SFF Global Fintech Awards 2021 Category ASEAN Fintech

Most Used P2P Lending Platform 2020

Digital Marketing Champion 2020 by SWA & Business Digest

Digital Disruptor IDC Digital Transformation Awards 2020

The Best Fintech Startup in Asia by Valuer.id

Top 10 ASEAN FINTECH by MAS Fintech Awards 2020

Top FinTech Startups In Indonesia: Soonicom Club 2020

The Winner of Financial Innovation in Lending Category 2019

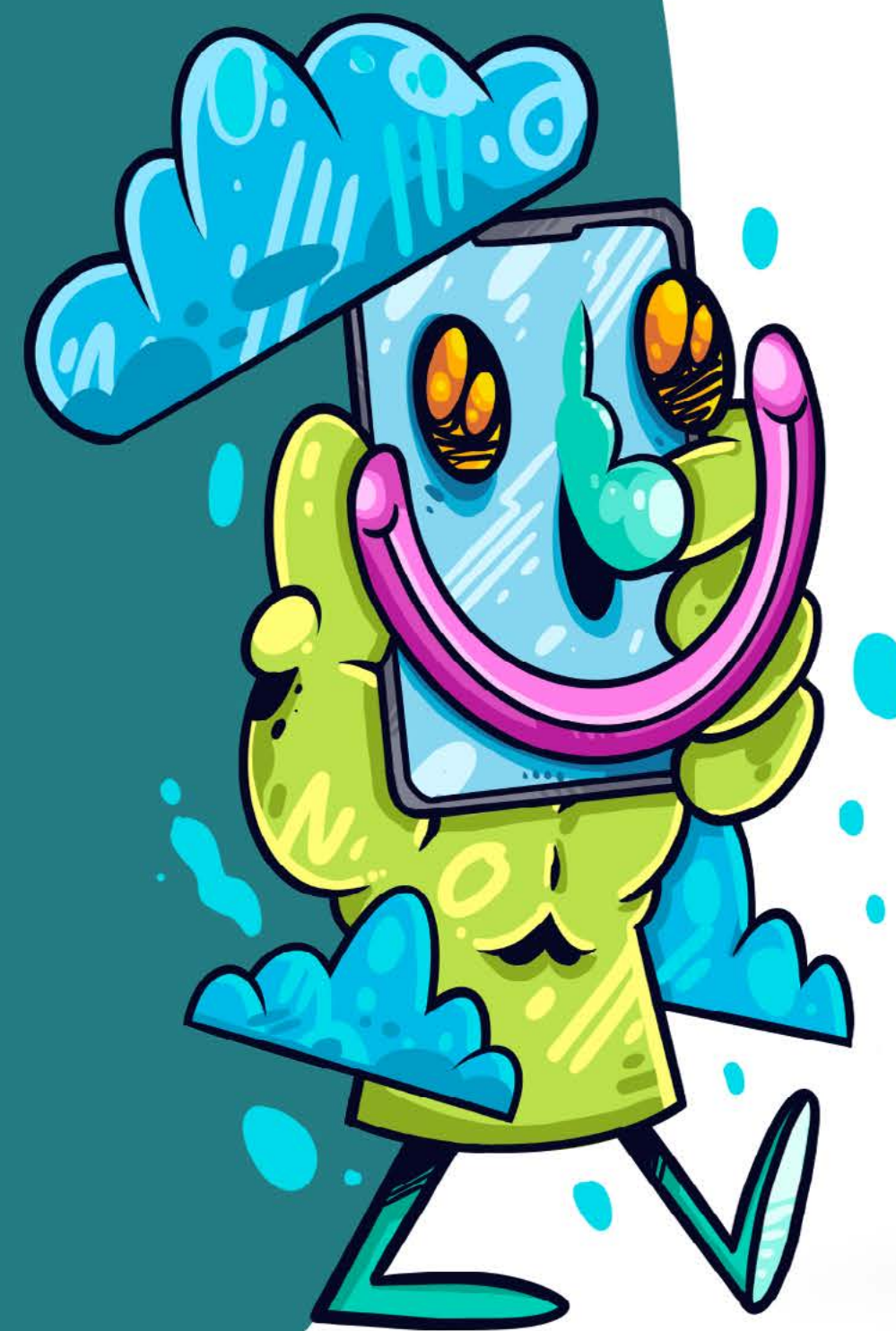
The 6 Finalist Visa Everywhere Initiative 2019

Top Leading Indonesian Fintech Lending Company 2019

Innovative Company in Providing Online Funding with Machine Learning 2018 & 2019

The Most Innovative Fintech of The Year 2017

Learn About Us



Our Manifest



KoinWorks inception

E-commerce sellers faced a huge liquidity gap to grow their inventory. Sellers were using their own cash, while the market demand often doubled ... or even tripled, hence sellers were buying way below their market demand from their wholesalers.

Banks were not interested to step in challenged by unsecured loans, KYC documents requirements and it not being worthwhile for them to underwrite such small loans. Enabled by individual investors who eagerly participated in the democratization of the investment market, receiving attractive returns on their investments, the first E-commerce sellers got access to data driven unsecured affordable loans on KoinWorks P2P platform.

Today we have more than 2 million users who together solve the liquidity constraints of Indonesian MSMEs as the backbone of the Indonesian economy.

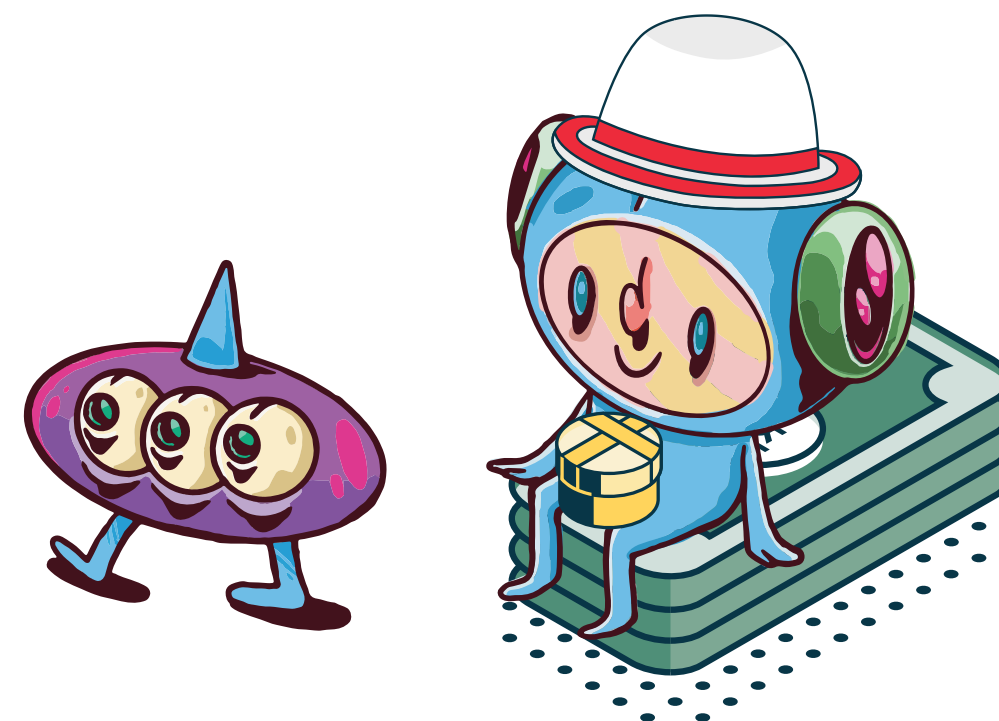
A vision beyond the extraordinary

Our VISION FOR TOMORROW is an Indonesia where “Everyone can unlock their financial dream”; KoinWorks aims to create a local economy that provides opportunities for everyone to participate and benefit, rather than just a select few.

Individuals and businesses who are stuck in the formal financial system are able to find alternative affordable solutions to realize their entrepreneurial dreams to grow their businesses, save for the future, improve their quality of life and peace of mind.

Championing our mission

Enable access to affordable financial solutions and enterprise health to underserved Indonesian MSMEs, while contributing to a stronger wealth position of the individual investor.



Values leading us to the future

A committed team that cares about people and delivering day by day value to all our users. Strong values keep our team together by providing a clear sense of purpose and direction, creating a positive team culture, building trust & respect among team members and acting out of the need to be of service.



Transforming Life

Providing opportunity for people to reach their potential and creating a community of changemakers to make an impact.



Innovate

We embrace new ideas to innovate and constantly improve our technology, values and services from failures to successes learnt.



Delivering Value

Focus on valuable substance so that we can deliver our commitment at their finest to stakeholders especially to our valuable customers.



Go Above & Beyond

Striving to tackle every challenge and see them as great opportunity to learn by working together with stakeholders, especially our valuable customers.

Our Business Solutions

Wealth Solutions



KoinP2P

P2P marketplace for funding in highly assessed and low-risk return opportunities



KoinRobo

Automatic P2P lending funding with social impact and predicted return



KoinGold

Digital gold marketplace with competitive price for assets diversification



KoinBond

Digital government bonds marketplace to help growing Indonesia economy



KoinBill

PPOB service developed by KoinWorks to make various bill payments such as electricity, water bill, telephone, internet, and others



KoinLearn

Bite sized video learning platform for MSMEs that can be accessed within the KoinWorks application

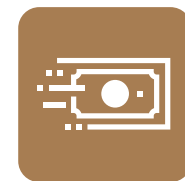
Business Tools

Loan Solutions



KoinBisnis

Business loan products up to 2 billion rupiah



KoinGaji

Personalized salary advance to help companies with employees retention and unexpected employee needs



KoinInvoice

Financing solutions for small & medium-sized businesses through invoice financing & supply chain financing

KOINWORKS NEO



NEO Card

Virtual credit cards for business purposes where users can also activate up to five cards to accommodate various business needs



Payment Link

Payment links to accept payments from credit cards, debit cards, bank transfers, retail outlets, and e-wallets



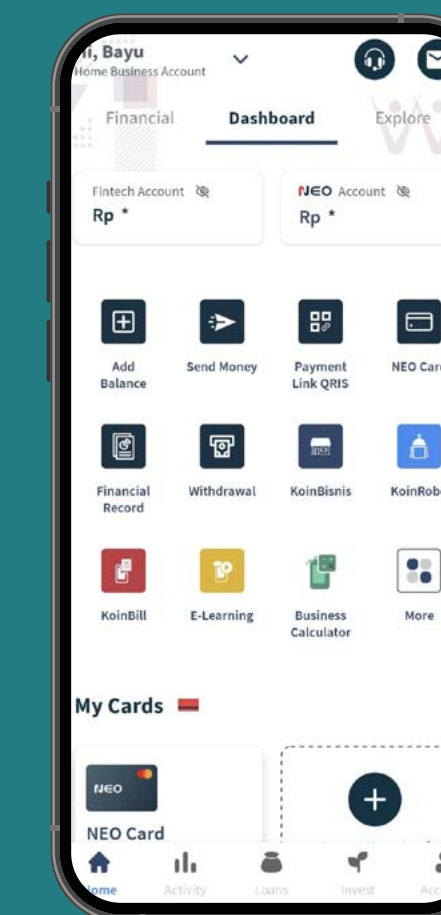
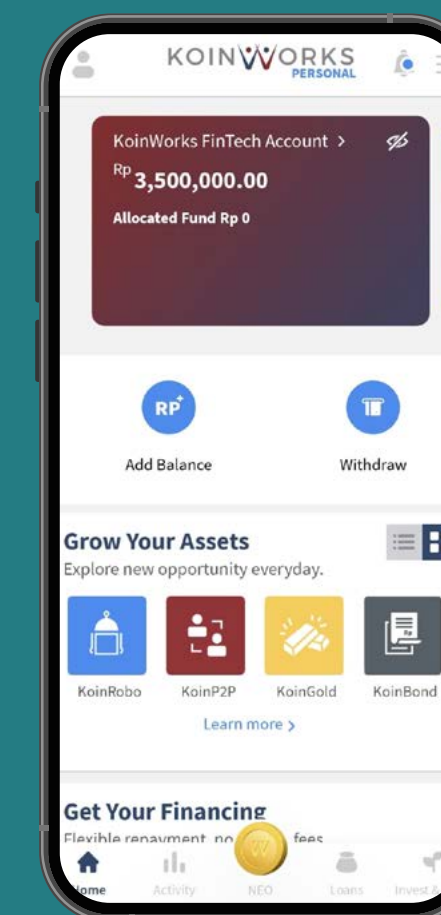
QRIS

Payment method from Quick Response Code Indonesian Standard (QRIS) where with KoinWorks NEO QRIS, it allows users to get instant settlement from payments received

8+ Financial Products. One Platform. Unlock Your Business & Financial Dreams!

GROW YOUR ASSET

From Business Dashboard, Business Payments, even Business Loan are available for you within 1 click, just like our mantra!



GROW YOUR BUSINESS

Personal Finance management become easier than ever, from investment, diversification, to asset management, all within 1 click!

What Our Users Say About Us

Wealth Solutions



Victory Widjaja
Employee

KoinP2P

“Overall, the best P2P lending application for me is KoinWorks.”

“I’ve compared KoinWorks with several other applications, but so far KoinWorks is the most user-friendly in my opinion and relatively easy in terms of top up, making funding, and withdrawing funds.”

“In KoinP2P, the returns are also relatively high and, there is a guarantee of protection from KoinWorks according to the grade chosen.”



Hendra
Employee

KoinRobo

“I use KoinP2P and KoinRobo because the returns are high.”

“I am interested in funding there because this is a productive loan, so my funds are useful for borrowers who are MSMEs.”

“Of course, it can help Indonesia’s economy as well. So far, I’m still satisfied with KoinWorks. I’ve never used other apps since all transactions on KoinWorks are easy for me.”



Kukuh Wardoyo
Employee

KoinBond

“I use some wealth products from KoinWorks. At first I only used KoinRobo. When I found out KoinWorks provides government bonds (KoinBond), I also tried to invest in it.”

“It’s really convenient because I can diversify my investment in one application. No need to go here and there.”

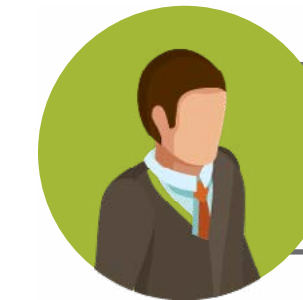
Loan Solutions



Welly NG
Founder Beauty Barn Organics

KoinBisnis

“It turns out that applying for a loan at KoinWorks is very easy, as long as the business is clear. We can get capital without collateral.”



Zam Nurzaman
Fashion Business Owner CV Suka Karya Kreatif, partner of Wifkain

KoinInvoice

“The collaboration between Wifkain and KoinWorks is very helpful because we are not only supported in terms of material fulfillment but also the funding.”

“You could say that this service is a solution to problems that we often encounter in the garment and textile fashion industry.”



Restu
Office Boy at Paxel

KoinGaji

“There was a time when my parents got sick and needed money for treatment. At that time, I had no idea who I could seek some help from. With Paxel in collaboration with KoinWorks for KoinGaji, thank God, I can fulfill the urgent financial need for my father’s treatment.”

KoinWorks NEO



Dewi Oktaviona
Wikara Store (Dropshipping Business)

NEO Card

“With KoinWorks, all my online business transactions have become more seamless. The NEO card that I can use really easily to buy stock and daily needs really helps me in saving expenses with a variety of cashbacks from various merchants every month.”



Admajaya
Finplan.id

Payment Link

“We use almost all of KoinWorks NEO’s features. For payments, our consumers can use the Payment Link, for employees or other needs we can use Send Money, and income and expenses can also be recapitulated in the Financial Overview.”



Anto
Warung Makan Ibu Sarini

QRIS

“My favorite feature from KoinWorks NEO is the QRIS. I always receive push notifications immediately. As a small warung owner, I have to keep up and need to provide payment options for my customers.”

“Not everyone would be willing to do bank transfers. And with EDC, I’d need to think about electricity, bank charges, and it’s all just ribet (a hassle)”

Business Tools



Fellexandro Ruby
Content Creator and KoinLearn Tutor

KoinLearn

“Actually learning cannot be separated from doing business because as business owners we must always upgrade ourselves with existing developments. The existence of a learning platform like KoinLearn needs to be appreciated and becomes an added value for KoinWorks.”

Our DNA in a Report

This is the first company impact report of KoinWorks Group (PT. Lunaria Annua Teknologi, PT Sejahtera Lunaria Annua, and PT Lunaria Annua Investasi) since our organization was founded in mid-2016.

We will simply refer to our company as KoinWorks throughout this report.



GreenWorks



TrooperWorks



Communityworks



GovernanceWorks

Inclusive business practices have always been a part of the KoinWorks ethos. We have decided that now is the time to bring together our principles and meld it with the international management and analysis framework for sustainability called environmental, social, and governance (ESG).

This report shares the entirety of our efforts towards KoinWorks users (MSMEs and individual investors), business partners, institutional investors, the regulator, the leadership team, our Trooper employees, and all benefiting families in society. Although we'd like to call them something cooler like Khaleesi, Mr. Majestic, or "Lord of the Seven Towers, Lord of the Lakes, True Blade of Malkier, Defender of the Wall of First Fires, Bearer of the Sword of the Thousand Lakes, Aan'allein" for simplicity they shall be referred to as our stakeholders, or those directly affected by the actions we take.

So together with our stakeholders, we've identified what is most material to them to meet and exceed their expectations in this report.

We have divided ESG into our own pillars:

- **Green Works**
- **Communityworks and Troopers Works**
- **Governance Works**

The period covered for our impact analysis is from January 2021 until December 2022.

The purpose of this report is to advance the specific benefit purposes for responsible financial interactions and lead by example so that we may set a higher bar for inclusive business for all Indonesians.

While addressing the most important global and local ESG materiality topics to and from our stakeholders, we took into account the standards used in the Financial Service industry, from rating agencies such as Morgan Stanley Capital Investment (MSCI) and benchmarked these against peers and fintech industry leaders through their publicly available ESG reports.



Transparent Impact Reporting on an Annual Basis

Accountability and transparency are important to KoinWorks and its stakeholders. We support efforts to standardise impact reporting. With this report we aim to showcase our ESG works within internationally recognized disclosure frameworks.



The Global Reporting Initiative's Sustainability Reporting Guidelines provide a comprehensive set of Reporting Standards covering economic, environmental and social impacts representing the global best practice for sustainability reporting.

Our 2021 and 2022 impact reporting and disclosure was prepared 'in accordance' with the core option of the GRI Standards and GRI G4 Financial Services Sector Disclosure.



The Sustainability Accounting Standards Board (SASB) has industry-specific sustainability standards which identify financially material topics and associated metrics.

We have prepared a document which summarises where relevant SASB disclosures can be found throughout KoinWorks' reporting, based on the standards for the Commercial Bank Industry (the sub industry in which KoinWorks can be classified given that it represents the greater share of our business model and revenues).



The Performance Standards provide guidance on how to identify sustainability risks and impacts and are designed to help avoid, mitigate, and manage them as a way of doing business in a more sustainable way.

KoinWorks meets Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts.



According to the Financial Services Authority Regulation Number 51/POJK.03/2017 [1] concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, as of January 2020, public companies are required to prepare the sustainability report.

In other words, annual reports and sustainability reports have become mandatory in Indonesia. KoinWorks is not a listed company however we feel encouraged to prepare this report in line with the POJK 51 standards.



The United Nations Sustainable Development Goals (SDGs) are a universal plan for a more equitable, resilient and sustainable society, planet and economy by 2030.

In this report we have analysed all risks and opportunities towards the SDGs - including the positive and negative impacts up and down the value chain. We report the SDG's where KoinWorks with our business practice and products have a significant effect on in terms of depth, scale and duration.

Impact Research

We've opened up our internal dataset for this impact report, as it's all for the sake of the world's future. That might sound a wee bit dramatic, but we really have opened up the results of surveys, focus group discussions, online analytics, and such so that Koinworks can contribute to a more sustainable future. Aside from internal analysis by our own Troopers, this impact report is enhanced by a quarterly-conducted INDEPENDENT impact research report that provides extensive data on how far along KoinWorks is on achieving the three Environmental, Social, and Governance benefit purposes. In line with all of this sharing, we're also proud to have participated in the "Financial Inclusion in Asia" study in 2022, which was launched by 60 Decibels in collaboration with the Centre for Impact Investing and Practices ("CIIP")- a non-profit center based in Singapore established by Temasek Trust.

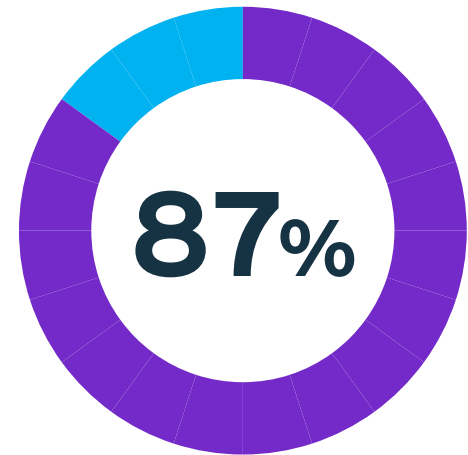
This study builds on the work 60 Decibels has done on the Global Microfinance Index (MFI Index), an annual initiative that provides comparative, client-level social performance outcomes to microfinance institutions and fintechs with a social mission. KoinWorks' impact results will be coming out in June 2023 and hence reported in the 2023 KoinWorks Impact report. So reserve your copy for the next report, today.

