

FUND OVERVIEW

MESSAGE FROM THE CIO & IE



Ashraf Esmael
Chief Investment Officer
Middle East

Nomou Jordan started the year at a slower pace than anticipated mainly as a result of increased pandemic related disruptions in Q1 2021. Jordan has been facing back-to-back second and third waves of COVID-19 infections and with the country's major economic indicators on the decline. The lockdown measures re-instated in early 2021 caused further setbacks to the economy, after showing timid signs of recovery at the start of the year. Almost all the Fund's active portfolio clients have been operational at around 50% capacity during Q1 2021.



Alfinaz Murad
Investment Executive
Jordan

The Fund disbursed USD 564k to two existing clients against a target of approximately USD 1.02m for the quarter. The slower level of investment activity is directly tied to the prevailing situation in Jordan in Q1. Realisations amounted to USD 680k in Q1, compared to a pre-COVID forecast of USD 453k for the quarter. At the end of March 2021, the Fund's total investments into 44 clients stood at USD 25.8m, out of which USD 14.8m (57%) has been realised to date. A good point to note is that the Fund ended the quarter with a profit despite the concessions extended to clients and the suspension of interest accruals on some client accounts.

On the impact side, the Fund recorded a net loss of 159 direct jobs within the tourism, education, manufacturing, wholesale, and retail sectors being the hardest hit due to longer curfew hours. As at the end of Q1 2021, the Fund sustained 1,789 direct jobs (a 8% decrease from the previous quarter) of which 198 are held by refugees and migrants. Cumulatively, the Fund sustained 69 jobs per USD 1m disbursed.

Over the past quarter, the Nomou Jordan team has initiated closer discussions with the key business owners of the portfolio companies and involving the senior team in directly engaging and supporting the business owners. This type of engagement, as recently conducted with Hygex via videoconferencing, is extremely valuable. Further calls/meetings are scheduled during Q2, especially with the large exposures of the Fund where our risks are quite high at the moment.

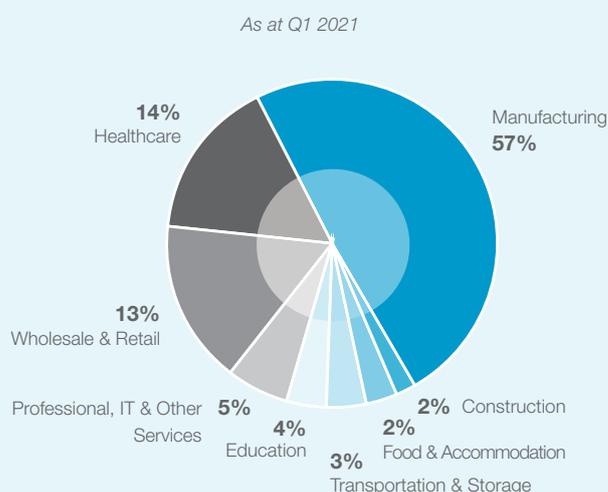
2021 is not likely to be an easier year compared to 2020, as economic recovery is not expected to happen soon. Maintaining the course and remaining loyal to the Fund's mission and objectives will require full support and commitment from all stakeholders.

PORTFOLIO

OVERVIEW

	As at	Q4 2020	Q1 2021
Total disbursement to SMEs		USD 25.2M	USD 25.8M
Total Gross Asset Under Management		USD 20.6M	USD 20.8M
Total number of SMEs invested in		44	44
	During	Q4 2020	Q1 2021
New SMEs invested in		2	0
Value of disbursement to SMEs		USD 1.2M	USD 600K

DISBURSEMENT BY SECTOR





BUSINESS SUPPORT

OVERVIEW

As at	Q4 2020	Q1 2021
Entrepreneurs who received pre-investment business support	559	566
Entrepreneurs who received post-investment business support	44	44
Refugee-owned businesses who received post-investment business support*	12	12
During	Q4 2020	Q1 2021
Entrepreneurs receiving pre-investment business support	2	7
Entrepreneurs receiving post-investment business support	30	30



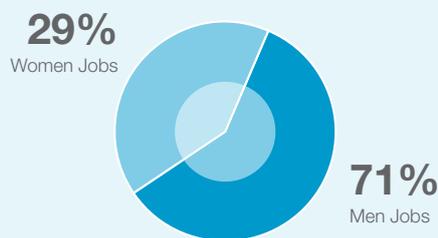
* Includes figures for Al Mueen, a business that was partly owned by an Iraqi migrant at time of investment but who, as at Q4 2020, has divested from the business. The business is now 100% Jordanian and woman-owned.

