

FUND OVERVIEW

MESSAGE FROM THE CIO & IE



Ashraf Esmael
Chief Investment Officer
Middle East

The Nomou Jordan Fund maintained the investment pace initiated in Q4 last year with a team now operating at full capacity. At the end of Q1, the Fund made total disbursements of USD 1.5m to three clients and had funds on commitment amounting to USD 0.6m. Its total investments, made into 42 client businesses, stood at USD 24m at the end of March. USD 12.7m of this amount has been realised to date.

The Fund's clients already started to feel the effects of the COVID-19 pandemic during the quarter. On 17 March, the Jordanian government ordered all public and private sectors employees to work from home from the following day. Some industries were permitted to continue working, while those who did not adhere to regulations were heavily fined and some imprisoned. Despite this, many people were not adhering to the stay-at-home order and on 20 March government announced the Defense Law. These measures severely impacted Jordan's economy.



Alfinaz Murad
Investment Executive
Jordan

Subsequently, the Fund did not receive payment from some clients at end of March. The Nomou Jordan team was quick in reaching out to their clients, providing them guidance on health and safety measures to protect staff and customers and helping them focus on cashflow management and resilience during these testing times.

Before the effect of COVID-19, the Fund's impact profile at the end of the quarter showed 1,741 direct jobs sustained from a portfolio of 42 SGBs. This includes 9 businesses which are owned/managed by refugees and 19 providing direct employment opportunities for 169 refugees or migrants. Directly and indirectly, the Fund supported a total of 2,735 jobs and sustained 13,675 livelihoods in Jordan. The full impact of the pandemic on the Fund's total employment base is yet to be determined as the country moves out of the lockdown situation.

QUARTERLY HIGHLIGHTS

- Business Support**

GroFin has appointed Marius Ittmann, Business Support Executive to further strengthen the implementation of our business support programme and enhance the quality of support to investees. Marius has nearly 10 years of experience in commercial banking, as well as project management and financial management experience.

- Government intervention**

The Central Bank of Jordan (CBJ) has taken steps to help address the impact of COVID-19 on the country's economy. This includes lowering interest rates, ordering commercial banks to postpone due payments, and a JOD 500m soft financing programme for SMEs, with the Jordan Loan Guarantee Corporation (JLGC) acting as guarantor for these loans. NJF investment team is assisting affected clients to apply for these concessionary facilities.

- Business Continuity**

GroFin's cloud-based information technology infrastructure ensures all our business platforms can be accessed remotely and this allowed our operations to continue uninterrupted as staff worked from home because of measures to curb COVID-19. The Investment team is also using online tools to remain in contact with clients to support them.

- Deal generation**

GroFin Jordan hosted an event to introduce business owners to our finance and support offering and highlight our Islamic finance product.

