

Our Success Journey

Annual Report 2020

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Message from the Chairman of the Board

Despite the repercussions of the COVID-19 pandemic that swept the entire world and the harsh conditions that affected many countries and institutions, the Khalifa Fund for Enterprise Development was able to pass the year 2020 with success and distinction, continuing its journey of giving and contributing to the sustainable development of the small and medium-sized enterprise sector, which the United Arab Emirates is pursuing under our wise leadership.

The Khalifa Fund was able to achieve a wide range of diverse accomplishments, including organizing more than 130 training courses. Approval was also granted to finance 10 new projects with a total value of approximately AED 7.97 million. By the end of 2020, the Khalifa Fund had

activated 1,163 loans out of 1,530 approved loans, with a total of AED 1.32 billion in activated loans since its establishment.

The Fund also succeeded in launching many qualitative initiatives to suit the conditions and requirements of the current phase and to contribute effectively and influentially in enhancing the business environment in the country in the best possible way. These initiatives include the launch of the e-Empower program, which included many strategic partnerships such as partnerships with Amazon, Noon, and Akshaak. The Digital Rating Program for the Fund's clients was also launched, 3 Khalifa Fund projects were expanded through the franchise initiative, the Food and Beverage Innovation Lab was launched, a two-year memorandum of understanding was signed with Agro-Elite, and other initiatives were launched. The Fund also issued a report on the impact of COVID-19 on SMEs in the UAE.

I thank all the employees of the Khalifa Fund and call on them to exert more effort and diligence and to continue working to preserve and develop the Fund's achievements and move forward to contribute to the journey of excellence and prosperity.

His Excellency Mohammed Ali Al Shorafa
Chairman of the Board

Key Statistics

36 Awareness Campaigns

2,263 New Applications

32,294 Followers

8,643 Trainees

130 Training Courses

10 new projects valued at AED 7.97 million

1,163 activated loans out of 1,530 approved loans

435 Active Members

AED 513 million procurement volume

2,661 Services

130 Consulting Sessions

672 Field Visits

+15,000 job opportunities

22 countries included in the international program

AED 3.4 billion international loan volume

400,000 international projects

678,000 international job opportunities

2020 Achievements

The Khalifa Fund continued to implement its various activities aimed at spreading the culture of entrepreneurship and supporting small and medium-sized enterprises, achieving distinguished accomplishments in several areas throughout 2020:

1. Spreading the Culture of Entrepreneurship

The Khalifa Fund aims to develop the capabilities of entrepreneurs and increase the efficiency of small and medium-sized enterprises through capacity building, providing financing options and services, integrating with various stakeholders, and continuing to spread the culture of entrepreneurship and innovation.

Despite the challenges posed by the COVID-19 pandemic, the Khalifa Fund continued to promote the culture of entrepreneurship by organizing virtual workshops that were very well received and appreciated.

Executed 36 awareness campaigns to promote entrepreneurship, bringing the total number of campaigns since the Fund's establishment to 1,014.

Utilized social media channels to promote entrepreneurship, with the number of followers across various channels reaching 32,294 by the end of 2020.

Received 2,263 new applications during 2020, bringing the total number of applications received by the Fund to over 32,000.

The above figures demonstrate the Fund's continuous contribution to raising awareness about entrepreneurship and attracting new entrepreneurs. Through its awareness campaigns, the Khalifa Fund aims to educate participants on the importance of entrepreneurship as a future path and to inform them about the Fund's role in supporting entrepreneurs and SMEs in the community.

2. Capacity Building

The year 2020 was exceptional in terms of the training activities conducted by the Fund. The outstanding achievement was not only the unprecedented number of beneficiaries but also the introduction of 31 new training topics during the year, many of which were aimed at helping entrepreneurs during the coronavirus pandemic by encouraging them to embrace digital transformation and invest in technology. Additionally, 11 workshops were organized in specialized sectors such as "Artificial Intelligence" and future trends in information technology.

The Khalifa Fund achieved new milestones in capacity-building activities, including:

Training 8,643 individuals during 2020, raising the total number of trainees since establishment to 19,637, of whom 65% are female.

Conducting 130 training courses in 2020, which increased the total number of training courses held since establishment to 887.

3. Funding

The Khalifa Fund is committed to playing an influential and positive role in bridging the financing gap in the SME sector. It continues to believe in the necessity of injecting more financing to stimulate innovation and economic diversification. However, due to the economic difficulties faced by SMEs because of the pandemic, the Fund decided, exceptionally, to prioritize its available financial resources towards supporting existing projects and providing them with financial support in various ways, such as deferring loans for 3 months, rescheduling, and restructuring to cover essential needs.