Our Local MSME Heroes & Power Lenders

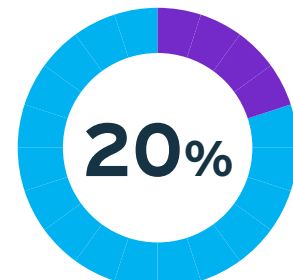


Our Local MSME Heroes

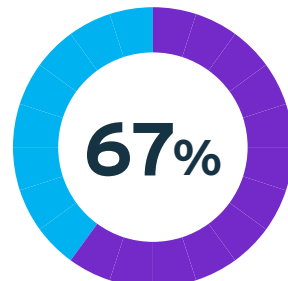
Who They Are



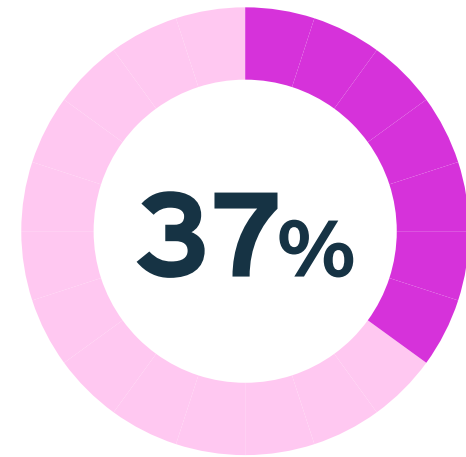
Young Entrepreneurs



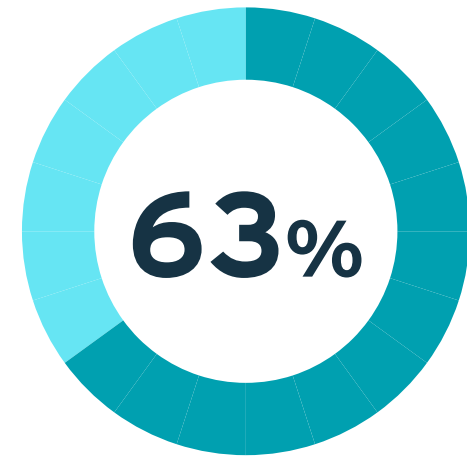
Gen Z



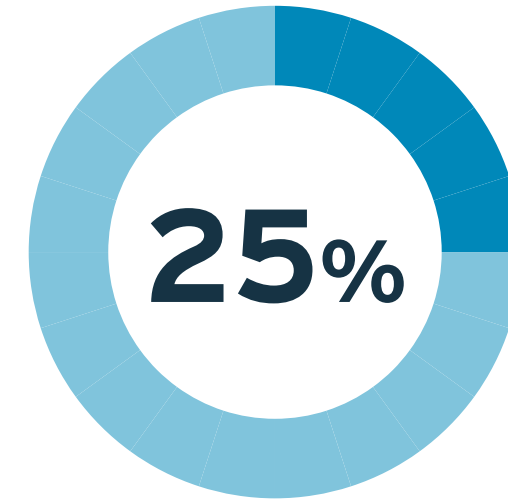
Gen Y



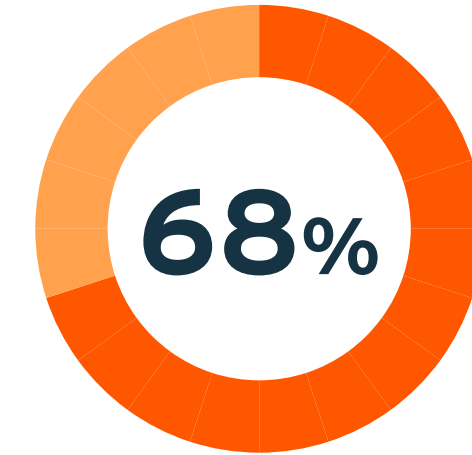
Women



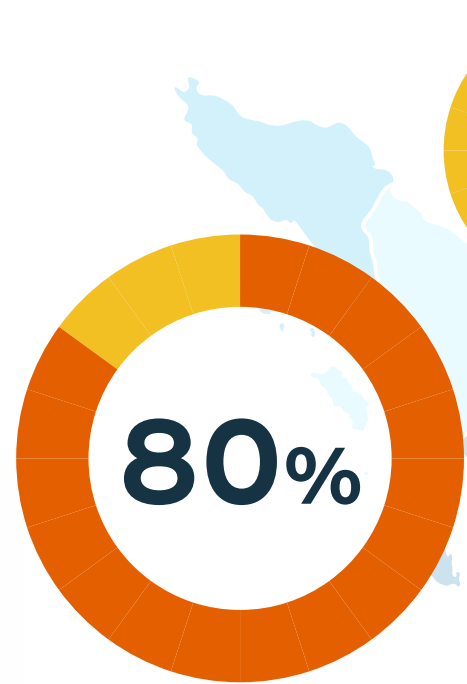
Men



Underbanked

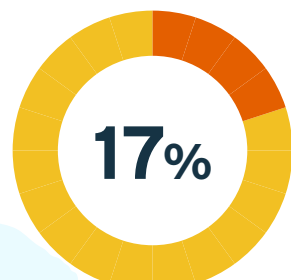


New Entrepreneurs less < 5 Years Exp.

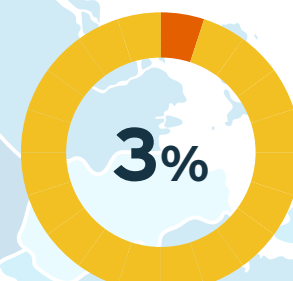


Micro*

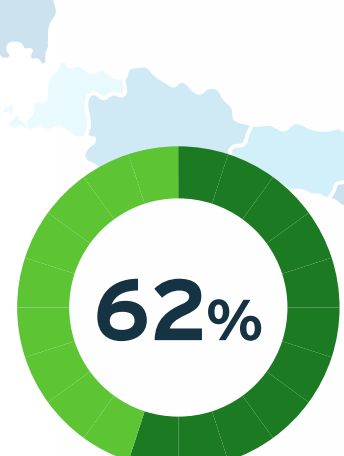
*Based On Annual Revenue (Idr);
 Micro <300m,
 Small 350 M - 2.5 B,
 Med 2.5 - 50b.



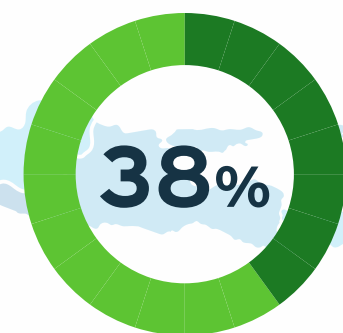
Small



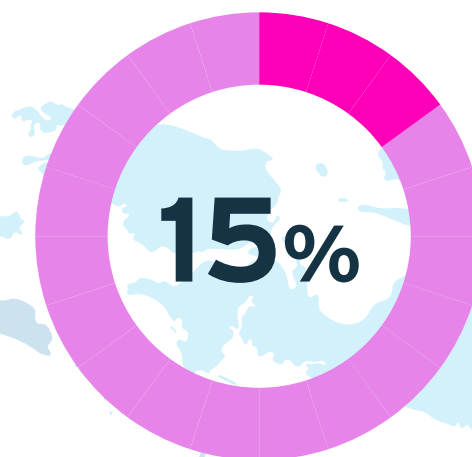
Med



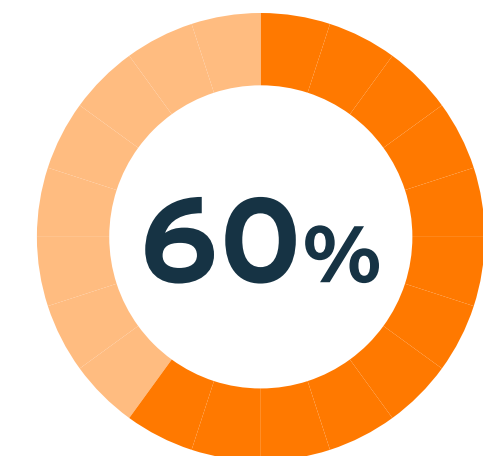
Urban



Rural



Active in high impact sectors (Agriculture, healthcare, housing, education)



Active in the Service, Food & Beverage and Fashion industry



Compelling stories from our MSMEs



Ridwan Kualik
CEO of Busana Kreasi Bangsa

“As a clothing manufacturing business, we aim to be creative with the way we share opportunities with others. Financing we got through KoinBisnis allowed our business to accelerate forward through the early days of the pandemic. We were able to increase production, gain more clients, and support other MSMEs in the fashion industry in catering their end-to-end needs.”



Eunike Adelia
Founder Kopitagram

“One of the most impressive things about applying for a loan at KoinWorks is the administration process. I find it really quick. Once my loan application was accepted, it only took 4 days for the loan disbursement, so I could go ahead with my expansion plan. I tried another similar company, but their administration takes a very long time.”

Eunike Adelia, founder of Jakarta-based coffee shop Kopitagram, is one of the borrowers funded through KoinWorks. She aspires to create a comfortable space for people to get together with their friends or family for just a casual chat or working while having a glass of their favorite iced coffee. In the midst of the pandemic, funding from KoinWorks helps her business to keep thriving. She knows that sooner or later she needs to expand. The funding helps Eunike to open new branches of Kopitagram in other locations in Jakarta and other cities.



Aditya Farkhaan
Founder of Daging Mania

Daging Mania is a business in the field of frozen beef processing. It aims to make the cooking experience more practical. Their products are seasoned with Italian herbs and are ready to be cooked! In running his business, Aditya used to have difficulties in taking care of day-to-day operations like transactions and financial administration.

After signing up in KoinWorks NEO, running a business has become easier and more fun for Aditya. He enjoys a smoother and integrated process to his business.

“The Payment Link feature has really changed my buyer’s habits. I don’t have to bother telling my customers how much it costs and at the same time I can remind them about it with the Payment Link.”



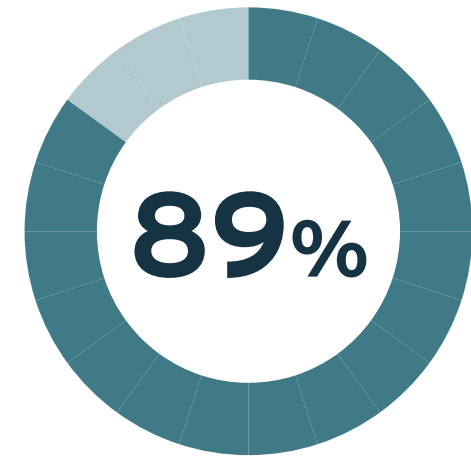
Febndy Kwik
Co-Owner of Arcanum Hobbies

Arcanum Hobbies is a business that not only sells board games, but also manages and develops a board game community in Indonesia. Along the way, Arcanum Hobbies has also developed Arcanum Academy which opens classes for those who are interested in learning to design board games. In the long run, Febndy wants to promote board games so that more people can access and find benefits from board games because essentially they can be used as a learning tool.

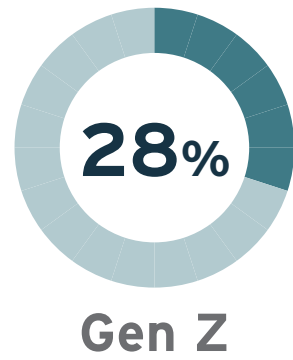
“For our shop, we currently have QRIS from KoinWorks NEO. So, people who come to our shop can pay with no hassle, just via their cell phone. It’s very convenient for us and our customers.”

Our Power Lenders

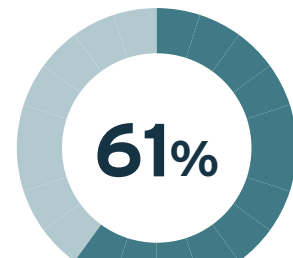
Who They Are



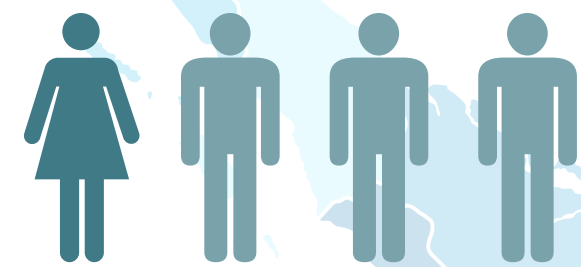
Young Investors



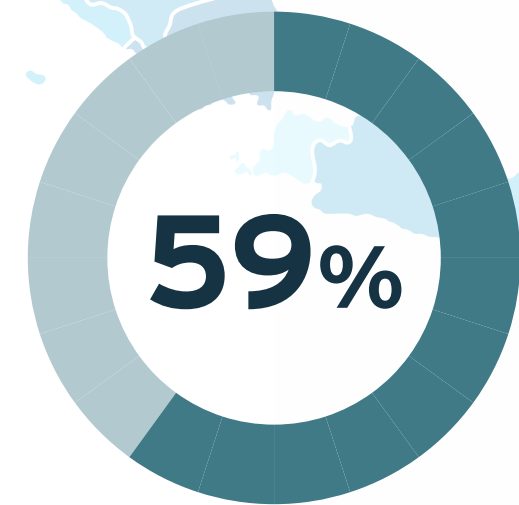
Gen Z



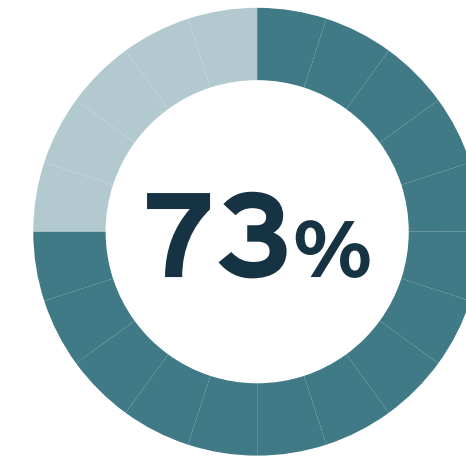
Gen Y



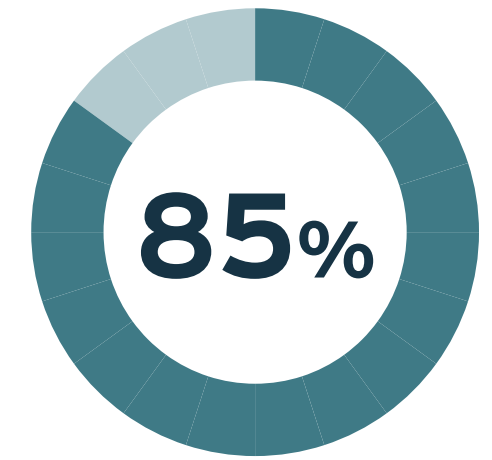
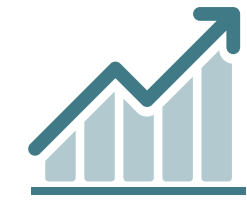
1 out of 4 is a female investor



Private sector employee



Residing on Java Island



Are convinced that their investment will create a positive impact for MSME



"I have been with KoinWorks for three years. The performance is good. The returns are high. It doesn't matter if you want to invest and send money. I once funded P2P Lending at KoinP2P, but there were borrowers who failed late. At that time, I immediately got my money back."

Devita Gunawan, 22, Bank Field Officer
KoinWorks Investor since 2019

Power Lenders Sharing Their Experience



Andre Tuwan
Financial Content Creator
KoinWorks Investor since 2020

“I feel safe and secure funding in KoinWorks because KoinWorks is already licensed and supervised by OJK, so I know it’s not an illegal fintech. I have also heard about KoinWorks when I was working in a bank, and I know that Mandiri Capital Indonesia is one of the backers. With its backers, I’m convinced that KoinWorks can grow and develop more in the future. Also, I find KoinWorks’s performance is actually better than its competitors in productive credit.”

As a Financial Content Creator, Andre Tuwan is aware of various kinds of financial products and applications as means to achieve his financial goals. From gold to government bonds, mutual funds to stocks, peer to peer lending to cryptocurrency, Andre has tried them all, and currently has his assets on them. His strategy is to spread his assets to multiple platforms to maximize profit and minimize risk.

Andre started using KoinWorks in 2020, in which he spent Rp 200,000 for funding on KoinP2P. Over the course of two years, his funding in KoinWorks, is now worth around Rp 80,000,000. Initially, his portfolio was 100% on KoinP2P. However, since the beginning of 2022, he started using KoinRobo, and he finds it as a convenient instrument for investment in terms of the risk and return. Also, he has tried investing in government bonds via KoinBond.

With the value of his funding at KoinWorks ranging from Rp 80-90 million and target return of 12% p.a, Andre can get a passive income of IDR 800 - 900 thousand per month. Therefore, he plans to continue to add more investment in KoinWorks through the DCA (Dollar Cost Averaging) strategy.



Anton Rifco
Head of Product at a VC
KoinWorks Investor since 2019

The safest (investment) concept is actually the term deposit. However, the return is very low. Finally I tried to find and learn what investments are **safe but the returns are big**. That’s where I found KoinWorks, which **even during the pandemic has consistently provided profits for its investors**.



Ita Puspongoro
Private sector employee
KoinWorks investor since 2018

“I invest for my children education and saving for my old age. Other than recommended by my colleagues, I choose KoinWorks **because they help distribute funds to MSMEs** who may not be able to borrow business capital from banks. After trying it, KoinWorks has **very good return and quality, security is maintained and the default rate is low**. In my opinion, security is a very important factor in the current digital investment era.”

KoinWorks Closing The Gap



The Facts

Important Fact #1

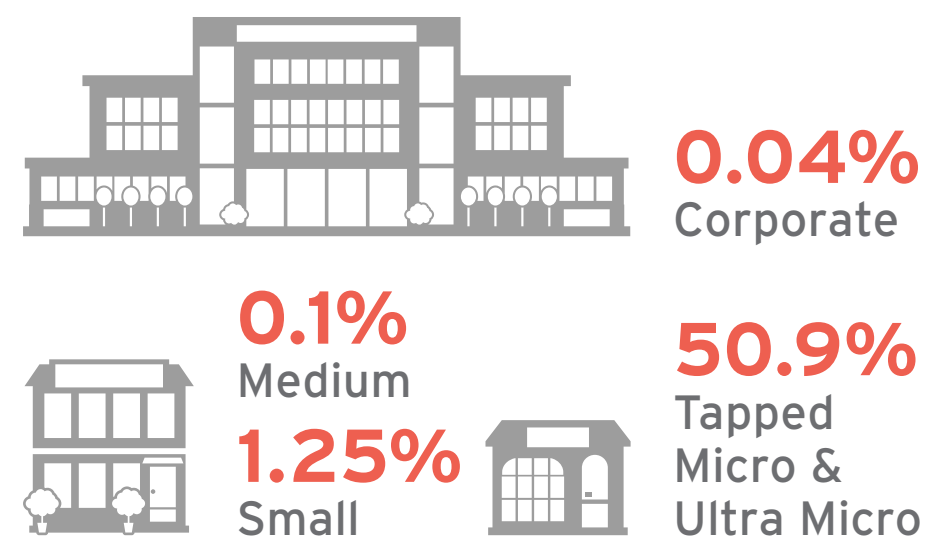
The financing gap, gender gap, and digital gap in Indonesia is huge

An investment of 90 billion USD is needed to close the gap for the unmet credit needs of Indonesian MSMEs, as indicated by the Financial Services Authority (OJK) in 2020. Whilst MSMEs are entrepreneurs and aspire to grow and scale up their businesses, many factors hinder their growth, the most important being their lack of access to formal financial institutions because they cannot provide collateral, and do not have the credit history that is needed to make them a feasible investment for banks and most other financial organizations.

According to Ministry of Cooperatives and SMEs, the contribution of MSMEs GDP and workforce absorption in Indonesia shows a larger number than Southeast Asians in average.

By the high increase of the adoption to technology, digital financing through fintech becomes the opportunity to fulfill the rest of unmet credit about US\$ 39.4 billion.

Unmet MSME financing needs:



US\$ 90 Billion gap | 47.7% Untapped micro & ultra micro

Source: BPS, 2020

Important Fact #2

Women in Indonesia are key players in business

A key point that would not be so easily revealed as they lead the majority of the underserved and underbanked MSME owners.

Harnessing women's economic potential will also create jobs, help with unemployment rates, and significantly improve wealth expansion in the country.

"Advancing women's potential in business and serving more access to finance potentially could add US\$ 28 Trillion, 26% of the national GDP"

Indonesian Minister of Finance
during the Women 20 Summit 2022

Barrier of women entrepreneurs to grow and transition into formal economy:



Source: IRAI Analysis, 2018

Important Fact #3

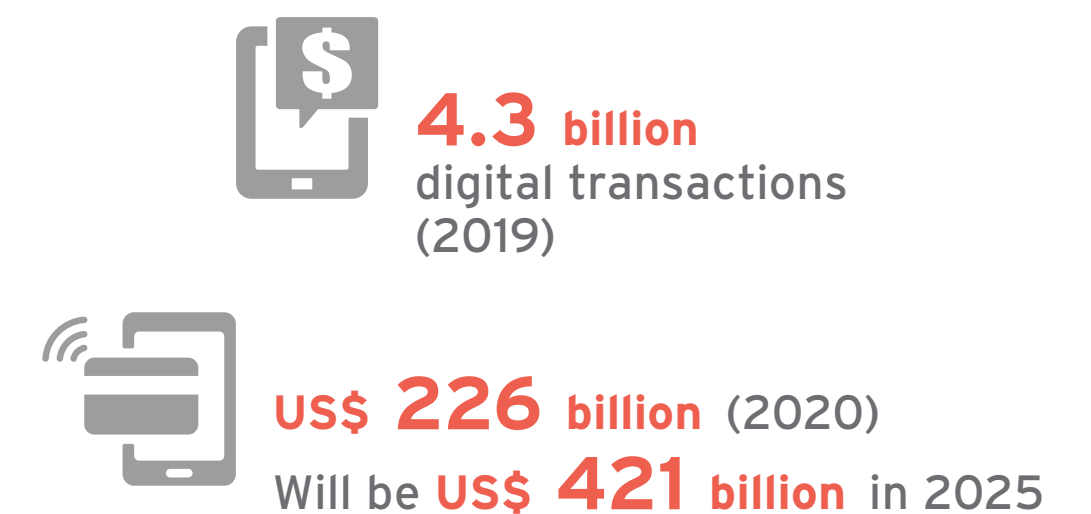
Digitizing finance and payment systems have proven to be the catalyst of growth for MSMEs

Not only for expanding the market, but also for reforming business governance and improving operation efficiency.

According to Indonesia Payment System Blueprint (BSPI), the Government of Indonesia's ambition is to have the 62.9 million MSMEs in the country adopt digital payment by 2025, growing 3.3 times from the number of Quick Response Code Indonesian Standard (QRIS) adoption in mid-2022.

Representing 6% of GDP, Indonesia's digital economy is targeted to grow twice in 2025, thus the use digital tools and payment system have a critical role in facilitating digitalization to fill the US\$ 76 billion economy gap.

Cashless Transaction:



US\$ 195 Billion Gap | 48% to go

Source: eEconomy SEA, 2020

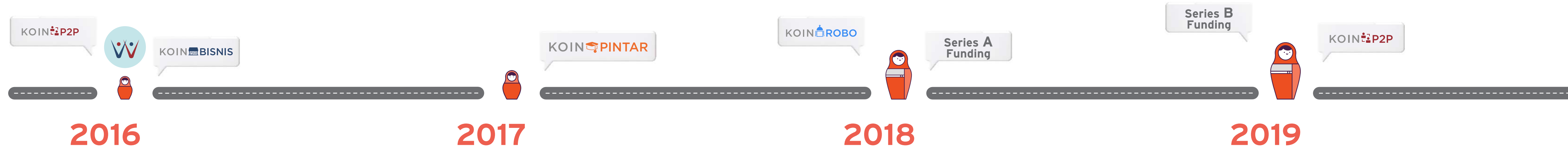
The Most Important Fact
MSMEs make up **99%**
of all businesses in Indonesia.

Why aren't they being served?
By society? By our systems?
By our leaders?

Knowing these important facts, don't you feel galvanized
to help in any way you can?



How We Are Bridging The Gap: Our Journey



Since 2016, KoinWorks has stepped in to help bridge the gap.

Knowing the main pain points that hinder MSME development, its founders Ben and Will created a financial technology company (now known around the world simply as fintech).

KoinWorks began as a Peer-to-Peer Lending company that would evolve into a specialized online platform that would help MSMEs and potential investors connect. MSMEs were so happy that they now had services like KoinP2P and KoinBusiness to help their ventures.

In 2017, as trust for KoinWorks grew within the MSME communities,

KoinWorks also made sure it had Government partners by officially registering and thus becoming supervised by the Financial Services Authority (OJK).