IMPACT

OVERVIEW

As at	Q4 2020	Q1 2021
Total jobs sustained	2,920	2,680
Direct jobs sustained	1,948	1,789
Total livelihoods sustained	14,600	13,400
Direct jobs sustained per USD 1M disbursed	81 jobs	69 jobs

CUMULATIVE DIRECT JOBS SUSTAINED BY GENDER



- During Q1 2021, Jordan was hit once again with a wave of infections which further impacted various sectors of the country's economy. The Government re-instated lockdown measures at the beginning of February which severely affected local businesses including NJF investees. Almost half of the Fund's investees reduced their operations due to longer curfew hours.
- As a result of these lockdown restrictions, a net loss of 159 direct jobs was reported during Q1 2021. Investees operating in the tourism, education, manufacturing, wholesale & retail, and the healthcare sectors were the ones most affected by job losses during the quarter.
- The hardest hit was Sinbad Marine Transportation, a business operating in the tourism sector, that reported a loss of 53 direct jobs. English Talent School reported a loss of 45 direct jobs as it had to close down a kindergarten school that was operating in a separate building to adhere to guidelines from the regulatory office of the international diploma that required the school to operate all its classes within the same location/building. The school also laid off staff to reduce operating costs.
- Seven additional investees, namely Hiba Hospital, Kafak Industrial, Abo Arab for Food Industry, Alnasser Joinery Company, Orbit X-Ray Centre, and Rubaya Trading reported a total loss of 79 direct jobs as a result of businesses being shut thus causing financial strain and limiting their ability to sustain employment.
- 18 new direct jobs were created at the level of five active portfolio clients who provided goods and services considered as essential and were not impacted by the pandemic.
- As at the end of Q1 2021, the Fund sustained 1,789 direct jobs of which 524 (29%) are held by women and 843 (47%) jobs held by youth. 68% of direct jobs sustained by the Fund are held by semi-skilled/unskilled workers indicating the Fund's reach and ability to sustain jobs for those at the Bottom of the Pyramid (BoP). The Fund also sustains 198 direct jobs held by refugees, migrants and non-Jordanian citizens of which 31 (16%) are held by women. Due to the net loss of 159 direct jobs during Q1, cumulatively, the Fund sustains 69 jobs per USD 1m.



CLIENT STORY - NJF INVESTEE

Jordan Omani Plastic Industries Company

The plastic business in Jordan is a thriving subsector within the manufacturing industry. Operating in Al Qastal, Amman, Jordan Omani Plastic manufactures four types of recyclable and biodegradable plastic products, namely garbage and shopping bags, bottle shrink bags, table covers and sheets, and plastic sheets and wraps for the food industry. Jordan is also considered a pioneer in this field in the Middle East market as most neighbouring countries rely on Jordan for supplying plastic components for their products.



Currently employing 55 people, Jordan Omani started its operations in 2019 and has performed remarkably well, owing to the entrepreneur's, Mr Ali Joudeh, reputation and contacts in the business community, as well as his son's, Eng. Mohammad Joudeh, technical and managerial skills in running the operations. In its first year of operation, the business was able to achieve JD 2.2 million in sales with a net profit of JD 549k. Moreover, with 261 clients, Jordan Omani Plastic quickly made it among Jordan's top ten suppliers in its category.

The plastic industry demonstrated resilience during COVID-19 as compared with other industries. Plastic packaging products are part of the supply chains that are essential to keep operating. Jordan Omani Plastic approached GroFin in late 2020 for the financing of USD 705k to purchase raw materials.

Following NJF financing, the business has been able to utilise and benefit from economies of scale to increase production and productivity and reduce cost per unit manufactured and hence increase profit margins. Jordan Omani has fulfilled a larger number of sales to existing and new clients. Moreover, the financing is expected to support Jordan Omani's plans to export to former clients in Oman and Saudi Arabia.

For the next 3 years, Jordan Omani is expected to grow its sales by more than what was forecasted. This is considered conservative in Mr Ali's view because the business intends to export its products as well.



Yasser Abu Farha (29) has been working at Jordan Omani since the end of 2019 as a Technical Scissors Assistant in the production department. He says that finding a job in Jordan is not easy, now even so with the pandemic. He considers himself lucky to have found a job. Yasser supports his wife and his one-year old daughter with his income.

"This job helped me to start a family and gave me the ability to pay my home loan as well as buy all necessities including food, medicine, and schooling."

Yasser Abu Farha, employee at Jordan Omani Plastic Industries Company



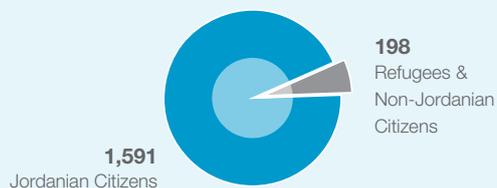
REFUGEE OUTREACH

OVERVIEW

As at	Q4 2020	Q1 2021
Refugee & non-Jordanian livelihoods impacted directly	1,030	990
Direct jobs sustained by refugees & non-Jordanians	206	198
Refugee & non-Jordanian-owned businesses receiving financial and post-investment business support*	12	12
Disbursements in refugee & non-Jordanian-owned businesses*	USD 5.6M	USD 5.9M
Investee businesses employing refugees & non-Jordanians	19	18

*Includes figures for Al Mueen, a business that was partly owned by an Iraqi migrant at time of investment but who, as at Q3 2020, has divested from the business. The business is now 100% Jordanian and woman-owned.

DIRECT JOBS SUSTAINED BY NATIONALITY



FINANCIAL AND POST-INVESTMENT BUSINESS SUPPORT

