



CASE STUDY: NESsT

Nonprofit Enterprise and Self-sustainability Team, Inc.
The integrated capital platform advancing social enterprises worldwide

Headquarters: St. Petersburg, FL, with offices in Brazil, Chile, Colombia, Ecuador, Peru, Poland and Romania
AUM: \$12.5M (Lirio Fund) **Website:** nesst.org **Investment area:** South America, Central and Eastern Europe
Founded: 1997 **Funders:** Private foundations, philanthropic funds, family offices, faith-based organizations, and development-finance institutions

Themes: Inclusive Entrepreneurship. Economic Mobility. Environmental Conservation. Smallholder Farmers.

CATALYTIC ROLE OF GRANTS

Nonprofit Enterprise and Self-sustainability Team, Inc. (NESsT) combines grants with mission-aligned investor notes to prepare enterprises for investment and reduce risk for other investors. Grants fund hands-on business support for entrepreneurs and enable recoverable grants and below-market loans that **help enterprises conventional lenders often consider too small, too early, or too remote to finance become investment-ready.**

ABOUT

NESsT invests integrated capital, a deliberate blend of grants, recoverable grants, and below-market loans, in social enterprises that create dignified jobs for people the formal economy most often leaves out. It pairs that capital with hands-on business support delivered by in-country teams, **helping entrepreneurs reach the scale and stability required to sustain employment while sustaining the planet.**

NESsT, Inc. is a 501(c)(3) nonprofit incorporated in Maryland. In 2018, it formed NESsT SELF LLC, a wholly owned Delaware subsidiary, to house its secured Loan Fund and centralize its lending. As a nonprofit, NESsT has no shareholders. Investors — including accredited individuals, development banks, faith-based organizations, and foundations — participate through senior and subordinated notes payable into the Fund.



INTEGRATED CAPITAL MODEL

ACCELERATE
Grant-funded accelerator programs prepare community-led enterprises for investment, building the financial systems, governance, and track record that lenders require. **The accelerator provides 0% recoverable grants to earlier-stage social enterprises.**

FINANCE
The Loan Fund lends \$50K to \$1M of patient debt to enterprises that fall outside the parameters of typical commercial bank underwriting.

STEWARD
Support continues throughout the life of the loan, pairing capital with mentoring and impact tracking so borrowers are better positioned to repay, grow, and deliver lasting impact.

THE ECOSYSTEM NEED

Across Latin America and Central and Eastern Europe, small social enterprises operate in the “missing middle”: too large for microfinance, yet too early-stage and small for commercial banks. Many are led by women and Indigenous entrepreneurs in remote regions where lenders often lack local relationships, and the borrowers often have limited credit histories and lack collateral. They also face currency risk when loans are issued in dollars or euros, and climate risk when droughts, floods, or extreme weather disrupt production and income. Even where a business is sound, its financing needs may fall outside conventional lending criteria, making patient, locally grounded capital essential.

FINANCING APPROACH



Local teams, local trust

In 2025, 92% of NESsT's staff work in-country, co-designing finance packages with entrepreneurs. NESsT builds relationships that enable it to lend where those without a local presence cannot.



Grant-to-loan pipeline

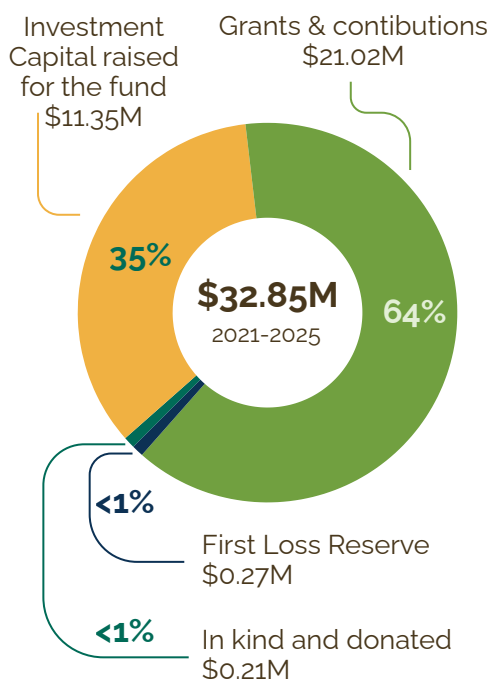
Grant-funded accelerators de-risk early-stage enterprises and graduate the strongest into the loan funds, enabling businesses to become bankable.



Integrated, layered capital

NESsT integrates **grants, 0% recoverable grants, a first-loss reserve, below-market notes, and hands-on business support into one coordinated structure**, where each layer reduces a different barrier and makes the next source of capital more accessible to the enterprise.