Knowing that education was the key driver for digital fluency, Koinworks also launched KoinPintar, a product that would help distribute loans to students so that they could finish higher-level education.

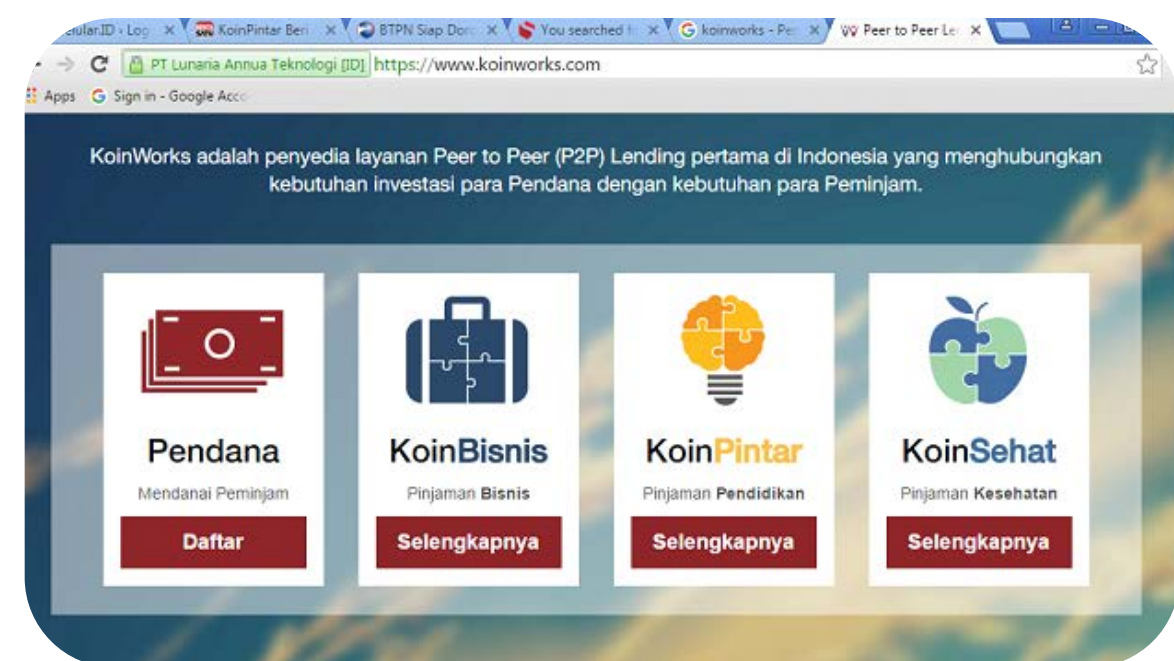
By February 2018, KoinWorks launched a product called KoinRobo, a feature that helps lenders provide funding to several borrowers at a time and then by August 2018 as KoinWorks' aim for "financial inclusivity for all" resonated with many, KoinWorks, the fledgling startup, received series A funding of USD 3 Million led by Mandiri Capital Indonesia (MCI), a venture capital company under the Mandiri Group, an established financial institution in the country.

KoinWorks used the Series-A fund to focus on developing technological innovations for its existing financial products.

In 2019, with 350,000 users, KoinWorks continued to be a reliable partner that helped create more innovations that would simplify, integrate and automate financial services and products for MSMEs and every Indonesian adult who wanted to start their financial journeys.

With goals as deep as the Pacific Ocean, KoinWorks received series B funding worth USD 13.25 million by June 2019 from EV Growth, Quona Capital, and other investors.

As of December 2019, KoinWorks –the first Peer-to-Peer Lending-based financial services and services provider in Indonesia– is officially fully licensed and directly supervised by the Financial Services Authority (OJK) with the number: **KEP-125/D.05/2019.**



First prototype of KoinWorks



Supervised by OJK

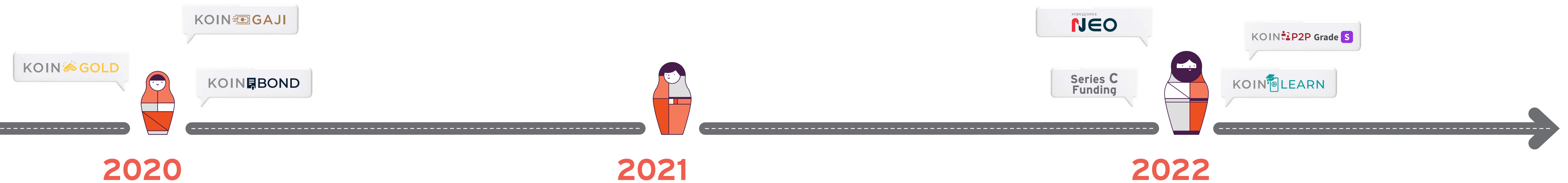


Received Series A funding led by MCI



CNBC Interview

How We Are Bridging The Gap: Our Journey



By January 2020, with 1.37 Million users to care for and the COVID-19 pandemic spreading across the world and impacting economies in never seen ways since the start of the modern era, KoinWorks dared to evolve into a multi-finance service provider platform, Super Financial App, while also providing timely updates for its three application services, which are KoinP2P, KoinRobo, and KoinBisnis.

These innovations were a boon to existing online businesses as people were not allowed to leave their homes. It was also a big opportunity for MSMEs to go digital in order to survive and grow.

In April 2020, KoinWorks received USD 20 million in loan and equity funding from Quona Capital, EV Growth, Saison Capital, and other investors.

By the 3rd quarter of 2020, it was still a volatile time with the pandemic raging around the world. Knowing this, KoinWorks launched KoinGold, a digital gold marketplace that is a collaboration with Indogold.

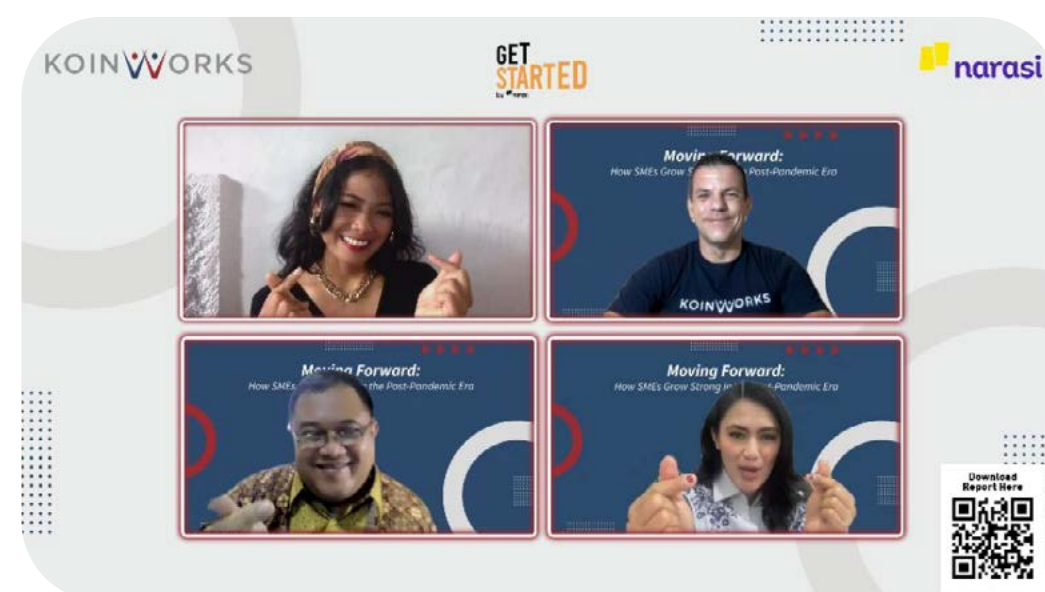
KoinGaji, and KoinBond, 2 products created specifically to help businesses with employee retention and to help the economy recoup and recover from the losses of the pandemic, respectively, were launched at this time as well.



Becoming a Super Financial App

In September 2021, with vaccinations for COVID-19 underway throughout the country and the world, KoinWorks received USD 30 Million in funding from Lendable Inc.

By this time, The Ministry of Finance had reported the completion of the National Economic Recovery Program (PEN), which among other vital programs, "provided financial support for Micro, Small and Medium Enterprises (MSMEs) and cooperatives, especially for the provision of assistance to micro business actors (BPUM), placement of funds in banks, as well as interest subsidies for KUR and non-KUR, which was realized in the amount of IDR 48.02 trillion or 29.8% from the IDR budget ceiling 161.20 trillion."



Supporting MSMEs during pandemic

As of January 2022, KoinWorks raised USD 108 million in a Series C funding round led by MDI Ventures, the venture capital arm of Telkom Indonesia.

The Series C round also saw the participation of the start-up's previous investors, namely Quona Capital, Triodos Investment Management, Saison Capital, ACV and East Ventures.

By April 2022, KoinWorks launched its newest product, KoinWorks NEO, an integrated financial platform meant to diversify from its existing lending platform by providing a one-stop shop for financial management services for more niche MSMEs like freelancers, content creators, and startups.

It also provides a NEO card meant to help MSMEs easily transact with suppliers worldwide. With a complete suite that covers remittances, payment link services, financial statements, and expense reports, it provides every financial tool necessary to grow its business.

On July 2022, KoinWorks receives funding from Lendable Inc. again.

As of September 2022, the founders Ben and Wil acquired a rural bank, BPR Asri Cikupa Raya, which although not an official part of KoinWorks, its acquisition is a strategic step for both entities to synergize to improve the bank rating of the former and help the latter get to know how to improve systems to work with traditional financial organizations such as BPRs.

For its 6th anniversary, KoinWorks launches a campaign, a platform, and a much-desired product! The One Click to Unlock Your Dreams campaign aims squarely at the financial targets of MSMEs and the personal financial goals of its owners.

KoinLearn is an educational platform that provides a better understanding of the usage cases for online tools and other financial systems that are integral for MSMEs in this rapidly digitizing world.

And lastly, the much-desired product is KoinP2P Grade S, a featured grade under the product KoinP2P. This Grade S is funding dedicated to informal sectors, including salesmen, grocery stores, and wholesalers, to bolster the development of their businesses and increase social welfare.



Launched NEO

Today

“Indonesia's digital economy is a bright star in the Southeast Asian region and remains a key driver for inclusive growth in the coming years.”

With the rapid digitization of MSMEs opening up the broader market found in the digital ecosystem as well as supportive government policies and regulations, fintechs like KoinWorks will offer a route for trustworthy access to financial solutions, particularly for underserved MSMEs to contribute to the growth of the entire economy. It also cannot be stressed enough that these products and services provide a way for gender equality in business. The adoption of existing solutions will empower Indonesian MSMEs, boost productivity and improve socio-economic outcomes across Indonesia.

Today, KoinWorks has about 2.2 Million users and is internationally lauded as one of the first Fintechs in Indonesia to successfully lead MSMEs into the future. As a financial startup, it can be the blueprint for developing nations with high MSME penetration to adopt digital tools and systems to help their economies grow.

KoinWorks is one of the key proponents for the creation of the digital MSME ecosystem. Together with digital ecosystem partners, Koinworks is able to bridge a key part of the liquidity constraints that MSMEs face daily. Involvement of all relevant stakeholders is vital for the ecosystem to succeed --MSMEs, government, traditional financial players, along with the private sector must ensure that policies and programs are tailored to the needs of MSMEs, with the specific understanding that inclusive business practices include impactful, responsible, and sustainable business efforts that can be collectively filed as Environmental, Social, and Governance (ESG) goals for the long term.

B2B

B2C/C2C

Accounting

Fullfillment Service

B2BC

Website Builder

Food Delivery

HR Management

Cloud Kitchen

KOINWORKS

Agritech

Logistic

Dropshipper

Points of Sales

CRM

SAAS

Omni Channel

E-wallet

Capital Buyer Credit

Capital Loan

Payment Gateway

Import Cargo

Stories From Our Ecosystem Partners



Gibran Huzaifah
CEO of eFishery



e-Fishery started its business in 2013 by providing cloud-based smart-feeding technology services for fish farmers that make it easier for them to feed their fish more effectively and efficiently. Currently, eFishery has expanded its services, from selling feed to selling fishery produces to hospitality and export markets.

In his journey, Gibran encountered several challenges faced by these farmers. One of them is their limited capital in buying feed, which is the biggest expense for them in farming business.

e-Fishery then developed the Kabayan program (Kasih Bayar Nanti), a credit scoring program that provides loans to farmers to purchase feed, in collaboration with financing service partners. One of them is KoinWorks.

“We really appreciate being able to work together with KoinWorks for this supply-chain financing as KoinWorks really supports our Kabayan program. Our farmers now have a choice in obtaining capital so they have the freedom to choose feed at competitive prices, no longer depending on middlemen. With this collaboration, we can help these farmers become more empowered.”



METRO PUTERA PRIMA

Michael Hardjadinata
Managing Director of
Metro Putera Prima (MPP)



Metro Putera Prima (MPP) is engaged in the distribution of food and beverages which has been established since 2006. Overall, MPP distributes rice, cooking oil, drinking water, and cooking spices. Michael Hardjadinata, Managing Director of MPP, explained that currently MPP already has more than 5,000 customers or registered outlets spread across Jakarta, Bandung, Jogja, Central Java, East Java and Sumatra.

MPP’s business provides quite a large social impact. It provides employment opportunities, allowing its customers to have their own income. However, Michael admits that his customers often face challenges, such as a lack of funding.

“MPP provides convenience to customers in the form of facilities for providing stock of goods. Those who we have validated still can stock goods from us even though they do not have sufficient funds. This is where we work together with KoinWorks. Our customers can apply for a loan to KoinWorks, and get funding.”

In the future, MPP, which already has branches in Java and parts of Sumatra, has a dream to become a national distribution company with branches in major cities throughout Indonesia.



RMS

Lie Hendy Lianto
Direktur Utama
Rukun Mitra Sejati (RMS)



Rukun Mitra Sejati (RMS) is a distribution company which has two business lines. One distribution goes to large wholesalers, the other to retailers via Boom Motorist. These motorists are the ones who supply goods to the small shops (warung). They are not RMS’s employees, but RMS trains, prepares supplies, and sets guidelines for pricelist for them to be able to be a small business owner.

When the pandemic hit in March 2022, while other businesses went down, RMS’ distribution business experienced an anomaly, because they were thriving. People’s need for daily necessities, such as milk, soaps, and others, increased. Regulations that require shops to close at certain hours also make people buy their needs at warung.

“As a distribution company, we experienced an increase in demand during the pandemic, and so did with the motorists. However, at that time, banks limited loans to MSMEs, including to the motorists, so they found it difficult to pay us in installments. That’s where we met KoinWorks, which provides financing for the motorists in our network, so their business can run as usual.”



Future Proofing

KoinWorks aspires and takes action to change the existing norms around MSME development in Indonesia and leads by example throughout developing countries in Southeast Asia.



Fintech as A Force for Good

“Showcasing accountable impact metrics is our top priority. With the proper metrics, not only should we be able to see how 64 million MSMEs contribute to the development of the middle class in Indonesia, in numbers and narrative, but we also should be able to assess their value as a whole.”

Angelique Timmer
Senior VP Impact & ESG

ESG has seen rapid momentum within the banking and finance sectors, with financial institutions starting to actively identify and manage related business opportunities and risk. As a fast-growing player in the financial sector and in particular in the Fintech space, KoinWorks is impacted by this momentum.

KoinWorks has achieved growth that introduces new responsibilities to a wider set of stakeholders, including those relating to ESG. With our ESG-focus we have a unique ability to achieve rapid growth, deliver ESG-focused innovation, and attract investment capital to support efforts to improve the Indonesian environment and society while generating substantial returns.

We aspire to be Southeast Asia’s most responsible fintech.

With more than 116 thousand new jobs created in 34 Indonesian provinces in one of the largest Southeast Asian economies, we have contributed significantly to Indonesia’s commitment to the Sustainable Development Goals in 2021 and 2022. Our Trooper (our people), are our biggest asset, and they are critical to us being able to turn our ideas into impact. With 33% women in a tech company we show our commitment to our diversity & inclusion goals.

Our purpose as a company is to unlock dreams for every entrepreneur in Indonesia.

2021 and 2022 marked a pivotal moment for KoinWorks, as we executed on our long-term aspiration to provide an inclusive suite of financial solutions: loans, digital accounts, payments, wealth management, business tools and MSME learning platform. Our NEO services in collaboration with our banking partners, has accelerated a new era of levelling up our growth.

We continue to strengthen our risk management processes and culture. We now have an “industry-first” client protection policy that requires we evaluate every engagement and client to determine if we will meet the high expectations and ethical standards our clients and others have of us—and we have of ourselves.

Highly sophisticated, cost-effective, and sustainable financial solutions have changed the way in which we bank and carry out our financial business, and at the same time help to tackle climate change. KoinWorks’ physical footprint is low by nature of the digital business. And on top of that we aim to make a difference by working from a green certified building, segregating our waste in collaboration with local waste banks and planting trees to offset our carbon emissions. In fact, KoinWorks is in the perfect position to lead on financial and environmental sustainability on the way to Fintech net-0.

Throughout this report, you will find details about the progress we are making. While I am proud of what we have accomplished on our Environmental, Social, and Governance (ESG) journey these past two years, I am even more excited for what is still to come. We have a new ESG framework that builds on our sustainable, inclusive growth ambition. And given the digital nature of the industry, KoinWorks can do well financially by doing “good” for society and the planet.



Future-Proofing

It is common for companies to treat impact investing as a potential risk to business as opposed to an opportunity-laden landscape. It is rare for companies to disclose their operational strategies because even the best intentions may garner negative sentiment if they are not on the positive scale for their Environmental, Social, and Governance goals. At KoinWorks, it is hardcoded in our DNA that we do the opposite of the norm --we use the ESG framework and our Impact report as a real-time indicator that flags our risks and spots our business opportunities to drive growth, innovation, and profit.

We are also very particular about ensuring that our mission statements and impact-related disclosures are fully aligned. This process helps us generate a virtuous cycle that begins with product iteration and innovation to support a more diverse user base and to help that user base become financially healthier so they can take part in the ESG framework, which is the cycle that drives our business.

KoinWorks aspires and takes action to change the existing norms around MSME development in Indonesia (and leads by example throughout developing countries in Southeast Asia). Using the ESG materiality matrix, an international standard, we have identified and prioritized the most critical challenges Indonesian MSMEs face and have developed strategies to address them. With data as influential as this, with the help of our partners in the digital ecosystem, this kind of knowledge sharing equates to future-proofing that will help MSMEs improve their performance and increase their chances of success in the long run.

From Materiality Matrix to Impact-Urgency Matrix

Theoretically, the materiality matrix axe was split by business interest and stakeholder interest. However, the Global Reporting Initiative (GRI) recently identified the business interest axis as a potential source of bias, emphasizing profit over people and planet. Whilst a risk-opportunity approach is one way forward.

“In this report we adopted an impact-urgency matrix to not only identify what topics are important to our stakeholders, but to provide a sense of what matters today”

More Urgent

Urgency

Less Urgent

	<ul style="list-style-type: none"> • Customer service and support • Platform innovation • Client protection • Compliance 	<ul style="list-style-type: none"> • Inclusive financial Access • Inclusive financial health • Digitize finance • Sustainable profitable growth 	
<ul style="list-style-type: none"> • Environment and social management system (ESMS) • FinTech Net-0 	<ul style="list-style-type: none"> • Responsible product and services development • Tailored access for women 	<ul style="list-style-type: none"> • Good corporate governance and business ethics • Human capital development • Employee engagement 	
<ul style="list-style-type: none"> • Diversity & inclusive culture 	<ul style="list-style-type: none"> • Sustainable MSME's 	<ul style="list-style-type: none"> • Mental health and wellbeing • Data privacy and security 	
	Medium	High Impact	Critical Impact

Advancing the Sustainable Development Goals SDGs in 2021 and 2022*

Contribution to SDGs' Sub-Goals and KPIs

Our works on Achieving SDGs



1.1, 1.2, 1.4

103k people are educated on financial matters through online & offline initiatives. Almost equal to the citizens of Maui- Hawaii!

58k loans disbursed to MSMEs with 60% experiencing a much better increase in welfare.

That's twice the subsidized housing provided in the whole of East Java and Central Java.

80% of our MSMEs are micro enterprises.

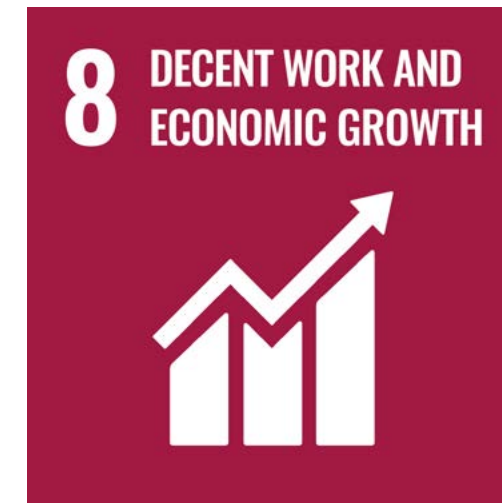
That is as huge as the number of women workers contributing to the garment industry. OMG!



5.1, 5.2, 5.5

37% of our MSMEs are women-led enterprises and they already experience better access to finance and easy digital payment systems.

Such a tight competition with the proportion of Singaporeans graduating from University in 2020. We surpassed it!



8.1, 8.2, 8.3, 8.5, 8.8, 8.10

116k new jobs created in 34 provinces across Indonesia.

That is almost as big as the number of Australian tourists coming to Indonesia in June!

Koinworks MSMEs could grow their revenue with 34%, enabled by our individual investors experiencing an asset growth of 76% to reach their financial goals.

Imagine if you got 34% more money coming to your pocket!



9.1, 9.2, 9.3, 9.4

106k new MSMEs digitized their payment system using NEO in 2022.

It's surpassing the number of book titles released by Gramedia, the largest publisher and book retail group in Southeast Asia!

MSMEs see their digital business transaction grow by 82%.

Suppose that the price of your investment in the stock market went up by 82% in a week. An incredible move, isn't it?

*See appendix for further SDG Contributions

Sustainable Growth Enablers



Ganesh Rengaswamy
Co-founder and Managing Partner
at Quona Capital

We're on a mission to increase access to quality financial services for underserved consumers and MSMEs in emerging markets through our investments.

Since Quona invested in 2019, KoinWorks has made significant strides in deepening their impact on customers through customer education and expanded products (including NEO) that help SMEs get access to not only credit, but also digital transactions and payments.

"Our original impact thesis for KoinWorks centered on the company's potential to address the massive SME funding gap in Indonesia through its seamless, digitized process and focus on micro and small enterprises. KoinWorks is able to offer more than any other fintech SME bank or lender, in addition to offering more holistic accounts, payments, and card services, aiming to provide the SMEs a more superior banking experience.

They have also dedicated significant energy and effort behind educating the customers, which is essentially for responsible banking in the new age."