The Fund also noted significant risks in establishing new projects in many sectors, except for a limited few that were not negatively affected by the pandemic. Therefore, it was decided to temporarily freeze the approval of new projects.

Despite the freezing of financing operations due to the repercussions of the COVID-19 pandemic, the Fund approved financing for 10 projects worth AED 7.97 million during 2020, bringing the total number of approved projects to 1,530 with a total financing of AED 1.79 billion.

The number of activated loans reached 1,163, valued at AED 1.32 billion, out of the 1,530 loans that were approved.

4. Operational Support

The Fund has succeeded in developing a unique model for establishing and supporting projects, both in terms of financing and operational support, by offering a comprehensive package of support programs tailored to the needs of projects at different growth stages, from establishment to post-operational phases.

In 2020, the Fund was keen to provide financial support and consultations, follow-up and support for funded projects, and technical guidance, in addition to providing government support and exemptions through the Fund's partners.

There were positive indicators achieved during 2020, including:

The number of members in the membership program reached 435 by the end of 2020, noting that more than 2,000 projects have benefited from the membership program since its launch.

The volume of procurement from the Fund's funded projects and those under the membership program amounted to AED 513 million in 2020 alone.

In 2020 alone, 2,661 services were provided by the Fund's partners to the funded projects and projects under the membership program.

Conducted more than 130 consulting sessions for funded projects.

Trained 136 employees from 46 struggling companies to help them improve their performance.

Conducted more than 672 field visits to the Fund's projects to understand their problems and contribute to finding practical solutions.

5. Financial Performance According to 2019 Financial Data

The Fund is keen to assist and encourage small and medium-sized enterprises to establish financial and accounting systems and prepare financial statements on a sound scientific basis. The Fund always works to increase awareness among entrepreneurs about the importance of

financial data in managing the project, making sound decisions, and evaluating performance.

This also helps the Fund obtain understandable and analyzable financial data to be able to assess the financial performance of the projects it funds.

The Fund has established a database to measure the contribution of small and medium-sized enterprises to the GDP and to understand the financial performance of companies by issuing accurate financial reports for the SMEs it supports, monitoring the performance of projects, tracking variances between actual values and original plans, and preparing financial analyses for these projects.

The percentage of projects that made a profit was 63%, and the profitability ratio was 7%.

The average annual revenue per project was AED 3.3 million, and the average profit per project was AED 235 thousand.

6. Economic Impact

The Fund has established a database to measure the contribution of small and medium-sized enterprises to the GDP, to understand the financial performance of companies, to issue financial reports, to monitor the performance of projects, and to prepare financial analyses for these projects.

According to 2019 financial data, the national economy benefited by about AED 2.5 for every dirham loaned.

Khalifa Fund projects have contributed to creating more than 15,000 job opportunities in the private sector, including 1,800 job opportunities for citizens.

7. International Role

The development of small and medium-sized enterprises creates new opportunities by providing a thriving environment for entrepreneurs, business owners, and venture capitalists to achieve growth. Accordingly, the Fund's international activity can be summarized as follows:

Under the guidance of the wise leadership, the Khalifa Fund has implemented development programs for the micro, small, and medium-sized enterprise sector for a group of brotherly and friendly countries. The

Fund has managed Abu Dhabi government's support in 22 countries across Asia, Europe, and Africa.

The volume of international loans and grants managed by the Fund amounted to AED 3.4 billion.

The number of beneficiary loans in the countries that have started operations is about 400,000 projects.

These projects have contributed to creating about 678,000 job opportunities in those countries.

8. Special Programs and Initiatives to Overcome the Effects of the COVID-19 Pandemic

1. Allocating a hotline to provide direct consultations to entrepreneurs.
2. Offering diverse, specialized, and free training courses that align with the current events of the pandemic to help deal with crises and digital transformation.
3. Enhancing cash flow for projects by deferring loans for 3 months, and rescheduling and restructuring disbursements for essential needs.
4. Launching the e-Empower program in collaboration with Amazon, Noon, and Akshaak, aimed at supporting and developing SMEs for entrepreneurs through e-commerce.
5. Negotiating with government and private sector institutions and major shopping centers to obtain discounts and payment facilities for SMEs.
6. Preparing studies and reports with recommendations for entrepreneurs on the best ways to mitigate the impact of the pandemic.
7. Enhancing the export program to open additional markets for SMEs, with the number of projects that successfully exported their products reaching about 152.
8. Strengthening the franchise program to help promote successful projects.
9. Developing the AI Mentor platform to provide continuous advice to entrepreneurs using artificial intelligence programs.

10. Launching the Food and Beverage Innovation Lab initiative, which aims to discover, guide, and mentor national SMEs in the food and beverage industry sector in the UAE.