FINANCIAL PROFILE

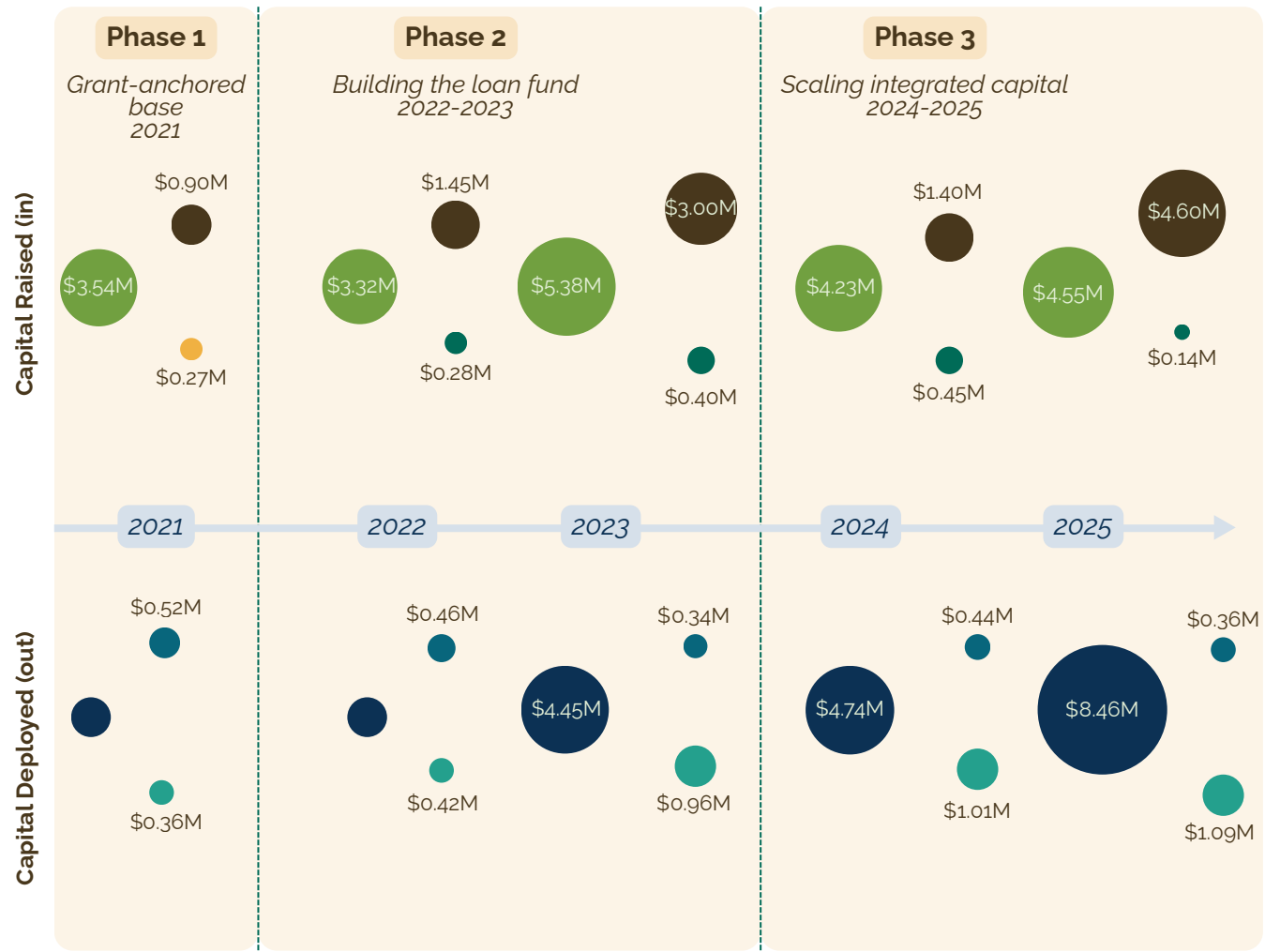


At year-end 2025, NESsT held **\$16.92M** in total assets, **\$8.82M** in cash, **\$7.77M** in loans receivable (net), and **\$6.25M** in net assets; net assets decreased by **\$0.30M** during the year.

Between 2021 and 2025, NESsT raised \$32.85M in total: **\$21.02M in grants and contributions**, \$11.35M in investment capital raised for the fund, \$0.27M in first-loss reserve, and \$0.21M in-kind donations.



INTEGRATED CAPITAL PATHWAY & TIMELINE



Values in \$M · bubble area proportional to \$ amount · 'forgiveable loans' = recoverable grants (in)

LENDING APPROACH

The stack: NESsT combines grant funding with mission-aligned investor notes. Grants and recoverable grants support operating capacity and higher-risk acceleration work, including early-stage recoverable grants that help young enterprises become investment-ready. A **donor-funded first-loss guarantee reserve** absorbs losses before investor notes are affected. On the capital-raising side, investors provide NESsT with senior and subordinated notes; NESsT in turn lends that capital to social enterprises as multi-year, below-market secured loans. These loans to enterprises may be secured by receivables, equipment, machinery, land, or inventory and issued in U.S. dollars or local currency. The grant-funded layers absorb more of the early risk, helping investors provide NESsT with longer-term notes. This structure allows NESsT to pass on longer terms and lower rates than a conventional lender.