Donald Wihardja
CEO at MDI Ventures

At MDI ventures we believe that investing in ESG and impact-focused companies will deliver the same if not more return compared with commercial Venture Capital investments in general. Implementing ESG helps companies to grow more sustainably and manage their risks better, and those 2 points are actually becoming more important since Investors nowadays look deeper into Units of economics and healthy growth companies.

"KoinWorks has brought more equal opportunity, increased financial inclusion, and unlocked what was previously difficult to achieve with conventional financial institutions for all Indonesians, especially in the MSME sector. KoinWorks has shown strong growth and improvement, the ability to adapt to the challenges and needs of the market, and providing the best solution for Indonesia's financial gap issue."



Avina Sugiarto
Partner at East Ventures

East Ventures believes in investing in the next generation with heavy focus on startups that put emphasis on how to make the world a better place for our children

We believe that every young person should have the opportunity to pursue their dreams and contribute to society.

"Koinworks is well placed to provide diverse financial services and contribute to financial inclusion, while improving the financial literacy of millions of underserved customers in the country. Koinworks paves the way to an inclusive society by enabling wider communities' access to financial services."



Sustainable Growth Enablers



Triodos 
Investment
Management

Sagar Thakar
Senior Investment Officer
at Triodos IM

Triodos invests in companies that contribute to a green, inclusive and resilient economy. Koinworks exemplifies this through its core business of providing responsible, high impact digital financial products and services, combined with a strong commitment to managing social and environmental performance.

“We appreciate that Koinworks serves the real economy and contributes to the SME segment, which is the backbone of the economy. As it remains innovative and well-attuned to its target group offering a variety of relevant services: supporting entrepreneurs with diversified financial products and enabling wealth management for retail investors. Triodos supports the ambition of Koinworks to position itself as a sustainable and impactful partner in growing business.”



SAISON
CAPITAL

Kosuke Mori
Managing Director of CEO, Saison
International | Saison Capital

Financial inclusion has been integral to Saison International’s philosophy and approach to value creation ever since its inception. Saison International as a financial group aspires to stand by customers during life events and corporate cycles, by providing access to a wide range of financial services and achieve customer success by combining the real and the digital.

As an impact investor, we aim to support companies that have proven traction of delivering affordable and accessible solutions and scale financial inclusion.

“By facilitating access to financial services and working capital for underserved MSMEs in Indonesia, Koinworks contributes significantly to MSMEs’ growth and economic opportunities. The “tech and touch” approach, i.e. the use of innovation and digital distribution channels to successfully, and seamlessly reach out to thousands of underserved SMEs, combined with physical visits, makes KoinWorks unique in the Indonesian market.”



AC ACVENTURES

Lauren Blasco
Principal, Head of ESG
at AC Ventures

“Investing in technology-driven, high-growth startups, AC Ventures catalyzes positive impact and transformation in Indonesia, fueled by the belief that entrepreneurs hold the key to meaningful and lasting change. With a positive 63% net impact score, KoinWorks exemplifies our commitment to inclusive and accessible financial services for MSMEs.”



The ESG Works

ESG is at the core of how we operate our businesses. It has to be so because our business is about unlocking dreams, opening doors, and removing roadblocks, and we must stay true to that ethos.



KoinWorks Aims High...

...to be the industry leader in combining healthy financial returns with cutting edge sustainable impact.

We proudly declare that we aim for inclusive growth and building positive change for our stakeholders, society and the environment.

The years 2021-2022 have been critical years for KoinWorks, as Koinworks itself had to strategize and innovate to be effective, efficient and for the most part, operational during the Covid pandemic.

We knew that during this difficult period, our small business owners needed us more than ever.

With infusions of funding from our investors, lenders that were willing to put their money back in the economy and of course our super trooper of a team, KoinWorks was able to show its commitment and stand side by side with those who needed us the most.

70% of all business holders have used their loan to recover and fight back successfully from the Covid pandemic with the help of KoinWorks.



+63% Net Impact Contribution

In July 2022, our investor AC Ventures together with the Boston Consulting Group of Indonesia conducted an ESG assessment, using the Upright platform, on the KoinWorks portfolio. We are delighted to share that our overall ESG net-impact is a positive contribution of +63% to Indonesians.

Our key impact drivers are the number of jobs created, enabling digital access to finance and financial knowledge, by increasing user revenue and asset growth.

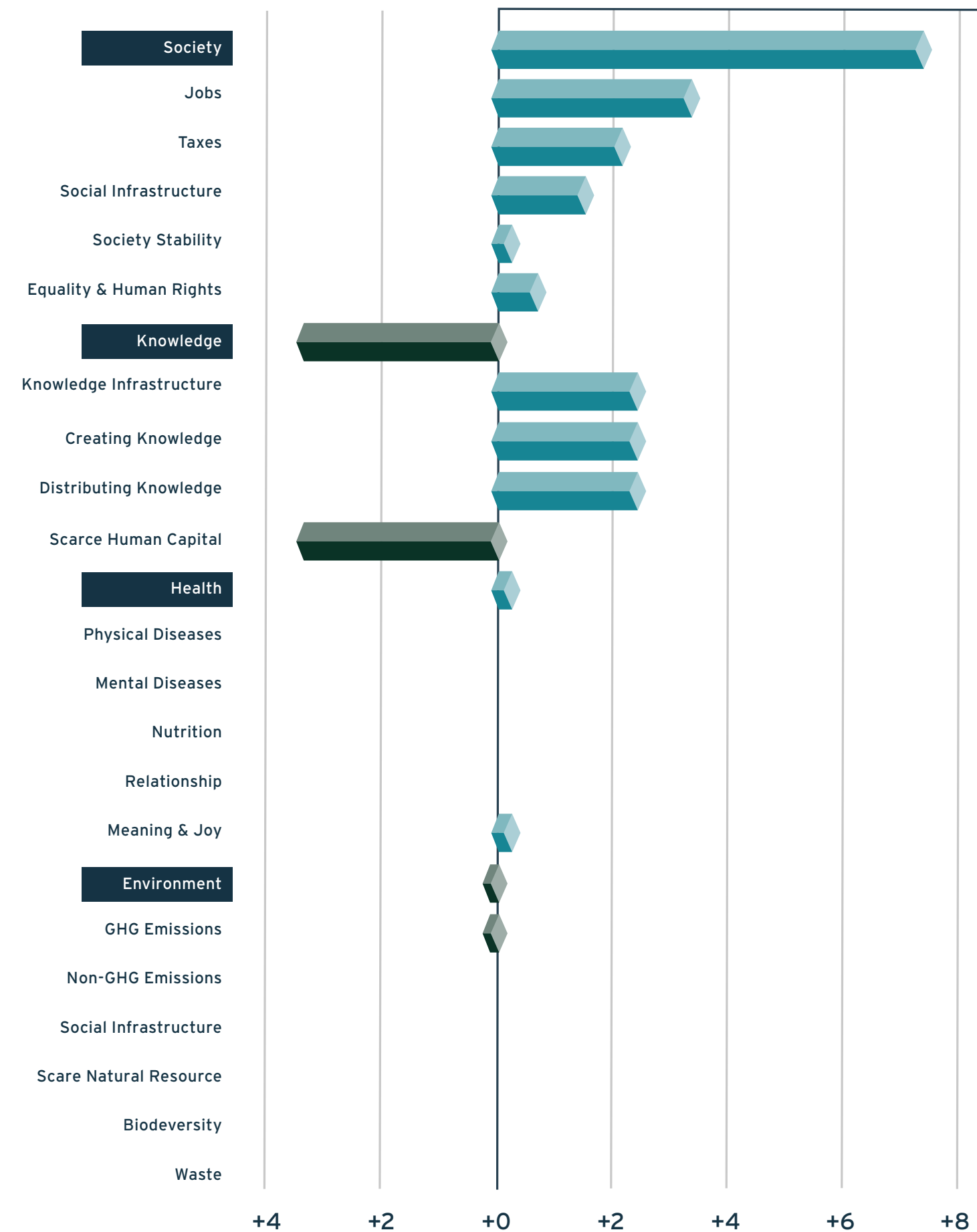
As a start-up we see ourselves challenged by the demand for talent outpacing the local supply. This is the main reason why Koinworks scores a negative contribution to Scarce human capital.

Through the digital character of KoinWorks having a very small physical footprint, we have a low negative impact from our carbon emissions.

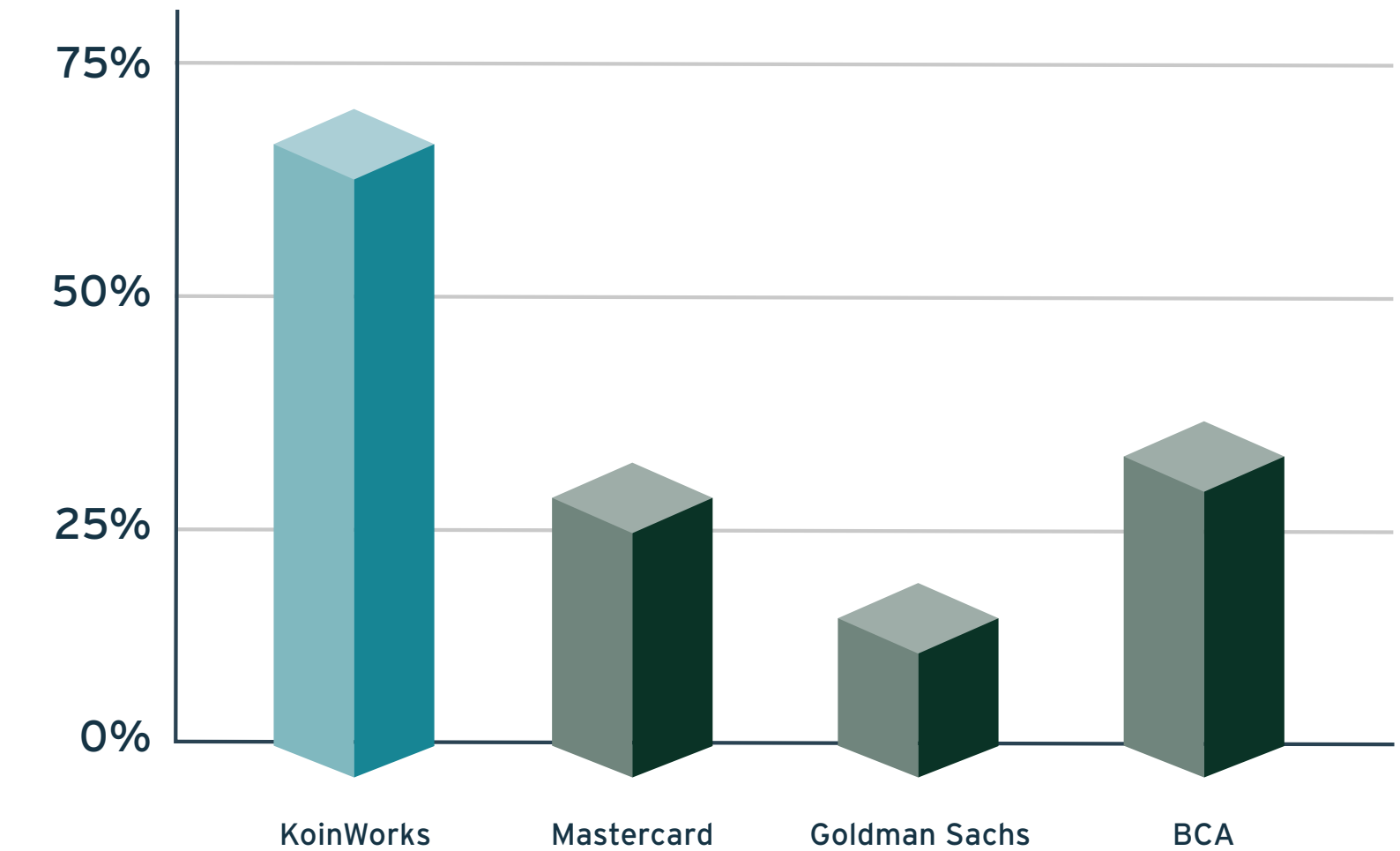
On top of that, we have made it our ambition to be carbon neutral by 2025 for an even higher net-impact contribution towards the future of the world.



Net Impact Ratio



Net Impact Ratio Comparison



2x BCA

3x Mastercard

5x Golden Sachs

Community Works: Inclusive Growth

“Social” was and will continue to have our focus. Social factors are driving KoinWorks business and we always push to make the “S” in ESG more measurable and quantifiable.



KoinWorks' Six Community Impact Goals



Digital financial literacy
to educate our users



Access to and usage
of KoinWorks financial &
business solutions



Quality and experience
of our financial & business
solutions



Personal wealth
for all our users



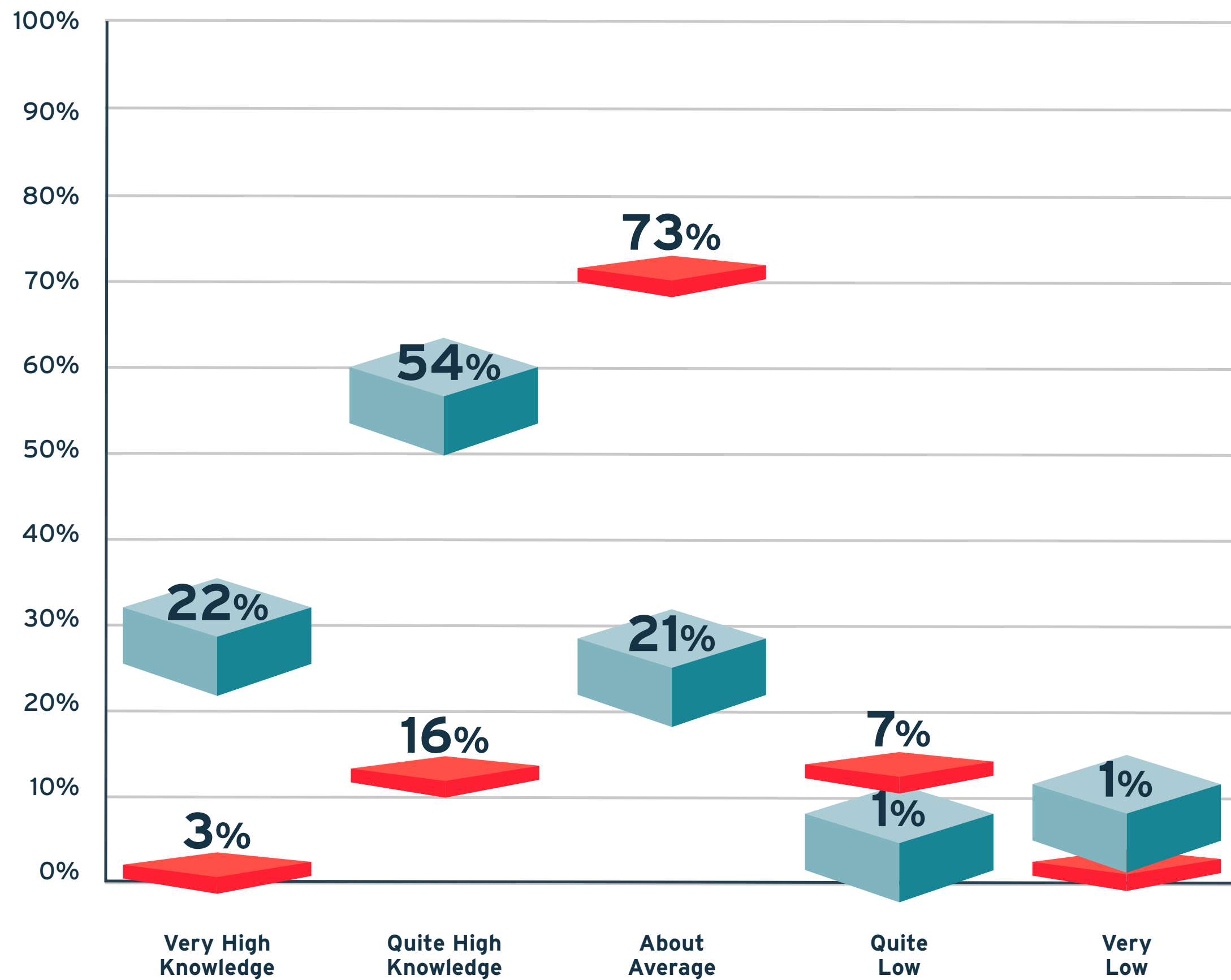
Enterprise growth
for our business holders



Digitization
to support them going cashless
and do business online

Upskilling KoinWorks' MSMEs

% Self-scoring Financial Knowledge



 KoinWorks MSMEs

 Impact threshold Indonesia
Source: OECD 2020



FINANCIAL LITERACY

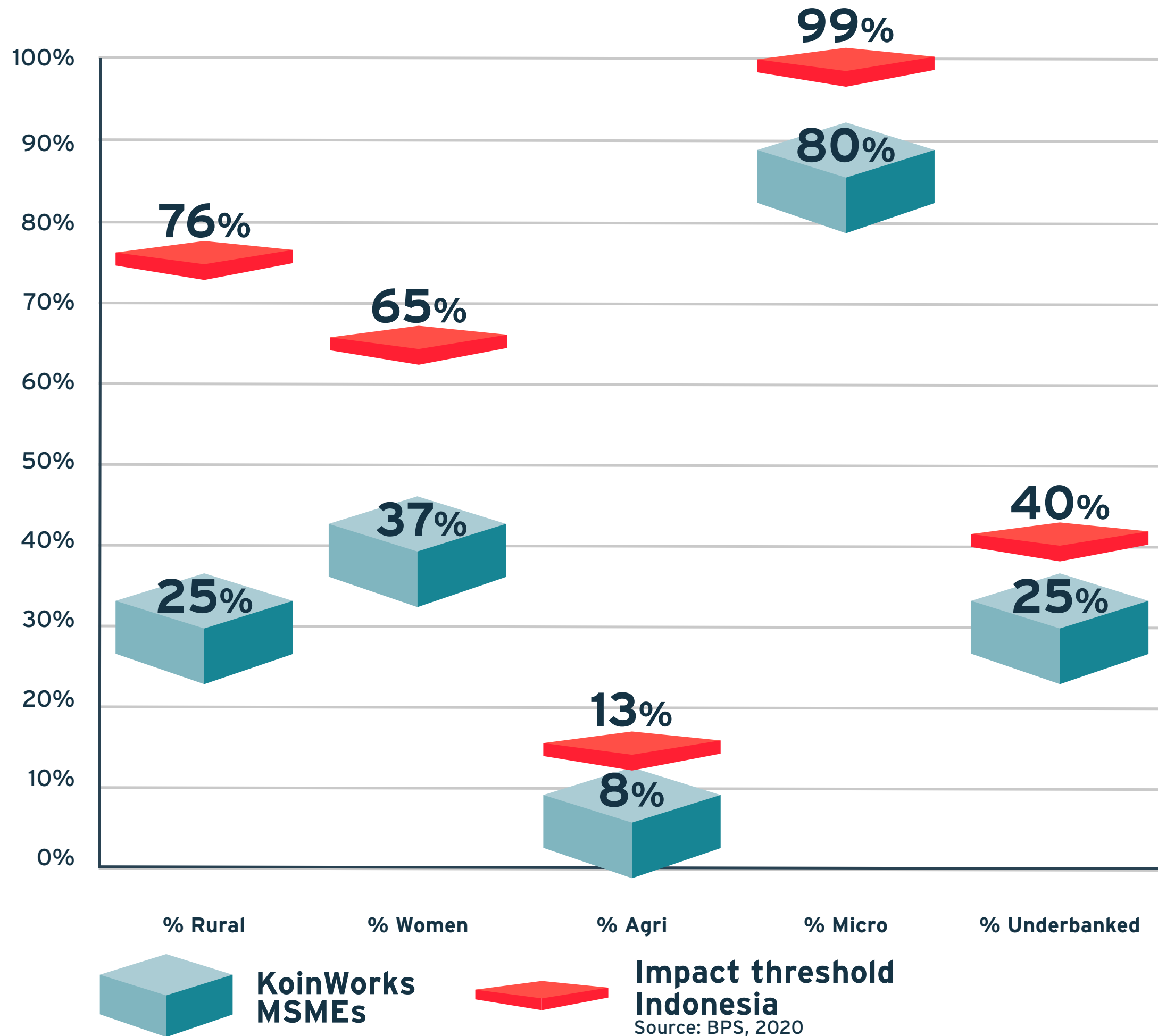
It has been our commitment to upskill our MSMEs and individual investors with business and financial literacy initiatives. Between 2020 and 2022, >400 financial literacy events held with >103k MSMEs and individual investors participated.

We also actively use our social media to spread knowledge and positive information for our users. On average more than 3 million people were engaged per quarter. As a result, Koinworks users have a much higher level of financial knowledge compared to average Indonesian MSMEs in the OECD G20 Survey.



Giving Underserved MSMEs an Opportunity to Access Financial Services

% Underserved Segments In Portfolio



ACCESS TO FINANCE

Since 2016, KoinWorks has reached more than 841k MSMEs, 25% of our users are underbanked, and 41% of our borrowers access their funding for the first-time. As a digital platform, our most significant contribution to society is to unlock the barriers of underserved businesses to get funding.

As in the graph above, our current portfolio may not answer the Indonesian demographic per each category. Therefore, we intend to target more and more of those categories in the following years. Women have had and will have our special focus to bring more equality to our portfolio and be better aligned with the Indonesian MSME sector represented by 65% women-led businesses.