11. The SME Rating initiative to evaluate projects and increase their chances of obtaining tenders and facilities from banks.

12. Intensifying support for operational projects through support letters and direct coordination with public and private sector institutions.

13. The "Turnaround" initiative to help struggling projects achieve success again.

9. Key Initiatives

Khalifa Fund had an outstanding year regarding new and pre-existing initiatives, building partnerships, and developing reports aimed at small and medium-sized enterprises. Among the key initiatives:

Report: Impact of the COVID-19 Pandemic on the SME Sector

In the second quarter of 2020, Khalifa Fund prepared a specialized report that highlighted the economic effects of the COVID-19 pandemic on SMEs. The report assessed the current economic situation and provided analysis and recommendations on the next steps for SMEs to overcome the challenges.

She Means Business

She Means Business is a women's entrepreneurship education program, launched by Khalifa Fund in collaboration with Facebook, which aims to train 1,300 women through virtual training sessions, with the goal of equipping participants with a range of skills that will help them in marketing and e-commerce.

Partnership with Agro-Elite

Khalifa Fund announced the signing of a two-year memorandum of understanding with Agro-Elite, under which they will operate and manage a number of farms under the Khalifa Fund's umbrella, to enable them to increase their productivity through the use of agricultural technology.

Khalifa Fund Summer Camp - Venturist

A two-week entrepreneurship summer camp where students learn essential entrepreneurial skills, including the basics of starting a business, problem-solving skills, and maximizing digital efficiency to align with the market.

"Franchise" Initiative

Khalifa Fund for Enterprise Development announced the completion of the "Franchise" initiative for 2019-2020, which included enabling 3 national companies under its umbrella to transform into global companies capable of granting franchise rights for their brand outside the UAE: Rafeeg, Amaryllis, and Rolling Wheels.

e-Empower: Amazon, Noon, and Akshaak

Khalifa Fund for Enterprise Development announced the launch of the e-Empower program in collaboration with Amazon Global to support and develop small and medium-sized enterprises through virtual educational content.

It then announced an innovative partnership with the Noon platform as part of the e-Empower program, which includes preferential rates on the platform, the "Mahali" initiative that supports small projects, and the grocery platform "Noon Daily," which provides an online store for local product sellers.

The Akshaak platform joined as the third partner of the e-Empower program, offering participants a private digital space to sell on the Akshaak application as part of their contribution to helping sellers develop their e-commerce.

Digital Rating Program

Khalifa Fund for Enterprise Development launched the Digital Rating Program to assess the performance of small and medium-sized enterprises, which aims to show strengths, weaknesses, and ways to develop them, in addition to providing a clear picture of their overall performance by evaluating their projects on four main criteria including

business sustainability, financial management, productivity management, and human resources. The program was developed for SMEs so they can get an accurate overview of their organization's strengths and weaknesses and ensure their business functions are operating according to standards.

Food and Beverage Innovation Lab

Khalifa Fund for Enterprise Development, in partnership with the Food and Beverage Manufacturing Group, announced the launch of the "Food and Beverage Innovation Lab" program, which aims to discover, guide, and mentor national small and medium-sized enterprises in the food and beverage industry sector.

The program will incubate national talents with ideas centered around sustainability and health with leading manufacturers who can develop and enhance successful products, with the aim of transforming food and beverage concepts into internationally available products.

A Sample of Khalifa Fund's Successful Projects

GRACIA GROUP

Gracia Group is a leading group in comprehensive farm management and agricultural technology. The group includes various services such as farm management, agricultural tourism, and comprehensive agro-industry.

Hamed Al Hamed

Gracia Group

HOODS

A factory specialized in manufacturing safety and protection footwear for the armed forces, established in the Emirate of Abu Dhabi using the latest high-quality industry technologies.

Majid Al Bakri

National Factory for Safety and Security Products

NIILI

A modern brand that includes a wide and distinguished collection of fashion for modern women, suitable for various occasions.

Khaled Al Zaabi

Niili

DOCTORS

An online platform designed to help people search for a doctor, book appointments online, and get medical consultations, to improve the patient's treatment journey from home.

Hasna Al Matou'

Emirates Doctors

SHOT.

An Emirati cafe specializing in serving specialty coffee. The idea started with a mobile food truck around the Emirates to promote the concept of coffee, and today it has become one of the strongest specialty coffee brands in the Emirate of Abu Dhabi, with future plans to expand throughout the UAE.

Ahmed Al Faheem

Shot Cafe

EUROSYS

Eurosys is a local company specializing in technical fields of security systems, including smart homes and building control systems, in addition to wired and wireless communication network infrastructure, surveillance cameras, security gates, alarm systems, and audio systems.

Saleh Al Mubarak

Eurosys