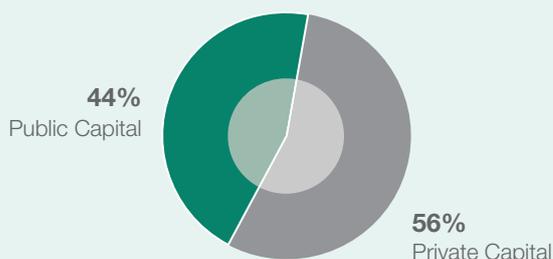
CAPITAL OVERVIEW

As at Q1 2020

Capital raised.....**USD 26.9M**
Number of Investors & Funders**5**

Capital Structure

100%
Equity



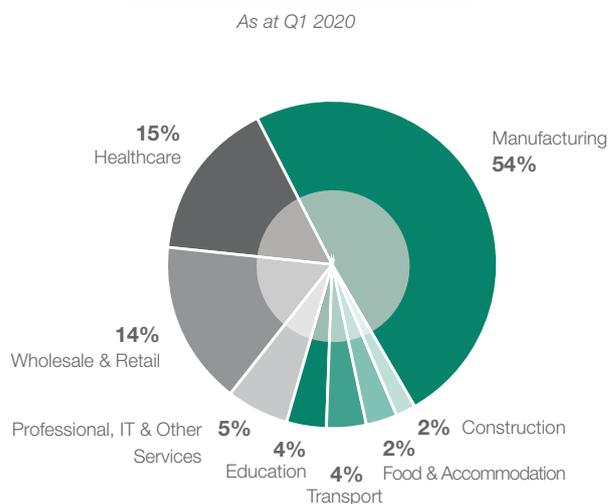


PORTFOLIO

OVERVIEW

	As at	Q4 2019	Q1 2020
Total disbursement to SMEs		USD 22.5M	USD 24.0M
Total portfolio balance		USD 16.6M	USD 20.1M
Total number of SMEs invested in		40	42
	During	Q4 2019	Q1 2020
New SMEs invested in		2	2
Value of disbursement to SMEs		USD 846K	USD 1.5M

DISBURSEMENT BY SECTOR



INVESTEE SPOTLIGHT

Hygex

Hygex provides cleaning systems and infection prevention solutions for the hospitality, food service, healthcare, animal care as well as food & beverage processing industries. This includes hygiene products and dispensing solutions, technical support, training, and monitoring services. The Nomou Jordan Fund invested USD 513,231 in Hygex through two rounds of funding, disbursed in 2015 and 2019.



The first loan enabled Hygex to reduce its reliance on imported products. The business could import raw materials directly and increase local production to lower its costs. Local products increased from 45% to 60% of its total sales. The second loan enabled Hygex to open a distribution centre in the United Arab Emirates (UAE).

GroFin's finance and support enabled Hygex to boost its annual revenue by 8% between 2015 and 2017 and by further 9% between 2017 and 2018. The business could expand its production facility to increase its employee number from 38 in 2015, to 80 in Q1 2020. Although the lockdown in Jordan has impacted Hygex's sales as clients like restaurants and hotels were forced to close, its sales of hand sanitiser has climbed significantly.

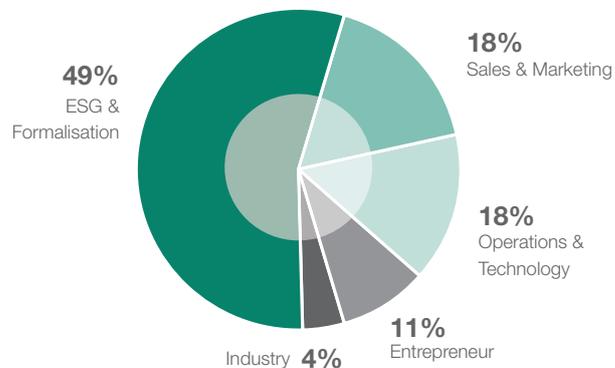


BUSINESS SUPPORT

OVERVIEW

	As at	Q4 2019	Q1 2020
Entrepreneurs who received pre-investment business support		536	544
Entrepreneurs who received post-investment business support		40	42
Refugee-owned businesses who received post-investment business support*		9	10
	During	Q4 2019	Q1 2020
Entrepreneurs receiving pre-investment business support		15	8
Entrepreneurs receiving post-investment business support		27	26

Business Support Interventions by Key Risk Areas



* Includes figures for one client (Al Mueen) a business that was partly owned by an Iraqi migrant at time of investment but who, as at Q1 2020, has divested from the business. The business is now 100% Jordanian and woman owned.

DEAL GENERATION

Nomou Jordan hosts workshop on floating charge law

GroFin Jordan hosted about 40 business owners at a workshop held in February to help them better understand the country's floating charge law. Former Minister of Justice, Dr Ibrahim Amosh, led a discussion to explain the law and how it helps to support economic growth in Jordan. Alfinaz Murad, Investment Executive, introduced attendees to GroFin's finance and business support offering. She also highlighted GroFin Jordan's unique Sharia-compliant Islamic Murabaha finance offering, which is well suited to support the working capital needs of SMEs.



GroFin's response to COVID-19

GroFin's cloud-based information technology infrastructure meant that our operations could continue while staff worked from home during COVID-19 lockdowns. We also focused on continuing to support our clients during this difficult period.

GroFin's Impact team developed a COVID-19 Environmental, Social, and Governance (ESG) framework, drawing on international best practice. Our Investment team assisted and advised clients to implement the framework to help minimise contagion risk to their own employees and customers.