QUALITY OF FINANCE

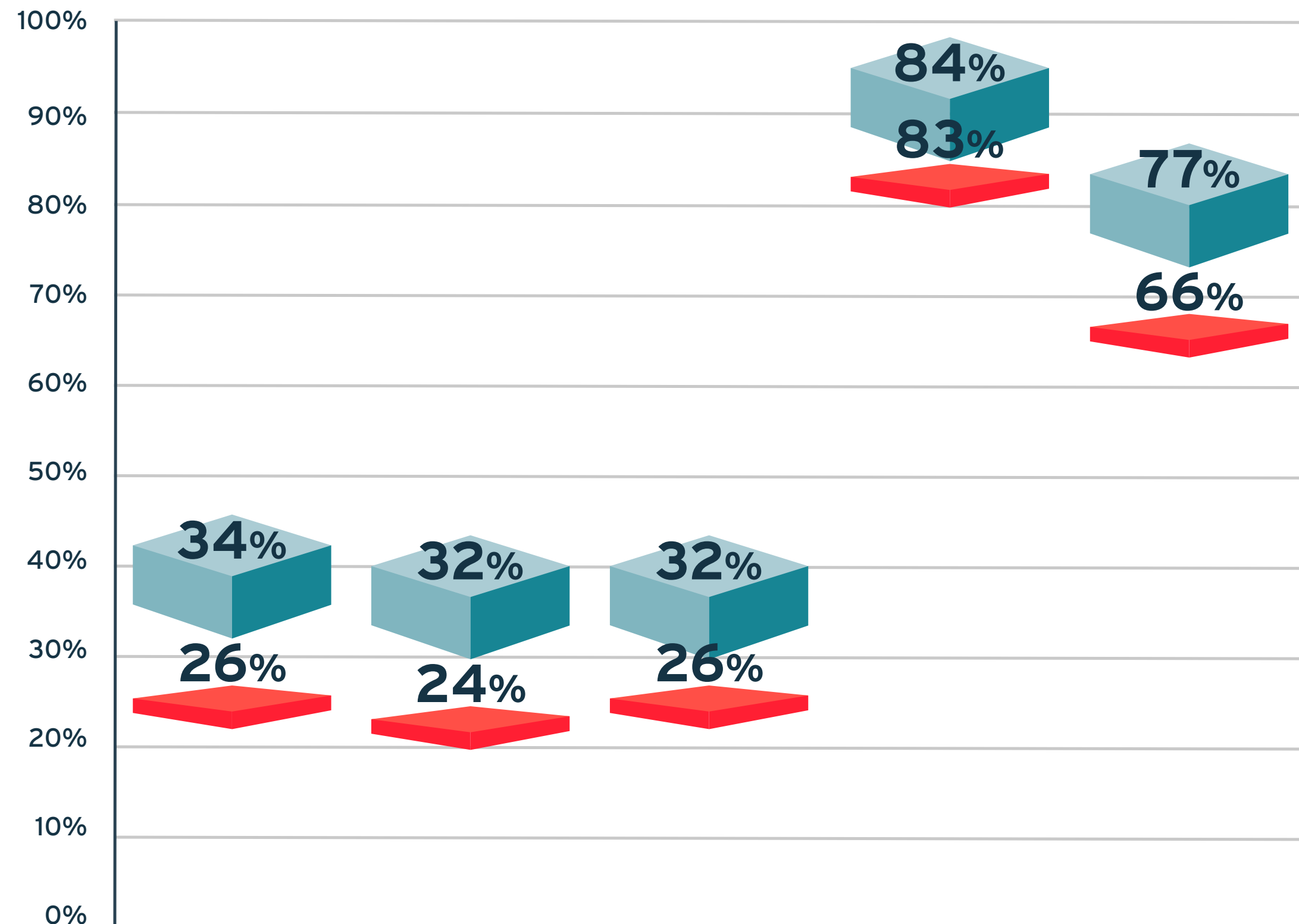
In developing our products, we make sure that everything we offer will answer our users best interest. Not only delivering high quality product features but also we make sure the transparency of our product labelling. In the latest survey, 81% of our borrowers agree that KoinWorks terms and conditions are easy to understand, and 79% intend to reapply the loan.

With a 37 Net Promoter Score (NPS), it indicates that our users are happy to introduce KoinWorks to others but we take their feedback seriously and try to continuously improve our practice.



Sustainable Revenue & Asset Growth on Top of Better Business Skills

% Performance improvement since joining KoinWorks



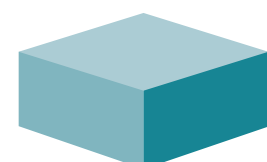
Revenue Growth

Asset Growth

Customer Base

Business Confidence

Business Skill



KoinWorks MSMEs



Impact threshold Non-KoinWorks user
Source: JAKPAT Survey, 2022



ENTERPRISE GROWTH

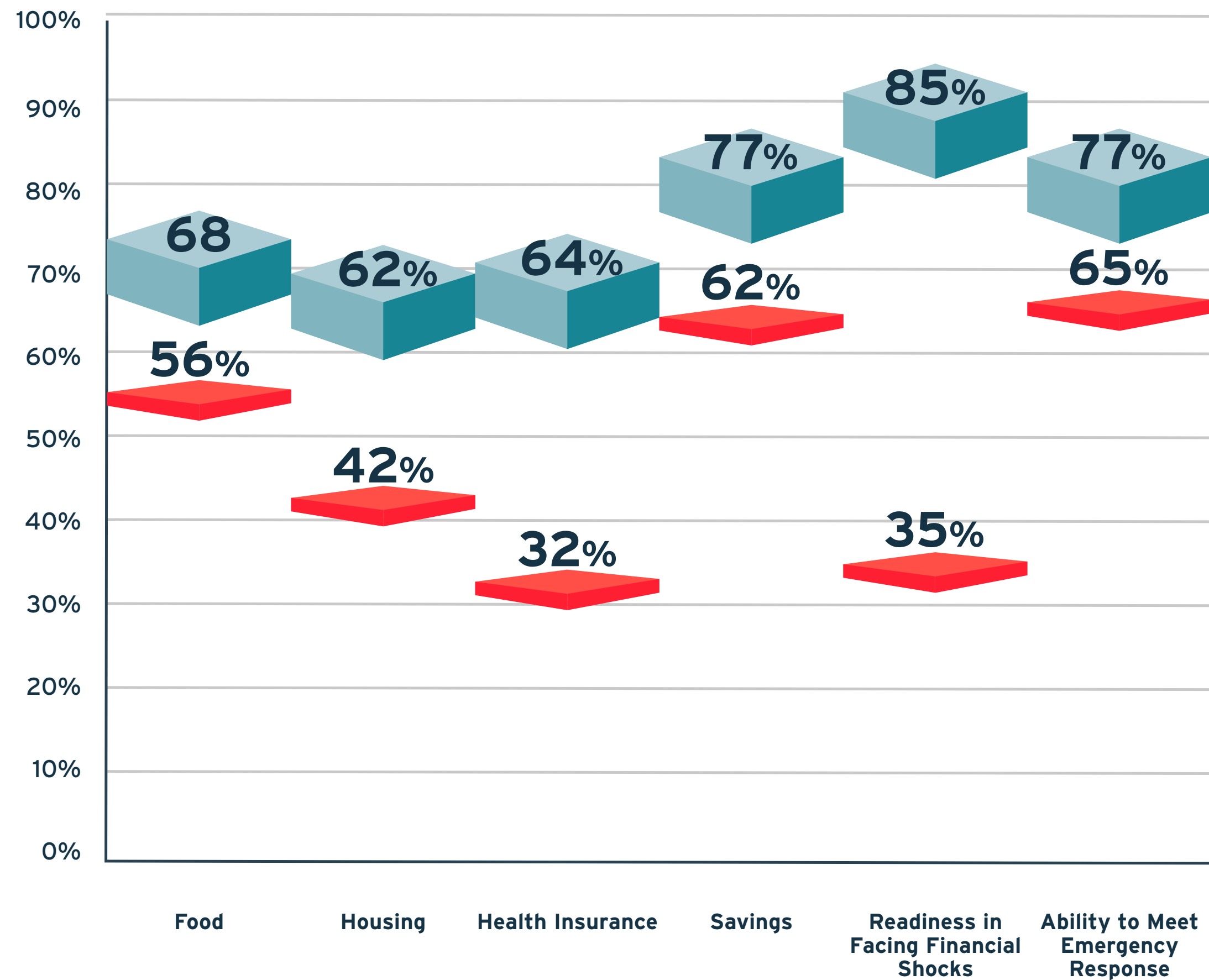
Just like our beliefs to deliver value and transform life, Koinworks ensures that the products we offer bring social impact for our users, not only their businesses but also personal matters. In the latest survey by JAKPAT, all variables show that Koinworks users have better business performance and entrepreneurial skills compared to the non-KoinWorks.

Aligned with their business growth, in total 116 thousand new jobs were created by Koinworks' MSMEs, equal to 1% of national new job creation target from digital economy in 2025.



Increasing Personal Wealth for A Better Life

% Increased Quality Of Life



PERSONAL WEALTH

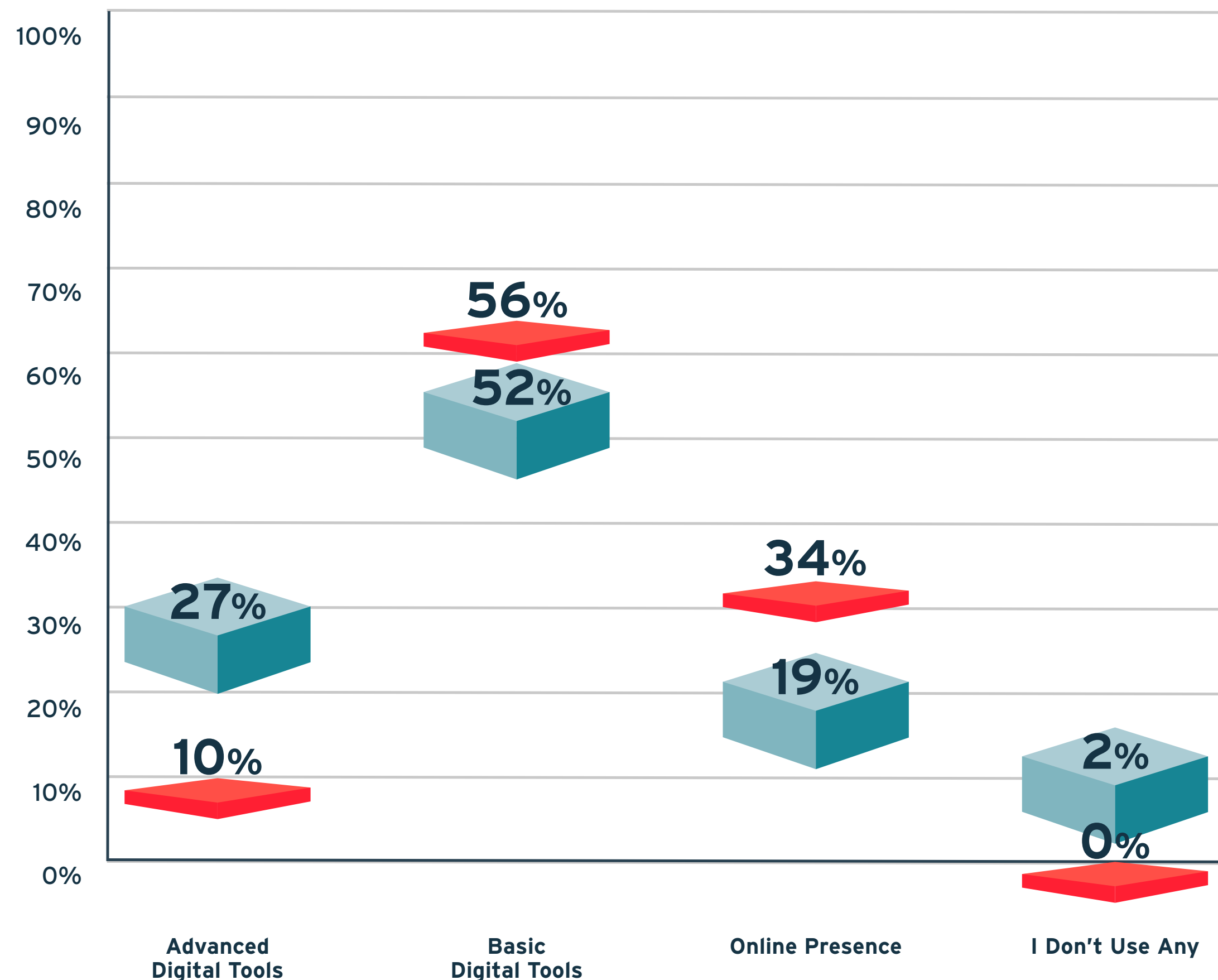
When looking at unexpected financial hardships in the past year, 85% mentioned they have not experienced such an event anymore. In general KoinWorks users experience a higher quality of life, because they have access to better quality food, housing, and health care.

They also have more savings and are more ready in case they have to pay for emergency expenses.



Encouraging The Adoption of Digital Technology

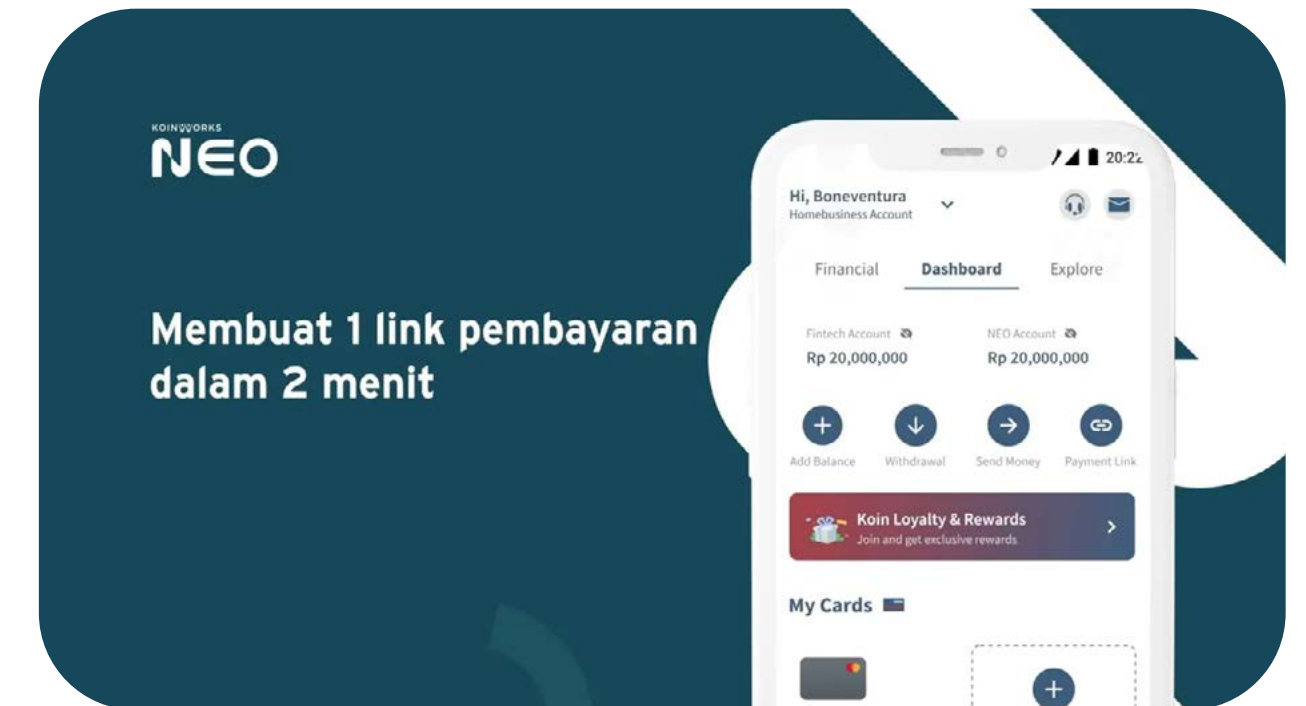
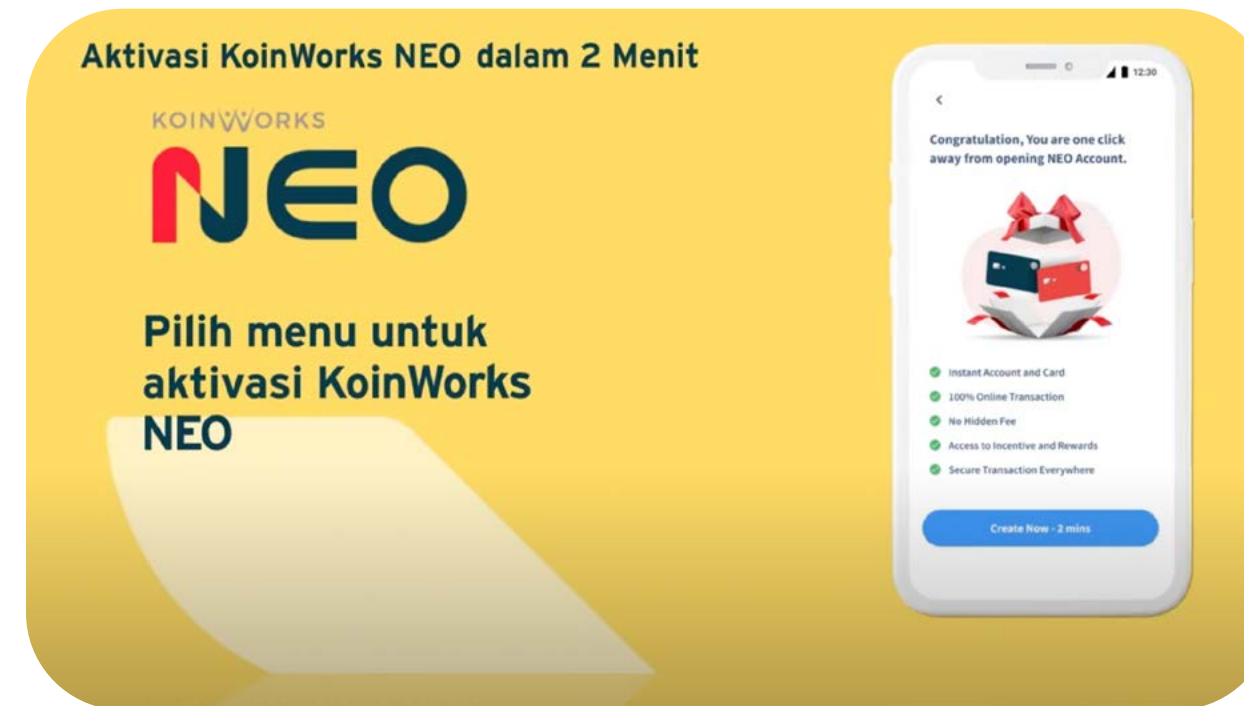
% Digital Skill



KoinWorks MSMEs



Impact threshold Indonesia
Source: OECD 2022



DIGITIZATION

KoinWorks MSMEs are digital savvy than non-KoinWorks MSMEs or compared to the Indonesian market as a whole.

With the launch of KoinWorks NEO in 2022, we further strengthened the digital support for our MSMEs and created access to digital payments & virtual cards services.

By end 2022, more than 30K active users were daily transacting through our platform.



Women in the Spotlight

As a part of our commitment to women economic empowerment, we have created a special women-led enterprise category in our wealth KoinRobo product, in the hope that female business owners could get faster funding to grow their businesses.

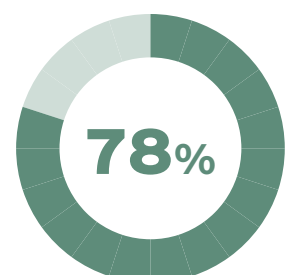
And we have been able to **double the number of women-led MSMEs in our portfolio since 2019**. Currently 37% of all MSMEs are led by women and we learned that their starting position is slightly worse compared to their male entrepreneurs. A few insights:

The positive insight is that our research shows that with the support of KoinWorks the impact achieved on their business and personal lives is actually much higher than for the male-led enterprises:

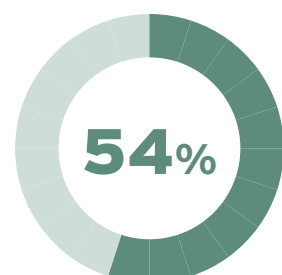
- The allocation of the loan has helped them to achieve their financial goals (**75% vs 70% male-led**) to increase their household income.
- Their of quality of life significantly improved (**3x as much compared to male-led**)
- And women experience an improved their cash flow (**200% compared to male-led**)