Why it matters: NESsT's loans typically range from approximately \$50,000 to \$1,000,000 and support social enterprises in smallholder agriculture, food systems, environmental conservation, and inclusive employment. **The layered structure allows NESsT to tailor financing to each enterprise, including local-currency options and repayment schedules aligned with harvest and revenue cycles.**

Impact: In 2025, NESsT's loan funds served 24 enterprises as part of a broader NESsT portfolio that has reached **142 social enterprises** across Brazil, Chile, Colombia, Ecuador, Peru, Poland, and Romania, supporting more than 50,000 jobs. Over its history, NESsT has delivered acceleration support across more than 50 countries, working with 1,400 enterprises. It has provided capital to over 500 social enterprises, helping to sustain more than 160,000 jobs and positively impacting approximately 4.2 million lives.

BORROWER EXAMPLE — KANUJA

The enterprise: Kanuja is an Indigenous-led coffee and cacao cooperative of more than 200 growers from the Ashaninka and Nomatsigenga peoples in Peru's VRAEM region. It aggregates, processes, and markets members' harvests and pays growers for their coffee and cacao.

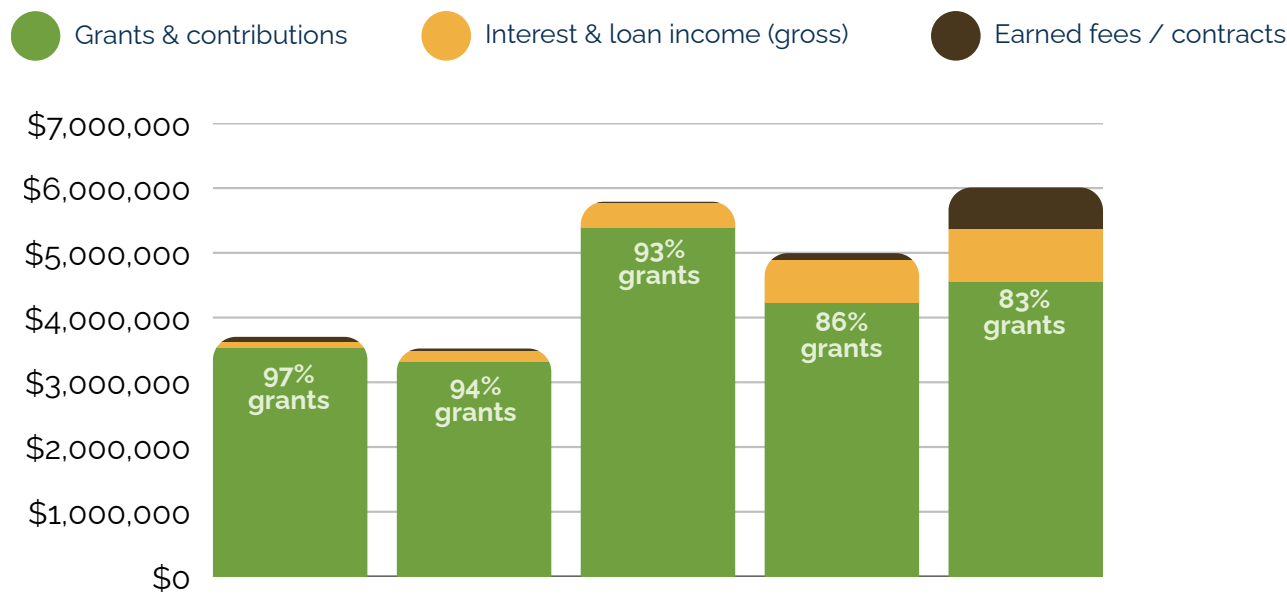
Development gap: Kanuja needed working capital to pay growers fair prices at harvest, diversify its product lines, and reach new buyers. Working capital on affordable, multi-year terms was scarce in the region, leaving a gap between what the cooperative could finance on its own and what it needed to operate at scale.

NESsT's role: NESsT provided a recoverable grant to fund inventory and product diversification, paired with business support from NESsT and the Indigenous federation AIDSESP. Given its strong commercial performance, the cooperative is well positioned to apply for a loan from NESsT's Lirio Fund

The outcome: In 2025, Kanuja increased sales by nearly 30% and average member income by more than 50%. It earned organic and Fairtrade certifications, trained 60 producers, brought 346 hectares under stewardship, and repaid its recoverable grant ahead of schedule.



BUSINESS MODEL



Grants as a Gateway NESsT Page 3

NESsT’s model remains anchored by **grants and contributions to fund its accelerator work and early-stage enterprise development and risks**. Grants grew from \$3.5M in 2021 to \$4.6M in 2025. Alongside that base, self-generated revenue is growing: interest and loan income increased nearly tenfold, from \$86K in 2021 to \$819K in 2025, as the loan book grew. Total revenue climbed from \$3.6M to \$5.5M over the five years, creating a broader, mission-aligned income stream to complement philanthropic support.

FUTURE DIRECTIONS

NESsT’s growth plans focus on scaling its portfolio, expanding its specialized debt funds, and building climate and gender-equity resilience at the grassroots level. Its growth plans will be aided by impact-first investors continuing to provide restorative capital to address capital gaps experienced by local communities and entrepreneurs across South America, Central and Eastern Europe.



Sources: NESsT 2025 Annual Report; NESsT audited financial statements, FY2021-FY2025; NESsT SELF LLC Loan Fund materials.