We focused on helping our investees to build short-term resilience to survive until their respective countries open for business again. We provided clients with resilience tool kit and helped them to unpack the likely impact of the virus outbreak on their business income and their supply chains. We also advised

them on steps to take to protect cashflows. Our team will repeat this exercise over the coming months.

English Talent School, a private school in Amman and Nomou Jordan client, has responded to the national lockdown by continuing lessons online. Students were encouraged to share videos of the science experiments and other tasks in their lessons and to explain what they have learned.



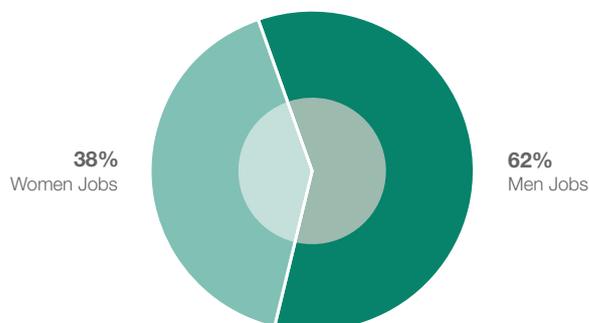


IMPACT

OVERVIEW

As at	Q4 2019	Q1 2020
Total jobs sustained	2,360	2,735
Direct jobs sustained	1,501	1,741
Total livelihoods sustained	11,500	13,675
Direct jobs sustained per USD 1M disbursed	67 jobs	72 jobs

Cumulative Direct Jobs Sustained by Gender



- During Q1 2020, the Nomou Jordan Fund invested in two new client businesses, one of which is partially owned by a Syrian migrant. To date, one out of every four SGBs financed by the Fund are refugee-or migrant-owned and these businesses have received total investments of USD 5.1m.
- The two new clients have high impact credentials and added 255 new direct jobs to the Fund. This includes 55 jobs held by refugees and non-Jordanian citizens. As a result, the Fund now sustains 72 direct jobs per USD 1m disbursed, which is higher than the Fund's target.
- 19 out of the 42 businesses financed provide employment opportunities to refugees and non-Jordanian citizens.
- Nomou Jordan provided investees with an ESG Framework to guide them on the implementation of health and safety measures related to COVID-19. The Fund will continue to monitor the situation at client level to ensure that businesses comply with relevant local legislation and have adequate measures in place once lockdown restrictions are lifted and economic activity resumes.
- The full impact of the pandemic on jobs sustained by investees is yet to be determined as the country begins to ease its lockdown measures. An assessment will be carried out during Q2 2020.

REFUGEE OUTREACH

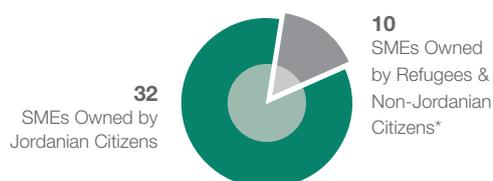
OVERVIEW

As at	Q4 2019	Q1 2020
Refugee & non-Jordanian livelihoods impacted directly	630	845
Direct jobs sustained by refugees & non-Jordanians	114	169
Refugee & non-Jordanian owned businesses receiving financial and post-investment business support*	9	10
Disbursements in refugee & non-Jordanian owned businesses*	USD 4.4M	USD 5.1M
Investee businesses employing refugees & non-Jordanians	17	19

Direct Jobs Sustained by Nationality



Financial and Post-investment Business Support



* Includes figures for one client (Al Mueen) a business that was partly owned by an Iraqi migrant at time of investment but who, as at Q4 2019, has divested from the business. The business is now 100% Jordanian and woman owned.



BENEFICIARY SPOTLIGHT

Saboba

Salah Ali Hasan Qatam has been working in the warehouse Al-Mutamayeza for Frozen Foods Trading (Saboba) since 2008. He supports his wife and five children, aged 13 to 24. He says finding a job in Jordan can be very difficult for low-skilled workers.



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“I am very proud to have this job as it enables me to define my future and that of my family. It gives me the financial stability to overcome any unforeseen crisis. Working here allowed me to save some money for my children. I also hope that I will be able to buy a house instead of paying rent.”

Salah Ali Hasan Qatam, Saboba employee