Koinworks Gender Insights

1. Women often own an ultra-micro businesses

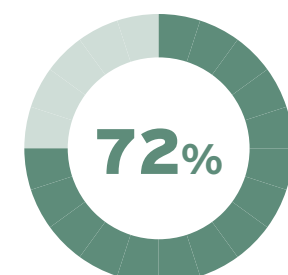


Female-led

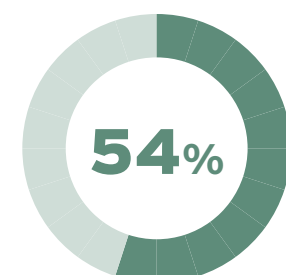


Male-led

2. Their business has no formal legal status

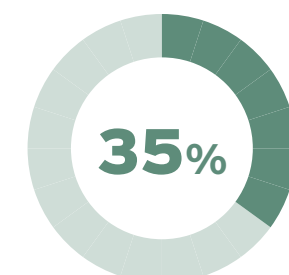


Female-led

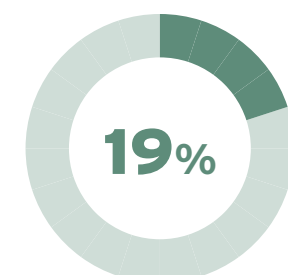


Male-led

3. More underbanked

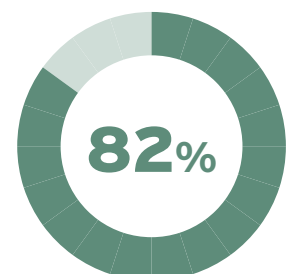


Female-led

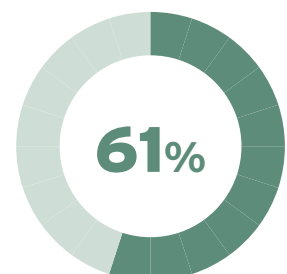


Male-led

4. Lower revenues and assets
Earns between 0-50 mio/month

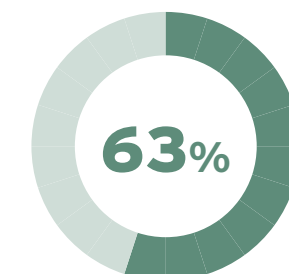


Female-led

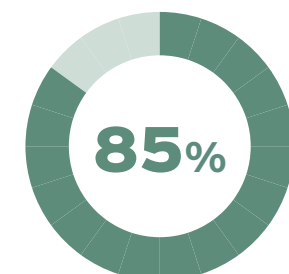


Male-led

5. % Lack entrepreneurial confidence



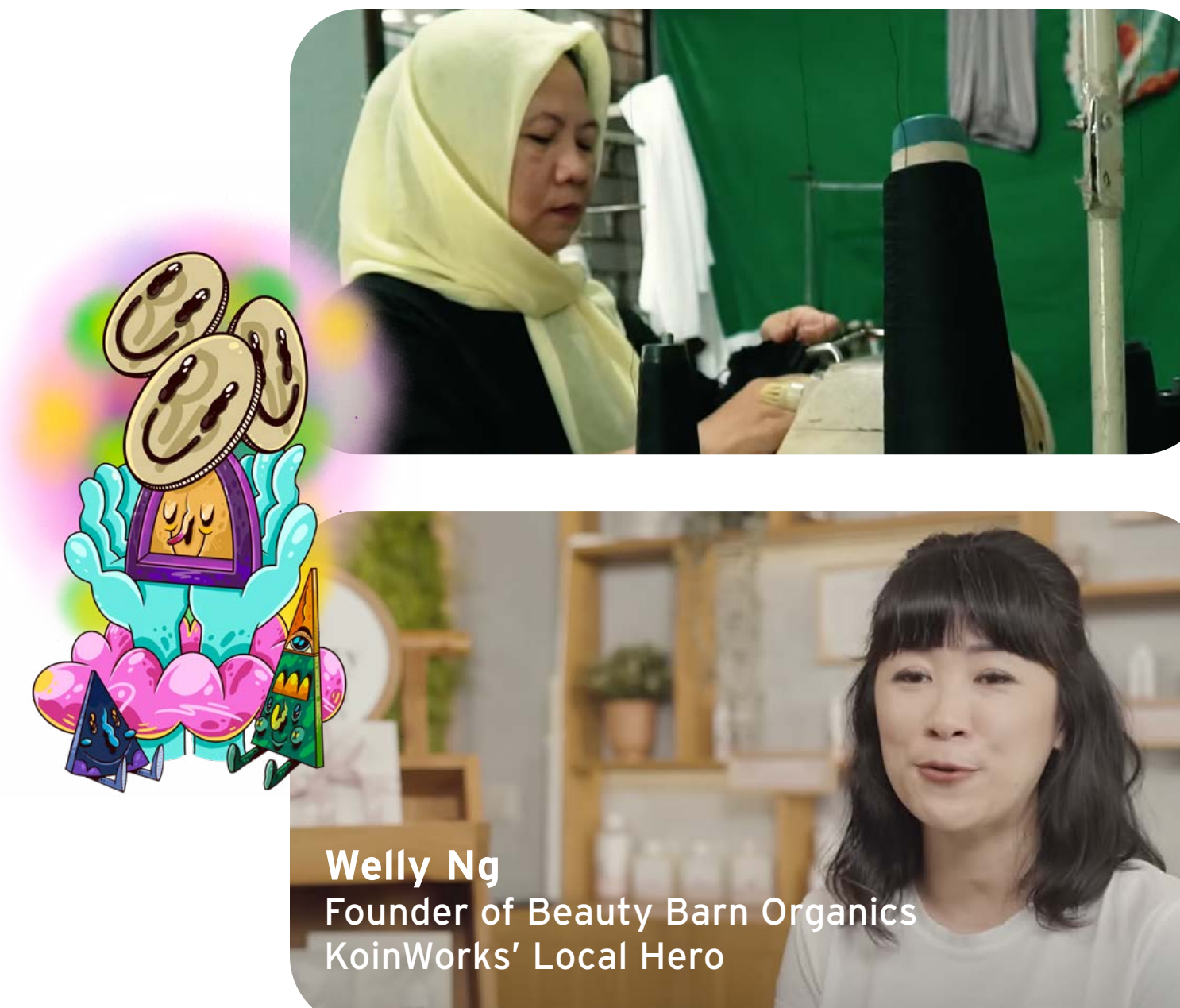
Female-led



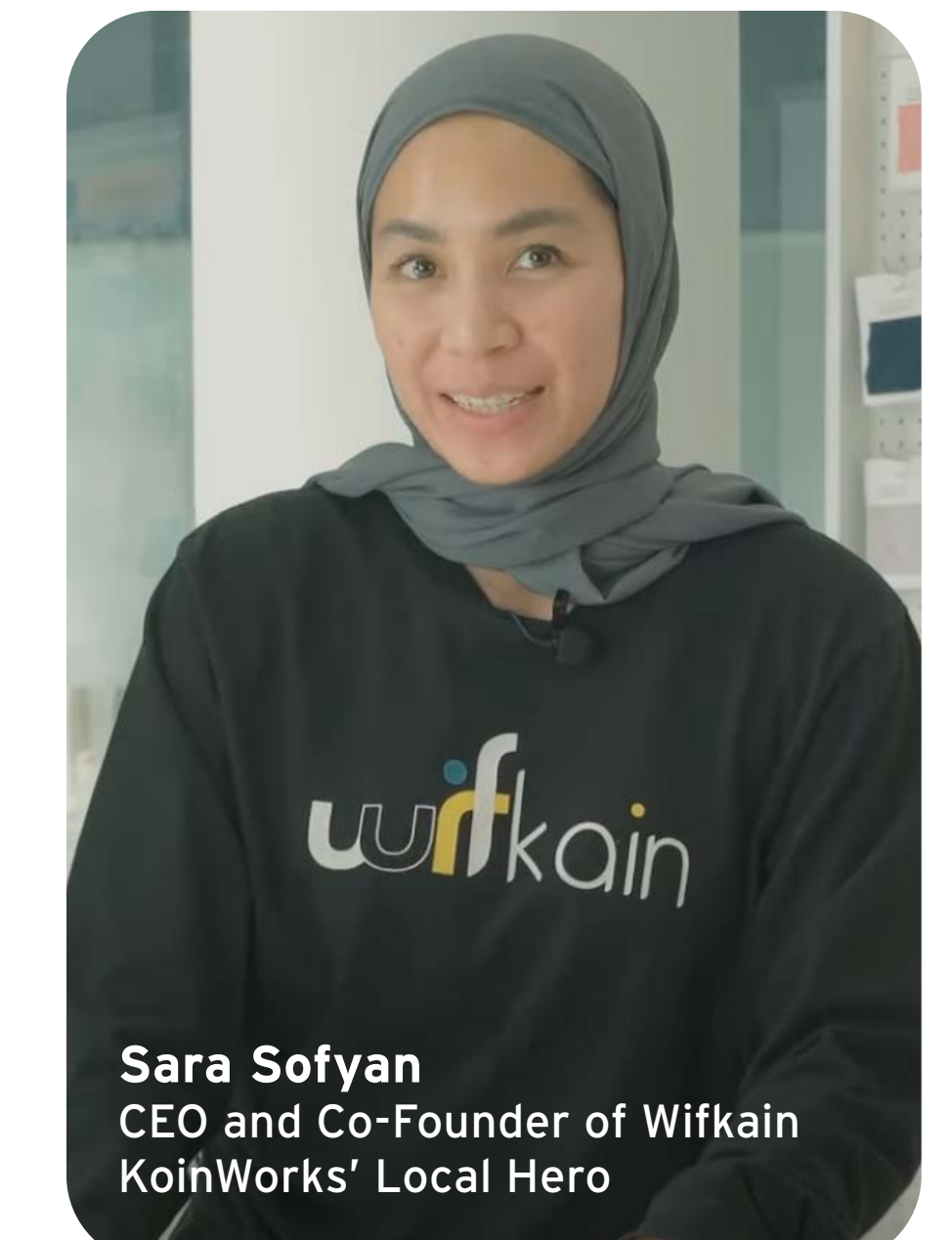
Male-led

6. **LESS FREEDOM** for independent decisions and often rely on their spouse

Remarkable is that their drive to grow a business is bigger (**91% versus 82%**) and trust more on their entrepreneurial skills like a clear plan to market, innovation, and proactiveness. They are more eager than men to use digital banking products (**15% vs 2%**).



Welly Ng
Founder of Beauty Barn Organics
KoinWorks' Local Hero



Sara Sofyan
CEO and Co-Founder of Wifkain
KoinWorks' Local Hero

However we noticed that their overall business growth stays behind (31%) compared to the male-led business (35%). Nevertheless the opportunity to grow is higher. In our objective to develop a strong performing gender equal portfolio, we will engage more with our female entrepreneurs in 2023 to explore gender tailored solutions and features to aim for equal growth of their businesses in the long term.

Giving Back to the Community - 2021

KoinWorks' Social Calendar 2021

Q1

Event Summary:
46 Events
5,445 participants

Masterclass: Regina Kindangen
Education for MSMEs on strategies to expand their market

Food Startup Indonesia Malang & Bandung
Coaching clinic for F&B MSMEs, in collaboration with Ministry of Tourism and Creative

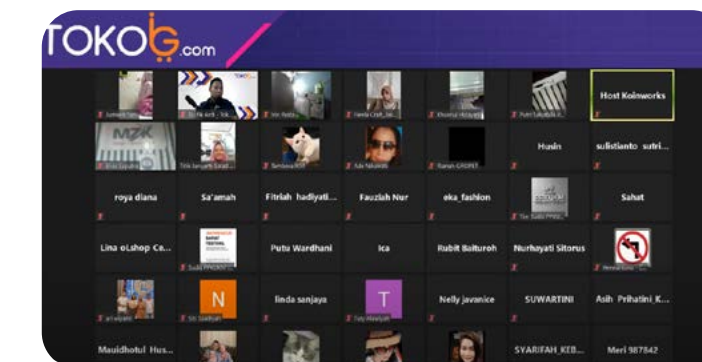
Fintech Business Matchmaking Labuan Bajo
Education to MSMEs on how to access financing through fintech P2P lending, in collaboration with Ministry of Tourism and Creative Economy

Q2

Event Summary:
14 Events
2,558 participants

Pengelolaan Keuangan Bagi UMKM
Education to MSMEs on how to manage their business financial

Kementerian Perdagangan: Jurus Jitu Efektif Permodalan
Education to MSMEs on how to obtain financing, in collaboration with Ministry of Trade



Q3

Event Summary:
7 Events
1,146 participants

Investasi ke UMKM via Platform P2P di Era New Normal
Education to potential lenders on how to fund MSMEs through p2p platform

SiBerkreasi Kominfo
Education on digital economy, in collaboration with Ministry of Information and Technology



Q4

Event Summary:
18 Event
2,605 participants

Jakpreneur Virtual Expo (Jakvex 2021)
Raise awareness of KoinWorks products and services

Instagram Live KoinWorks x Annisa Steviani
Education on financial management for family and how to invest on government bonds



2021 CommunityWorks Highlights



1780+ MSMEs get new exposure to new 36+ thousands potential customers

Koinworks is highly committed to carrying out #LokalSupportLokal activities that ask the public to help local Indonesian businesses survive in the midst of pandemic conditions. This initiative invites everyone to help SMEs by promoting and buying products offered through all of your social media assets, including social media and KoinWorks' microsite for free.

Beside the efforts to help business people in the country, Koinworks strives to increase people's financial literacy in various offline and online events. Starting from the webinar "Financial Management for MSMEs" to Instagram Live entitled "Financial Solutions to Develop a Business". Organizing offline events with partners also does not stop being held. Both in the form of financial planning education, business matching, to investment tips for MSMEs.



Masterclass: Effective Market Expansion Strategy for MSMEs in 2021

Koinworks help MSMEs to learn the effective strategy to identify, develop, and enter the new market both locally and globally. We invite capable mentors who has experience both local and global market to give share knowledge horizon how the business competition occurs nowadays. MSMEs are learning about:

1. Go-to-market strategy framework
2. Step-by-step to expand the new market both locally and globally
3. The importance of doing production quality control
4. The strategy to maintain the product and service quality through developing Standard Operating Procedure (SOP)
5. Product & brand research
6. Business hack to win the market through adopting the digital and technology



During 2021, 85 events held with more than 11K people participated.

Giving Back to the Community - 2022

KoinWorks' Social Calendar 2022

Q1

Event Summary:
38 Event
4,701 participants



KoinWorks x Forbes Indonesia: Investment Outlook 2022
Education on investment forecast for 2022, from global and macro scale, to local and micro scale



Webinar Skill Academy x KoinWorks Education on how to manage financial and investment based on risk profiles

Q2

Event Summary:
28 Event
22,774 participants



KoinWorks NEO Launch
Launch of KoinWorks NEO



KoinWorks NEO Inspire
Increase awareness of KoinWorks NEO services, build relationship with MSMEs

Q3

Event Summary:
38 Event
5,927 participants



KoinWorks NEO x Wiranesia Foundation
Goals: Increase awareness of KoinWorks NEO services, build relationship with MSMEs



KoinWorks NEO x Jakcloth
Increase awareness of KoinWorks NEO services, build relationship with MSMEs

Q4

Event Summary:
25 Event
2,898 participants



KoinGo Bandung Campus NHI Bandung
Help student to reach financial goals



KoinGo Office Kadin
Help entrepreneurs to reach business goals

2022 CommunityWorks Highlights

KoinWorks NEO Inspire

In June 2022 KoinWorks again spread inspiration and benefits by holding a business festival called KoinWorks NEO Inspire. This is KoinWorks' biggest event which aims to help MSMEs from various aspects.

Starting from a business competition that was welcomed by the wider community, with the number of registered participants reaching nearly 9,000 MSMEs and business owners from all over Indonesia. The 60 selected finalists took part in a series of activities which included bootcamps and mentoring sessions with experts, before being prepared and finally presenting their business at the peak of the KoinWorks NEO Inspire event with a total prize of IDR 2 billion.

Not only that, KoinWorks also invited more than 140 MSMEs to increase their product marketing in the form of free booths at the peak of the NEO Inspire event. In two days this event managed to bring in more than 20,000 visitors. This is a form of KoinWorks' commitment in helping MSMEs and the Indonesian economy.



"KoinWorks NEO Inspire demonstrates our strong commitment to supporting small business owners in growing their business. It is very important for KoinWorks that our innovation makes it easy for our users to carry out daily transactions,"

Grace Hong
Chief Marketing Officer at KoinWorks

KoinP2P Grade S Launch

In collaboration with trusted partners, KoinWorks distributes Grade S funding to informal sector workers such as salesmen, grocery stores, and wholesalers to help develop their businesses and improve their social welfare.

Through KoinP2P Grade S, KoinWorks is even able to offer lower risk, and give its POWER lenders the satisfaction to participate in a funding process that results in greater social impact.





Super TrooperWorks

We uphold our ESG principles to our Troopers (that's how we call our people) in all leadership and people matters, since we believe that our people are at the heart of what we do.

Powering Growth by Making Every Interaction Matter

We're in the business of collaboration. No one knows that more than KoinWorks' Troopers. It might as well be our mantra that "We thrive when our MSME partners grow." People come to KoinWorks to create sustainable solutions for our future, not by chance but deliberately by choice.

Our ESG integration in talent management has attracted a highly-sought after talent with high ethical standards, a non-negotiable for KoinWorks to function well from innovation ideation all the way to product delivery. Every Trooper understands inherently that our impact goals are our next steps together to democratizing sustainability that permeates every decision we make individually and as a team.

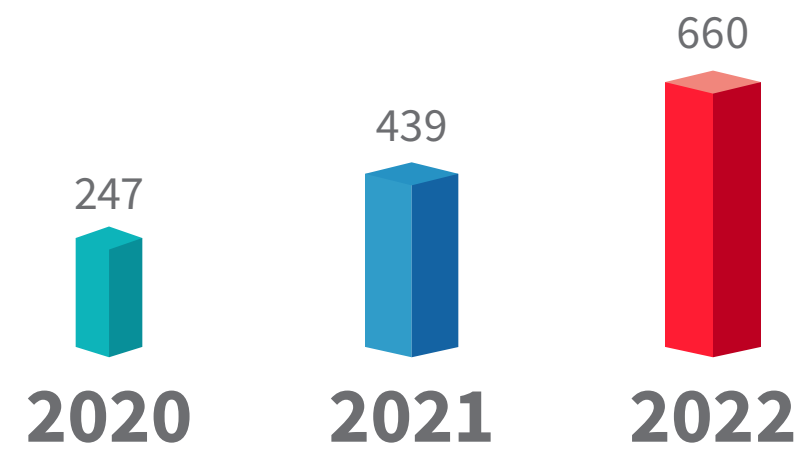
We dream of creating a workplace where every Trooper will value every step of their journey with us in delivering a positive impact for a better future.

We grew the most throughout the pandemic, knowing that it was a pivotal time for many MSMEs as they needed a guiding partner to embrace technological innovations to power their businesses throughout the uncertainties that the COVID-19 pandemic posed.

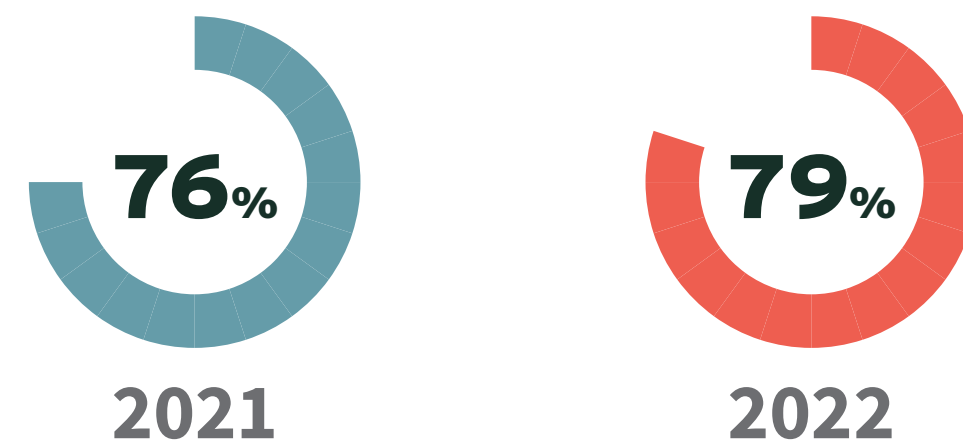
Our Troopers work tirelessly to make the biggest impact possible. Realizing affordable access, creating fast and robust customer experiences, and genuinely caring about Indonesian MSMEs --all this resilience throughout general uncertainty was brought about by our steadfast commitment to the mission of KoinWorks.

Having tangible goals has positively affected our Troopers' morale and creates an inclusive working environment that promotes well-being and productivity in a challenging post-pandemic time.

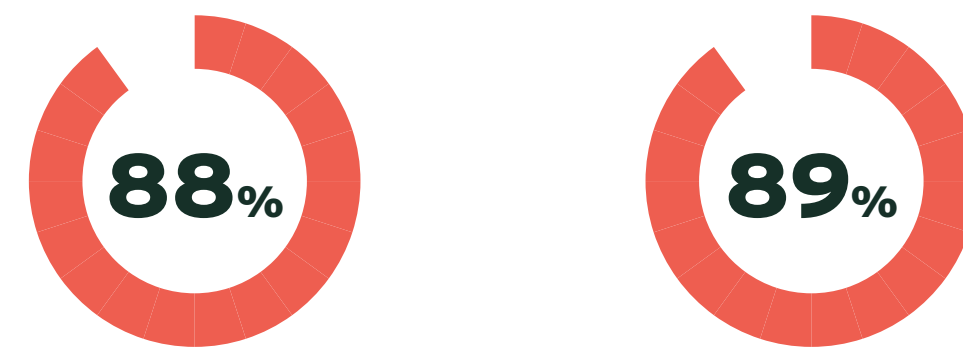
Exponential people growth



More engaged...



Our troopers believe KoinWorks is...



A Nice place to make an A-team collaboration

Upholding a high standard of corporate responsibility



Growing our teams during the pandemic



Gone are the constructs of working within a box. Upskilling is necessary for Troopers to keep ahead of the rapid speed of technological progress.

Crucial In 2022 was the redesigning of our organization structure, introducing Business Pods as clear flat structures to drive business value and growth. Cross-functional teams deliver our 'products' or projects, which ensure that the knowledge and skills to deliver desired outcomes reside within the team. The pods turned into robust communities of knowledge and practice as professional virtual "homes" for people during a time when no one was physically together.



Developing ways to create intimate spaces for the team to connect on different levels and making time to push through and participate in these sometimes serious, other times fun, quirky, and even awkward situations is what makes a team stronger.

Our leadership teams have navigated the last post-pandemic challenges by prioritizing people over processes, focusing on our users, and seeing change as adding value. They constantly looked for ways to inspire, involve, and updated the Troopers on crucial changes, and kept essential teams on the ground and on the right path with, amongst others, dynamic management systems like Objectives and Key Results.



Our Troopers scored KoinWorks 79% as an engaging fun place to work

Autonomy to self-organize, create, and do the work are key elements to KoinWorks' way of working. The professional homes created, with the introduction of the business pods, provide a sense of belonging for everyone to genuinely share stories, interests, and experiences.

Talent Development and Talent Management



We have created projects we call TechLab to give our tech talents the opportunity to grow, personally and professionally: Golang Talent Accelerator (GTA) and Engineering Development Program (EDP).

We need to make these projects happen regularly and consistently update them to entice talent to join.

Golang Talent Accelerator (GTA)

A skill development program for junior to mid-level engineers who are interested in working as back-end engineers but do not yet have the required technical skills for a programming language, specifically The Go Language featured here.

Participants took part in a workshop program for one month before being placed in a business pod/tribe. During the training, participants were treated as employees and thus received full wages from KoinWorks.

Engineering Development Program (EDP)

A 12-month program for fresh graduates that is about acquiring the most relevant technical skills and knowledge that would help them find jobs and success in their career paths.

Through these workshops, they are guided by highly-skilled mentors to learn more about The Go Language and learn about the impactful investing work that KoinWorks weaves into its infrastructure and architecture.

Invest in People!

Let's see how our graduates feel during their journey in the first batch of the Engineering Development Program!

Panji Ragil Wibisono
Back End Engineering 1

Joe Allen Butarbutar
Back End Engineering 1

Fernando
Back End Engineering 1

Rizki Akbari
Back End Engineering 1

What did they say about the program?

It's a pleasure for me to be part of this program. I got a lot of new knowledge, experience, and network. Thanks, KoinWorks, for organizing this program since it is **essential to equip recent graduates like me who will enter the workforce.**

I hope I can implement all the knowledge that I gained in EDP.

Panji Ragil Wibisono
Back End Engineering 1

My first impression is that this program is very fruitful. This program has had a **huge impact on my career and my self-development. From the learning process up to the guidance that is provided is very helpful.**

I also learned a lot of soft skills that I need in the professional workforce.

Joe Allen Butarbutar
Back End Engineering 1

After joining EDP, I gained a lot of experience and new insight that were beneficial for my career journey. Even though I also studied coding in college, I feel that I am not confident enough, and **at EDP, we were taught all over again from scratch.** I hope KoinWorks continues to organize this program since this program is helpful for beginners and fresh graduates.

Rizki Akbari
Back End Engineering 1

Diverse, Equal, and Inclusive Workplace

Fair and Equal Pay

the company. Salaries and remunerations are considered fair and above in-comparison to the market. All local and other applicable regulations are provided as compensations and benefits for our Troopers.

No team member of KoinWorks is paid below the applicable regional minimum wage. Retirement and insurance plans are also part of the benefits given. Also, while providing such benefits, KoinWorks stands by its commitment that there be no differentiation and discrimination about gender and background.

Job Level	2020	2021	2022
C/SVP	NA	NA	1:1.25
VP/Head	1:2	1:1.15	1:1
Manager	1:1	1:1	1:1
Total Workforce	1:1.4	1:1.3	1:1.28

Salary Ratio Female : Male

Other than salary, other benefits are also provided equally, regardless of gender including paid parental leave.

Diversity and Inclusion

KoinWorks considers hiring employees with equality, and every assessment is based on competencies and fitness to the role. KoinWorks aims to be a safe space for its Troopers and partners, with the goal of building more inclusive environments, protecting our Troopers from harassment, and promoting a culture where every voice is heard and listened to.

KoinWorks provides a home where its Troopers can be creative, where they can freely express themselves and not be afraid of being judged for their choice of clothing or hair color. In 2021 and 2022, there were no incidents of discrimination filed.

- ✔ KoinWorks aims for an environment that normalizes inclusion and eradicates harassment for any age, racial or ethnic origin, religious belief or activity, political inclination or conviction, social class, sex, gender identity and expression.
- ✔ Although no incidents of discrimination are on record, KoinWorks aims to keep abreast of mentoring programs that help keep the community engaged in inclusive behavior and thoughtful expressions for all fellow humans and co-habitants of this earth and beyond.

Job Level	Women	Men
Board	0%	100%
C/SVP Level	21%	79%
VP/Head Level	24%	76%
Manager Level	27%	73%
Total Workforce	33%	67%

Job level based on gender, 2022.

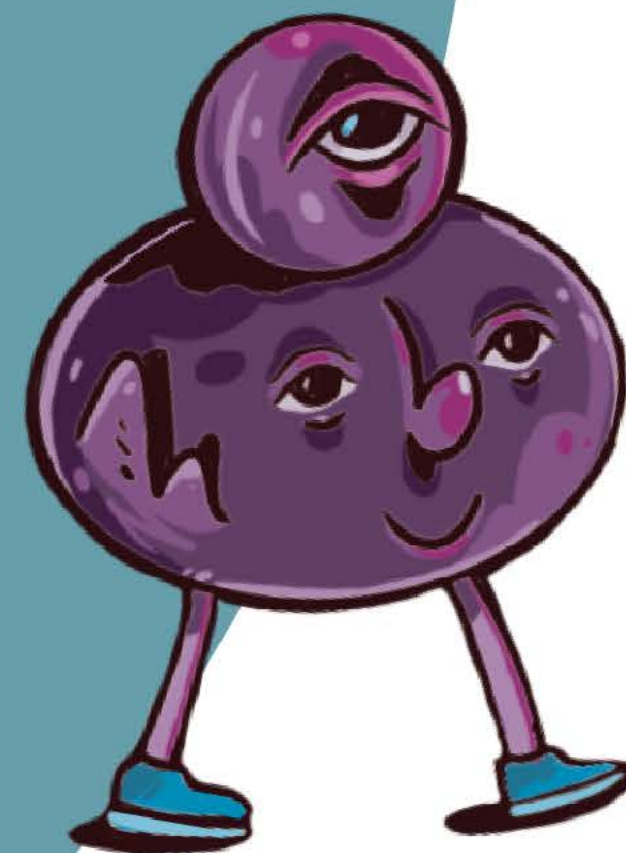
- ✔ Our data told us that we haven't hired or developed enough women into the best paid and most senior roles up to board level. We know that to achieve KoinWorks' longer-term mission, we have to work on strengthening our diversity gap too.



GovernanceWorks:

Trust and Fairplay

We uphold a high standard of corporate governance at all levels of our business in an effort to generate long-term value for our stakeholders. Our governance framework and management procedures enable us with the necessary foundation to do business responsibly, adhere to pertinent local laws and regulations, and maintain best practices standards of user privacy and data security in order to foster ecosystem trust.

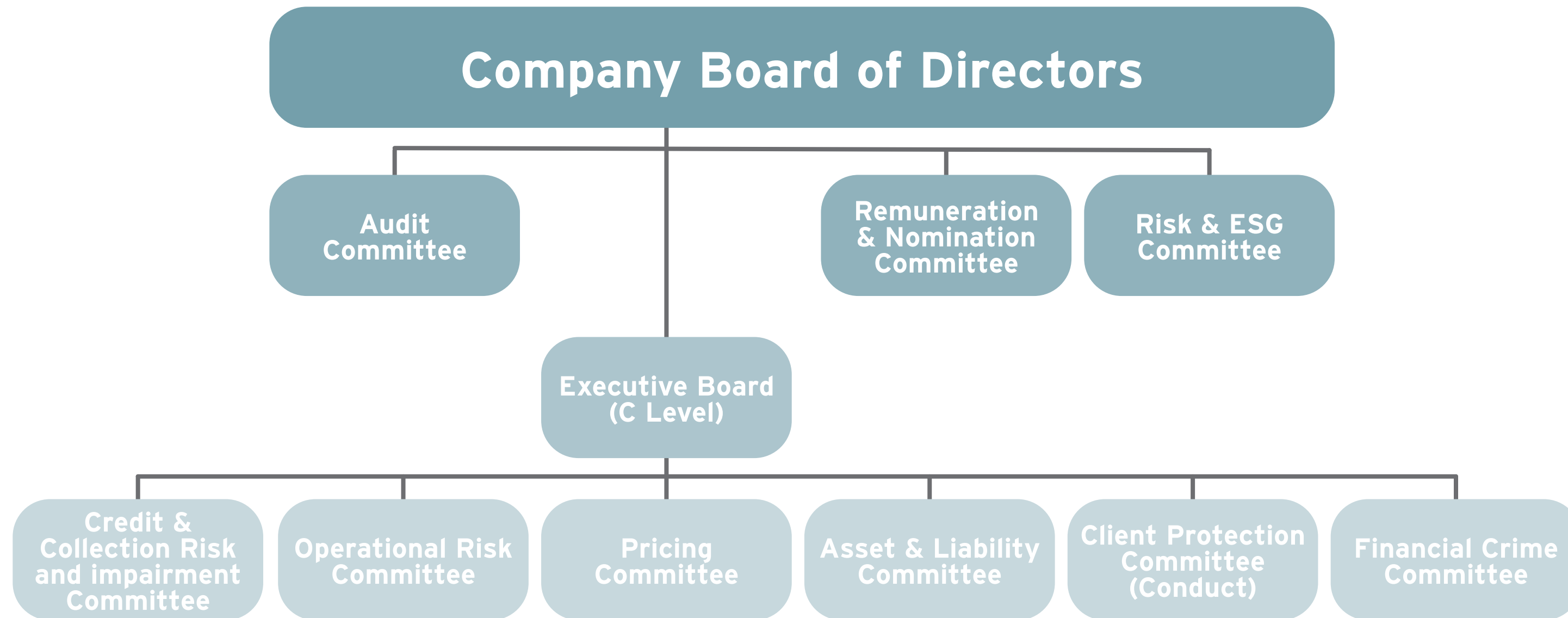


Governance at KoinWorks

Good corporate governance throughout our group will continue to be crucial in being a successful company in today's environment. Various of our legal entities are operational under the supervision of the OJK and therefore compliance of our governance structure with the required rules and regulations is of utmost importance to us.

As a group we continue to grow fast, we are continuously updating and implementing our governance elements. As an example Koinworks Group Corporate Governance (GCG) Structure consists of three main organs, namely the General Meeting of Shareholders (GMS), the Board of Commissioners, and the Board of Directors.

In discharging their duties and responsibilities, the three main organs are assisted by other supporting organs, such as the Internal Audit Unit and Credit Committee.



Board of Directors Composition and Role

Our board is composed of 5 directors:

- Willy Arifin, executive chairman of the board & co-founder
- Benedicto Haryono as CEO & co-founder
- Sandhy Widyasthana, MDI Ventures as Director
- Wilson Cuaca, East Venture Capital as Director
- Venkateswaran Ganesh Rengaswamy, Quona Capital as Director

The Board of Directors is the principal decision-making body for all significant matters affecting KoinWorks and is accountable to shareholders for creating and delivering long-term sustainable value. Having regard to the interests of all stakeholders, the Directors drive informed, collaborative and accountable decision-making and provide constructive challenge, advice and support to the Executive team. The Board of Directors is responsible for promoting the highest standards of corporate governance and ensuring a culture which delivers on its values, strategic objectives, long-term sustainable impact, growth and provide maximum protection for our stakeholders

A clear division of responsibilities exists between the roles of the Executive Chairman and the CEO. It is the responsibility of the Executive Chairman to lead and manage the work of the Board. Responsibility for the KoinWorks executive leadership and day to day management of the business is delegated to the CEO.



Business Ethics

Good Corporate Governance (GCG) is the basic principle that underlies managing a company in line with laws and regulations and business ethics. KoinWorks makes every effort to implement GCG, including integrating aspects of sustainability into corporate governance.

The implementation is driven by the awareness that good governance is the key to improving performance and competitiveness. Therefore, KoinWorks is committed to ensuring the integration of sustainable governance in all areas of its operations.

KoinWorks' actions are based on the Code of Ethics, which provides the foundation for how business should be conducted. The senior management has the overall responsibility for ensuring that the Code's principles are understood and consistently applied across the Company. In doing so, KoinWorks has set a Code of Conduct that needs to be adhered to by all employees.

Employee Conduct

KoinWorks expresses its absolute commitment to integrity. KoinWorks instills our corporate values, ethical standards and the associated business conduct to all our employees. To maintain this standard, it is obligatory for every Koinworks employee to participate in data privacy and security training.

KoinWorks Code of Conduct includes very specific guidelines concerning the safeguarding of confidential information, which includes customer information. In general, these guidelines limit employee access to confidential information and limit the use and disclosure of such information to specifically authorized processes and transactions. If it is determined that employees have violated the Code of Conduct, corrective action may be taken, including immediate dismissal.

Compliance with Law and Regulations

The Legal & Compliance team is responsible for managing and ensuring KoinWorks's compliance with the applicable regulations in Indonesia including tax and industry specific laws.

As a company supervised by OJK, KoinWorks' product labelling, marketing, and operational conducts, strictly complies with all the prevailing industry's regulatory provisions. KoinWorks has been proactive in being a frontrunner regarding any changes or updates in the industry's regulations.

KoinWorks conducts periodic evaluations to measure the effectiveness of compliance with the applicable regulations. Until now, there have been no incidents of non-compliance concerning product labelling, marketing communications, and other related to social economic laws and regulations.



Risk Management

Approach to Risk

Our Risk Governance model is designed to reflect roles and responsibilities across the three lines of defense.

1 st Line of Defense Business Lines and Function	2 nd Line of Defense Risk Management	3 rd Line of Defense Audit
Risk Ownership	Risk Control & Oversight	Risk Assurance
<p>Responsible for:</p> <ul style="list-style-type: none"> Delivering value-added services to clients Identifying and assessing, measuring, mitigating, monitoring and reporting the risks that it incurs Operating within risk appetite Acting in accordance with policies 	<p>Responsible for:</p> <ul style="list-style-type: none"> Setting the risk management framework and policies Monitoring, reporting and escalating Providing expertise and challenge to 1st line Ensuring 1st line takes risk ownership 	<p>Responsible for:</p> <ul style="list-style-type: none"> Evaluating the design and effectiveness of governance, risk management and control process Discussing with management on remediation and monitoring follow-up

The Board of Directors conducts periodic and holistic assessments of KoinWorks risk management framework, policy and procedure implementation, which includes key risks that might have a material impact on the company; KoinWorks' risk appetite in pursuing its strategic objectives; the adequacy and effectiveness of internal control to manage risk; and the effectiveness of the actions taken to mitigate risks.

While on the Commissioners Level, review is conducted on the Board of Directors' assessment of risks and internal controls, as well as the effectiveness of corrective action, and considers their assessment to be appropriate.

The Risk Management unit regularly monitors the loan portfolio, including ensuring its diversification in line with KoinWorks' risk appetite. We always maintain the balance between business growth and quality through prudent risk management practices to secure sound loan quality.

We continually adjust our risk management governance, policies and procedures to follow best practice within the industry, promote ESG value, and comply with prevailing rules and regulations.

Financial Crime Risk

We comply with the regulations intended to stop money laundering, corruption, and terrorism funding. In order to prevent scenarios of those financial crimes, we have rules and procedures in place such as conduct customer due diligence and enhanced due diligence for high risk individuals or businesses, set risk ratings related to occupation, geographical location, and product services, have internal- and follow external blacklists, and monitor the transaction. We also conduct regular mandatory training related to finance crime risk for all employees which in 2022, 100% participated.

Exclusion and Impact Industries

KoinWorks follows the IFC exclusion list (2007) to not finance businesses or industries with high social and environmental risks. Currently we hold as much as 2.56% of our portfolio on those. However, as an ethical financial player, we commit to reduce high ES risks portfolio and commit to secure larger exposures on high impact industries such as agriculture, education, housing, and public health sectors which in total present about 15% of our current portfolio.



Note: as per Dec 2022

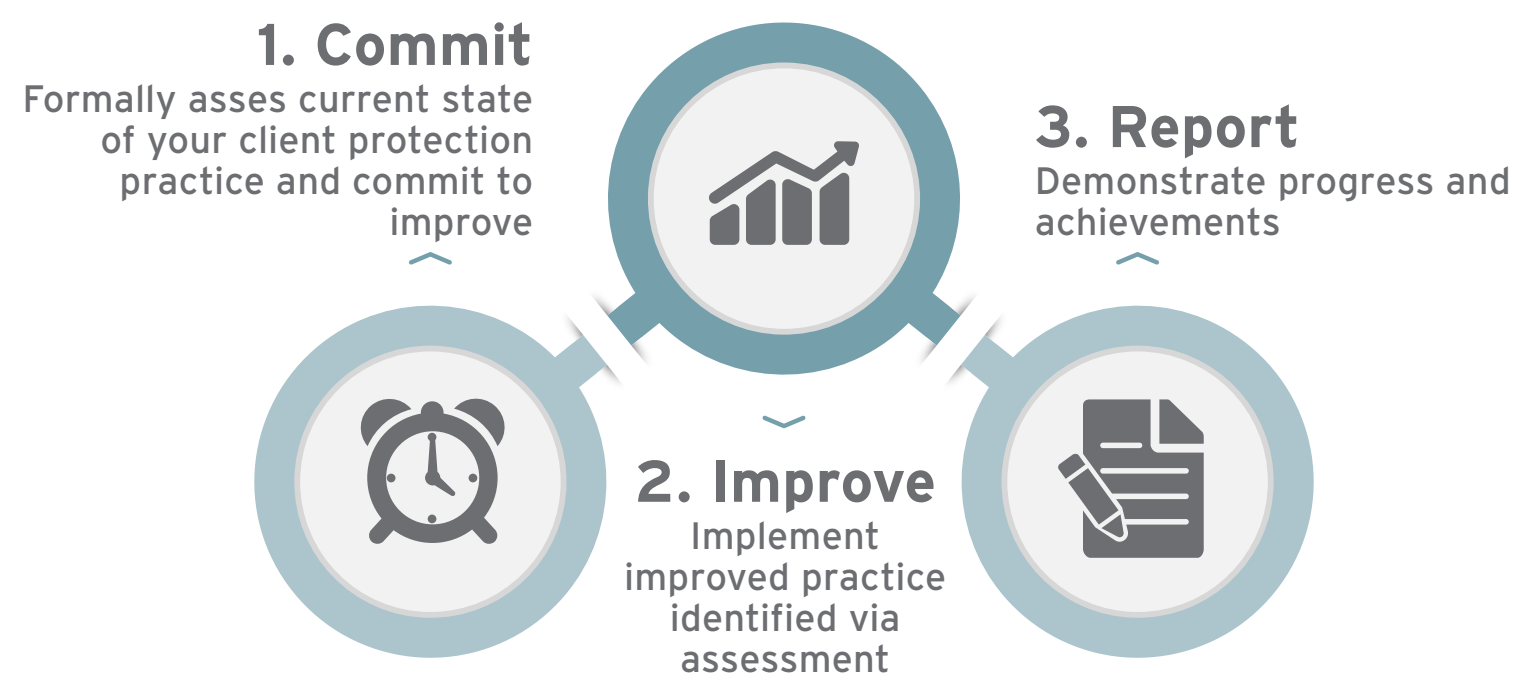
Client Protection, Data Security, and User Privacy

Client Protection Standards

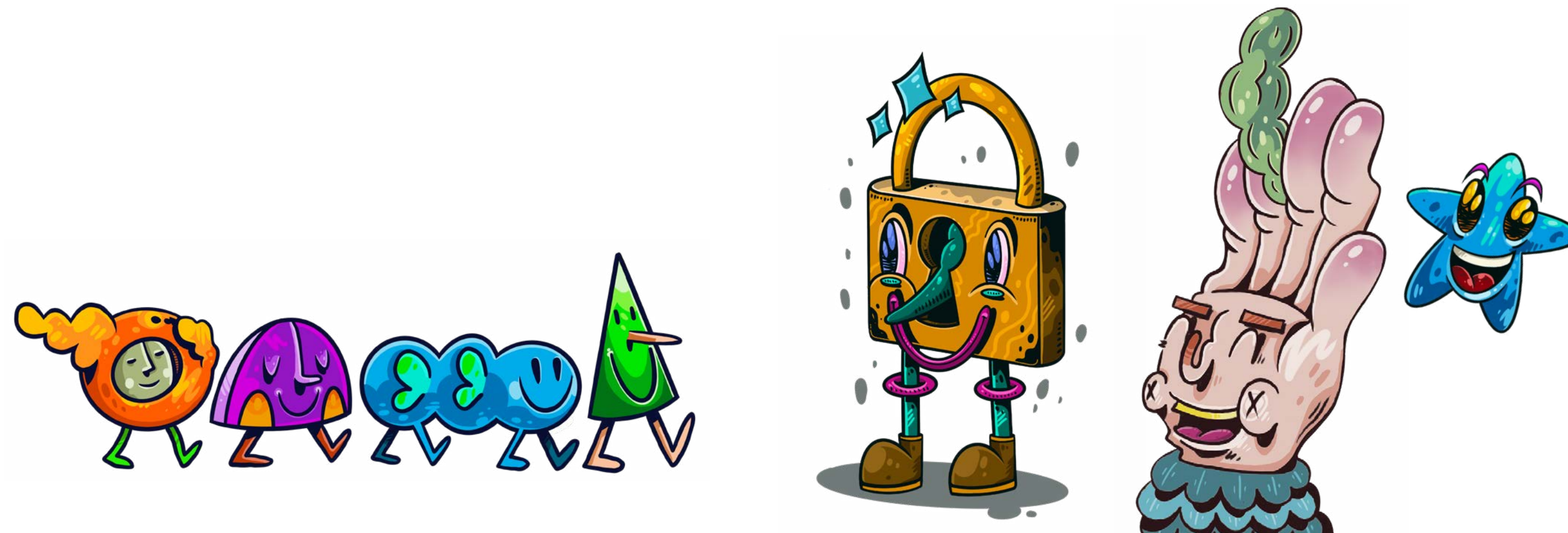
Koinworks is committed to implement the Cerise+ SPTF Client Protection Standards. We have conducted a self assessment in 2022 according to Cerise+SPTF principals consisting of the eight client protection standards:

- (1) Appropriate Product Design & Delivery,
- (2) Prevention of Over-Indebtedness,
- (3) Transparency,
- (4) Responsible Pricing,
- (5) Fair & Respectful Treatment of clients,
- (6) Privacy of Client Data,
- (7) Mechanisms for Complaints Resolution,
- (8) Governance & HR.

Client Protection Pathway



After this self assessment (phase 1 Commit), Koinworks is committed to improve our practices and aim for Cerise certification in 2023.



Data Security, User Privacy

KoinWorks always gives full attention and effort in order to provide the best security and services to users through the Platform. To implement and run our cyber security strategy, we use encryption methods and software and adhere to industry best practices. Clear standards are outlined in our information security policy, privacy policy, and acceptable use of assets policy regarding how data should be utilized, maintained, and protected.

As evidence of our dedication to data security, privacy and assessment, Koinworks has ISO 27001: 2013 Certificate - Information Security Management as a Financial Aggregator.

KoinWorks Group has been registered as a Digital Financial Innovation Organizer in the Cluster Aggregator at the Financial Services Authority ("OJK"), with a registration letter number No. S-87 / MS.72 / 2020 dated February 10, 2020.

KoinWorks also has Electronic System Operator Registration Certificate ("PSE") No. 00257 / DJAI.PSE / 02/ 2020 and has been registered as a member of the Indonesian Fintech Association ("AFTECH"), with member registration number 0322 / REG / AFT / SU.

In connection with the activities carried out on the Platform, Storage of User Personal Data refers to Article 15 of the Regulation of the Minister of Communication and Information Technology Number 20 of 2016 concerning Protection of Personal Data in Electronic Systems and Government Regulation Number 71 of 2019 concerning Implementation of Electronic Systems and Transactions.

GreenWorks:

Fintech Net-0

ESG offers a huge opportunity for fintechs to embrace net-zero commitments to sustainability instruments in order to de-contribute to new climate solutions.



Fintech Net-0

KoinWorks is actively reducing energy consumption and water use, producing less waste and carbon footprints within our ecosystem. Green policies are instituted, such as limiting hours of fan cooling units used, changing office lights with LED, using zero groundwater, maintaining a paperless policy, and segregating waste.

KoinWorks is also headquartered in Jakarta at Cyber 2 Tower, a member of Green Building Council Indonesia (GBCI) that applies excellent principles such as Appropriate Site Development, Energy Efficiency and Conservation, Water Conservation, Material Resources and Cycle, Indoor Health and Comfort, and Building and Environmental Management.

Energy, Water and Waste

		2021	2022
Electricity	kWh	308,498	350,579
Water	kilolitres	45,097	71,786
Waste	tonnes	311	306
Organic	tonnes	259	259
Non-organic	tonnes	52	47
Paper Used	tonnes	0.40	0.19

Emission

Emission		2021	2022
Scope 1	tCO2	48.24	83.22
Scope 2	tCO2	195.46	238.43
Total		243.70	321.65

Intensity

Intensity	2021	2022
Energy	1.41	0.83
Carbon Emission	0.0011	0.0008

With the total tonnes of emissions increasing while expanding our business, we are consciously being more efficient with the intensity, the number of energy used (kWh) and carbon emissions (TCO2) per revenue (Billion IDR).

Treeplanting

To help offset carbon emissions and engage our Troopers in positive climate actions, we have planted mangrove trees in Taman Ekowisata Pantai Indah Kapuk in collaboration with Kemangteer Jakarta and the children from the orphanage Yayasan Sayap Ibu.



We Can Do More

Fintechs by definition benefit from technology -our Troopers may work from home when necessary and we do our business on the cloud and via APIs. But we still have carbon footprints to mind, via our data centers, servers and physical location. Electricity, power, air conditioning - these are often mainly powered by fossil fuels in Indonesia.

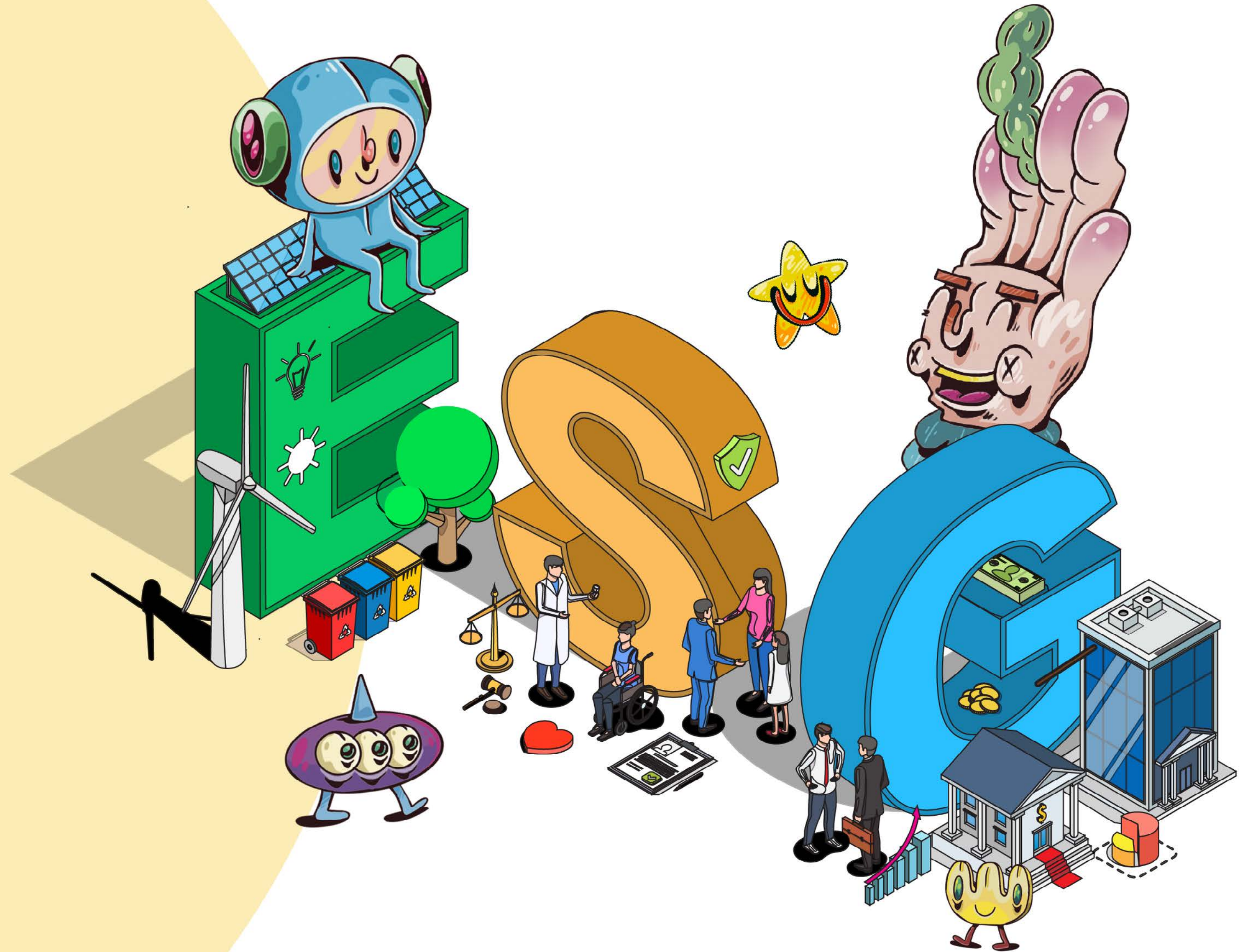
Can we switch our data centers to be powered by renewables? What are we doing about scope 3 emissions -the indirect, financed emissions-- the ones we have by powering MSMEs? Do we care if MSMEs have high carbon business models and consumption? Do we actively seek out or reward businesses that produce low carbon and have more sustainable models? Do we plan to institute something like this?

Yes we do! Our goal is to be carbon neutral in 2025.



The Way Forward

KoinWorks:
the ESG & Impact leader
in Southeast Asia



Four Ambitious Works for 2025

Carbon Neutral



Focusing on the decarbonization of our emissions by offsetting better.

GreenWorks

2 Mio MSMEs access to finance



500K New Women-Led Business

Accelerate inclusive growth to unlock financial dreams

Community Works

40% Gender Diversity



Benefit from various skills and experiences for the ultimate company performance.

TrooperWorks

Golden Certificate Cerise



Client Protection in the highest regard

GovernanceWorks

ESG Summary

GreenWorks : Fintech Net-0		2021	2022
Operational Greenhouse Gas Emissions			
Scope 1 Emissions	tCO2-e	48.24	83.22
Scope 2 Emissions	tCO2-e	195.46	283.43
Energy			
Purchased electricity - offices	kWh	308,498	350,579
Intensity			
Total Energy Consumption	kWh	1.41	0.83
Carbon Emission	tCO2-e	0.0011	0.0008
Water, Waste, and Paper			
Waste	tonnes	311	306
Water	kilolitres	45,097	71,786
Office Paper Usage	tonnes	0,4	0.19



ESG Summary

CommunityWorks : Inclusive Growth

		2020	2021	2022
Total community investment	IDR	N/A	N/A	1,046,963,486
Financial literacy programs	#			
Events		226	304	406
Participants		57,050	68,294	102,857
Total Users	#			
Personal Users		401,302	870,104	1,395,888
Business Users		195,232	506,157	840,545
Total		596,534	1,376,261	2,236,433
Customer Advocacy	%			
Investors NPS		N/A	N/A	17
Borrowers NPS		N/A	N/A	37

ESG Summary

Trooper Works : Powering Growth

Employees

2020

2021

2022

Total Employee

247

439

660

Employment type

Full-time

76%

57%

84%

Probation

11%

31%

8%

Contract

13%

12%

8%

Salary Ratio

2020

2021

2022

Lowest : Highest Salary Ratio

0,055

0,055

0.069

% Growth

N/A

0.00%

25.32%

People Engagement

2020

2021

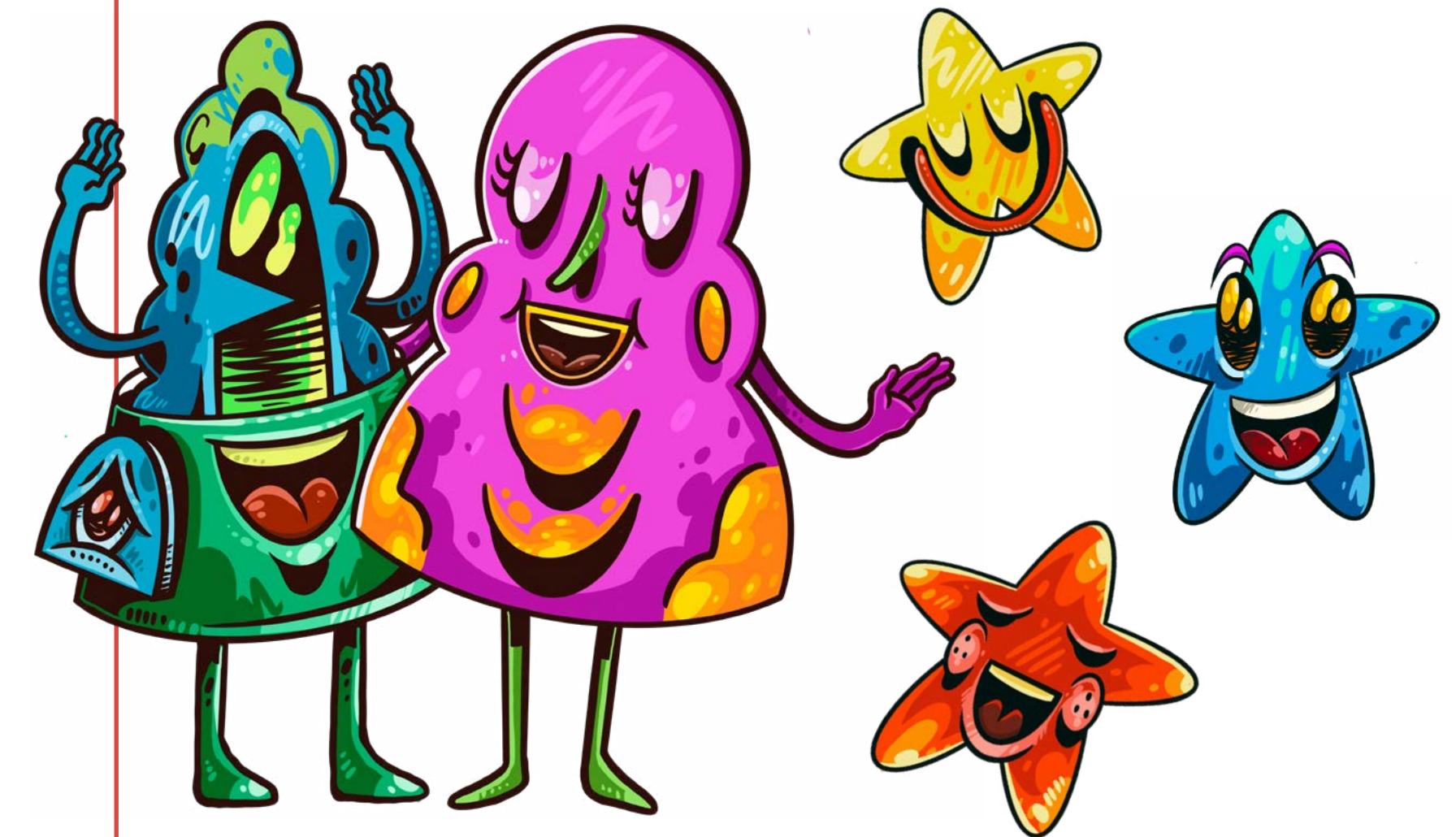
2022

People engagement index

N/A

76%

79%



ESG Summary

Governance Works : Trust and Fairplay

Board Composition	2020	2021	2022
Total Directors	5	5	5
Female	0	0	0
Male	5	5	5
Female Directors on Board	0%	0%	0%

Gender Diversity	Woman	Man
C/SVP	21%	79%
VP/Head	24%	76%
Manager	27%	73%
Total Workforce	33%	67%

Gender Pay Equity	2020	2021	2022
C/SVP	N/A	N/A	1:1.25
VP/Head	1:2	1:1.15	1:1
Manager	1:1	1:1	1:1
Total Workforce (female to male base salary)	1:1.4	1:1.3	1:1.28

Age Diversity	2020	2021	2022
<26 years	28%	22%	22%
26-30	41%	44%	36%
31-40	26%	28%	37%
41-50	5%	5%	5%
>51 years	0%	0%	0%

Unlock Your Dream With Us?

If you've taken the time to go through this report, we thank you, and we'd love to hear from you. Also, if you seriously want to reserve a copy for the next report, please do email us at impact@koinworks.com



Appendix



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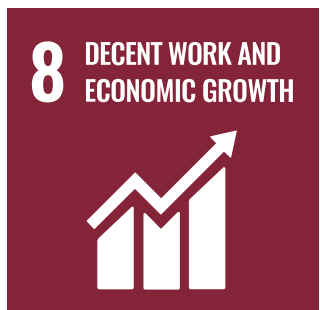


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Contribution to SDGs

SDGs	Sub Goals	KoinWorks' Contributions
	1.1, 1.2, 1.4	<p>Koinworks aims to provide better access to finance for unbanked and underbanked people. Since 2016, more than IDR 15 trillions of loan managed to disburse to MSMEs, and 80% of them are micro-enterprises. By democratizing the access to finance, our MSMEs have experienced 34% of revenue growth, 83% able to manage their finances, and 60% experience better access to housing, healthcare, & education. To show our commitments and beyond, Koinworks help to improve the business performance of the MSMEs through providing digital and financial literacy knowledge under our Koinlearn ecosystem, and help to digitize the payment system through our Neo services. More than 3 million people accessed and 103k MSMEs participated our financial literacy events. We don't stop, we are striving for the greater game of change.</p>
	2.3	<p>KoinWorks understands the significance of agricultural sector for the population. With a simple access to finance, we encourage farmers and fishers from micro to medium level to grow their business further. Currently we also partnered with partners like eFishery to empower more and more farmers. Currently, agricultural sector accounts for 7.6% of our financing portfolio.</p>
	3.8	<p>We place the utmost attention to our employee regarding their health and mental well-being. We provide private health insurance facility in addition to BPJS where they can access health care including mental health support in 24/7. Also, we invest in various wellness initiatives within the company, help their access to vaccines, provide in-house psychologist, Koinworks Health Talks, regular sports activities and other programs.</p>
	4.3, 4.4	<p>Knowing that education was the key driver for digital fluency, in 2017, Koinworks launched KoinPintar, a product that would help distribute loans to students so that they could finish higher-level education. Until now, more than 2,400 students have been supported by KoinPintar.</p> <p>Part of our commitment to increase financial literacy, we held more than 400 financial literacy events between 2020 and 2022 with more than 103k participants. Aslo, we launched Koinlearn as a digital financial learning platform to upskill our MSMEs. On JAKPAT Survey, 2022, our MSMEs show a higher confidence level in financial and digital literacy than the non-KW MSMEs.</p>
	5.1, 5.2, 5.5	<p>In line with Indonesia's ambitions to take into account the gender inclusion as part of economic recovery, we put our total effort to serve the gender gap in financial inclusion and literacy. We committed to embrace the fair and equal access for the women-led enterprises to access loan, financial knowledge, and support digital payment transformation through NEO. As a part of our commitment on women empowerment, we put the special women-led enterprise category in our KoinRobo, in hope that the female business owners could get faster to funding to grow their businesses. By far, 34% of our borrowing MSMEs are women-led enterprises.</p> <p>Inside our company, we provide fair and equal opportunity and wages regardless their gender. We promote more women to work in Koinworks and embrace everyone to feel comfort and safe in the workplace. Currently, 34% of our employees and 25% of senior management are women.</p>

Contribution to SDGs

SDGs	Sub Goals	KoinWorks' Contributions
 <p>6 CLEAN WATER AND SANITATION</p>	6.4	<p>We mindfully use and monitor our water and energy consumption in our business operations. From 2021 to 2022 we reduced our water and energy intensity by 0.04 kiloliters and 0.58 per milion IDR Revenue we generated.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	7.3	
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	8.1, 8.2, 8.3, 8.5, 8.8, 8.10	<p>Our believe is that everyone has the same right to live better, to dream, and to achieve it. KoinWorks holds the commitment to achieve inclusive economic growth for everyone. We are providing financial service to 25% rural business users, 7.6% is working in the agricultural sector and 75% is underbanked. By advancing MSMEs access to funding an estimated 116k jobs have been created. Our MSMEs experienced an exceptional growth; on average they saw their revenue growing with 34% after KoinWorks disbursement.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	9.1, 9.2, 9.3, 9.4	<p>Koinworks support Indonesia's ambition to digitize MSMEs. In June 2022, we launched our NEO services. Our initiative to transform the MSMEs' cash payment system to cashless, is supported by advanced digital tools to record all their business transactions. Until today, 30k of them experienced the convenience of going digital and the number of transactions has increased by 82% since their first time joining our digital ecosystem. 840k MSMEs have accessed a loan through our tech platform and 1.4 million individual investors invested their money online to provide working capital for MSMEs. Despite experiencing high business growth, we reduced our carbon intensity from 0.0011 to 0.0008 TCO2 in 2021 and 2022 respectively.</p>
 <p>10 REDUCED INEQUALITIES</p>	10.1, 10.2	<p>KoinWorks applies a hybrid working arrangement that allows our team members to work remotely from anywhere. We make sure they are paid above the minimum local wages. Also, we support equal pay and opportunity, and strictly apply zero tolerance to harassment and discrimination.</p>

Contribution to SDGs

SDGs	Sub Goals	KoinWorks' Contributions
	12.5	Koinworks significantly reduced paper usage by 50% in the past years. We segregate our waste and cooperate with the local waste bank to recycle. KoinWorks commits to publishing an impact report in an annual basis.
	13.2, 13.3	We are a part of Tech Zero, a leading guideline for tech companies in climate action. We develop a plan to reduce our emissions and educate our Troopers about climate change and ESG approaches to tackle their challenges.
	16.5	KoinWorks complies with the international- and local framework of anti-corruption, anti-bribery, anti-money-laundering, and counter-financing of terrorism.
	17.3	Through partnerships with local and foreign investors, KoinWorks mobilize financial resources from international and local investors to serve the underserved Indonesian MSMEs, leading to massive value creation for the society.

Impact Research

Comparison KoinWorks Impact research JAKPAT Survey of 2022 to 60 Decibels Microfinance Index 2022 based on same questionnaire

Business Impact		KW Users	60 DB Benchmark
Income	% seeing 'very much increased' improvement in income	74%	84%
Employment	% increasing no. of paid employees	40%	11%
Average Business Impact		57%	48%
Household Impact			
Quality of Life	% 'very much improved' quality of life	63%	88%
Home Improvement	% 'very much increased' household spending on home improvement	64%	55%
Education	% 'very much increased' household spending on education	72%	47%
Healthcare	% 'very much increased' household spending on healthcare	67%	37%
Quality Meals	% 'very much increased' number of quality meals	74%	50%
Financial Goals	% 'very much improved' ability to achieve financial goal	73%	78%
Average Household Impact		69%	59%

Management & Understanding			
Loan Understanding	% 'strongly agree' to understanding terms	81%	69%
Financial Management	% improved ability to manage finances	83%	23%
Financial Stress	% decreased financial stress	59%	21%
Average Management & understanding		74%	37.67%
Resilience			
Savings	% increased savings balance	77%	54%
Financial Shocks	% improved ability to meet emergency expense	77%	65%
Average Resilience		77%	60%

Source: <https://60decibels.com/insights/microfinance-index/>

Glossary of Terms

Terms	Definition
60 Decibels	60 Decibels (60dB) is a global, tech-enabled impact measurement company that brings speed and repeatability to social impact measurement and customer insights.
9-box-talent Management Tool	An employee assessment tool that divides and plots employees across 9 key data points. It is a grid-based system used to evaluate employees' performance levels and potential for growth to fit them into each of these 9 segments.
Appropriate Product Design & Delivery	This is one of principles how to implement the Cerise+ SPTF Client Protection Standards. Providers will take adequate care to design products and delivery channels in such a way that they do not cause client's harm. Products and delivery channels will be designed with client characteristics taken into account.
Banked	Someone that already have bank account or savings account with an insured institution
Business Users	Users who are registered as business users, either as KoinBisnis users or NEO users
Carbon Emissions	Emissions stemming from the burning of fossil fuels and the manufacture of cement
Carbon Footprint Intensity	How many grams of carbon dioxide (CO2) are released to produce a kilowatt hour (kWh) of electricity
Carbon Neutral	Having a balance between emitting carbon and absorbing carbon from the atmosphere in carbon sinks
DEI	Diversity, equality, and inclusion
Disbursed	Amount of money or loans that lent to borrowers
Emergency Expenses	Savings or money that can be used to cover or expense of an unforeseen situation
Employee turnover - Resignations	Number of employees who resign within a certain period, either as permanent employees or while still in the probation stage.
Employee turnover - Terminations	Number of employees affected by the termination of the employment relationship due to certain matters which resulted in the end of the rights and obligations between the employee and the company, both full-time and probation employees
End of fix term contract	Total employees who do not pass the probation period when the probation period ends
Entrepreneurial Skills	Set of skills possessed by entrepreneurs includes developing and starting a new business and implementing a business marketing plan, often with the end goal of selling the company to turn a profit
Environment and social management system (ESMS)	a systematic procedure to check IUCN projects for potential adverse environmental and social impacts to assure that negative impacts are avoided or minimised to the extent possible while positive impacts are stimulated
Impact industries	Type of industry which has a big impact, namely education, agriculture, property & real estate as well as health and sports
Exclusion Industries	Mining, tobacco & liquor industry
Financial Crime Risk	A practice of proactively looking for financial crime, including investigating and analyzing suspicious activity, rooting out vulnerabilities and taking steps to lower an organization's risk of becoming a victim
Financial Inclusion	Based on OJK definition financial inclusion is an important part of the socio-economy, namely inclusiveness with high access to finance for all levels of society in a country can encourage economic growth, financial system stability, poverty alleviation initiatives, as well as efforts to reduce community economic disparities.

Glossary of Terms

Terms	Definition
Financial Literacy	A series of processes or activities to increase the knowledge, skills and confidence of consumers and the general public so that they are able to manage personal finances better by OJK
Financial literacy programs	Programs or event (both online or offline) that we have provided to our users about financial literacy
Fintech Net-0	KoinWorks target to achieve 0 emission consumption with reduced carbon and offset
Grade S	Grade S is a special KoinP2P product to retain our well-performed borrowers. The return rate that we offer to our lender is lower than Grade A, as well as the risk, and we offer a bigger social impact through this product by providing the loan for the underserved blue collar workers and by helping sub distributor business to grow and improve social welfare for their blue collar partners.
Individual Investors	Personal user put the money to invest in the koinworks P2P lending products
Integrated Financial Platform	Meant to diversify from its existing lending platform by providing a one-stop shop for financial management services for more niche MSMEs like freelancers, content creators, and startups
Lost Time Injury Frequency Rate	The number of lost time injuries occurring in a workplace per 1 million hours worked
Mechanisms for Complaints Resolution	Providers have in place timely and responsive mechanisms for complaints and problem resolution for their clients and use these mechanisms both to resolve individual problems and to improve their products and services
Net Promoter Score (NPS)	The Net Promoter Score (NPS) measures the loyalty of a company's customer base with a score from -100 to +100, which comes from customers answering the question "How likely are you to recommend this company to a friend or colleague?"
Objectives and Key Results (OKRs)	OKRs stand for objectives and key results, a goal-setting methodology that can help your team set and track measurable goal
OJK	The Financial Services Authority (OJK) has a vision to become a trustworthy monitoring institution that oversees financial services industry, in order to protect the interests of consumers and public, and to be able to bring about the financial services industry into becoming a pillar of national economy with global competitiveness as well as capability to promote public prosperity
Indonesia Payment System Blueprint (BSPI)	The Blueprint contains five payment system visions towards 2025 for implementation by five working groups, namely Open Banking, Retail Payment System, Large-Value (Wholesale) Payment System and Financial Market Infrastructure, Data and Digitalisation, as well as Regulatory, Licensing and Supervisory Reforms.
Personal Users	Number of users who invest in KoinWorks wealth product
Quick Response Code Indonesian Standard (QRIS)	A National QR code standard to facilitate QR code payments in Indonesia which was launched by Bank Indonesia and the Indonesian Payment System Association (ASPI) on August 17, 2019
Responsible Pricing	Pricing, terms, and conditions are set in a way that is both affordable to clients and sustainable for financial institutions.
Salary Ratio	Comparison of salary
Scope 1 Emission	Direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles)
Scope 2 Emission	Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling
SLA	A documented agreement between an end user and a service provider, setting expectations on the quality, performance levels, timeliness, and availability of the service(s) extended
TechLab	Koinworks initiative to train fresh graduates and graduates who wants to learn coding with go language

Glossary of Terms

Terms	Definition
Total Workforce	The total number of people who are employed or are working on a specific task
Traditional Financial Players	Banking and financial institutions with no digital services
Treeplanting	The process of transplanting tree seedlings, generally for forestry, land reclamation, or landscaping purposes. The activity was conducted to show KoinWorks commitment on protecting environment
Troopers	Trooper is the terminology to call KoinWorks employees
Turnover	The total number of workers who leave a company over a certain time period
Unbanked	Person is someone that does not have a checking or savings account with an insured institution
Underbanked	Person who have a bank account but often rely on alternative financial services such as money orders, check-cashing services, and payday loans rather than on traditional loans and credit cards to manage their finances and fund purchases
Underserved MSMEs	MSMEs who are not using or having access to a full range of banking options
Unemployment Rates	The percentage of people in the labour force that are unemployed
Unmet Credit	The amount of credit/financing needs which can potentially be addressed by financial institutions
Unsecured Loans	A lender provides money to a borrower without any legal claim to the borrower's assets in case of default
Wellness Program	A company engagement program for employees to improve physical and mental condition
Women-led Enterprises	An enterprise with a woman/women, with long-term control and management of the business, equity stake, and an active role in both strategic and day-to-day decision-making
Workforce Absorption	The ratio or percentage of new entrants to the labour force that are able to find employment in the formal sector of the economy



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