



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 922 100 209
Organisasjonsform: Aksjeselskap
Foretaksnavn: NMI GP IV AS
Forretningsadresse: c/o Nordic Microfinance Initiative
Rosenkrantz' gate 22
0160 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Ole Sandsbraaten
Dato for fastsettelse av årsregnskapet: 29.04.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 09.06.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad		163 000	5 000
Sum kostnader		163 000	5 000
Driftsresultat		-163 000	-5 000
Finansinntekter og finanskostnader			
Annen finansinntekt		4 000	6 000
Sum finansinntekter		4 000	6 000
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi	3	5 827 000	820 000
Sum finanskostnader		5 827 000	820 000
Netto finans		-5 823 000	-814 000
Ordinært resultat før skattekostnad		-5 986 000	-819 000
Ordinært resultat etter skattekostnad		-5 986 000	-819 000
Årsresultat		-5 986 000	-819 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investeringer i aksjer og andeler	3	101 343 000	84 380 000
Sum finansielle anleggsmidler		101 343 000	84 380 000
Sum anleggsmidler		101 343 000	84 380 000
Omløpsmidler			
Varer			
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	3 000	7 000
Sum bankinnskudd, kontanter og lignende		3 000	7 000
Sum omløpsmidler		3 000	7 000
SUM EIENDELER		101 346 000	84 387 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital		10 727 000	8 520 000
Overkurs		97 261 000	76 680 000
Sum innskutt egenkapital		107 988 000	85 200 000
Opptjent egenkapital			
Udekket tap		6 803 000	817 000
Sum opptjent egenkapital		-6 803 000	-817 000
Sum egenkapital		101 185 000	84 383 000



Balanse

Beløp i: NOK	Note	2020	2019
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Annen kortsiktig gjeld		161 000	4 000
Sum kortsiktig gjeld		161 000	4 000
Sum gjeld		161 000	4 000
SUM EGENKAPITAL OG GJELD		101 346 000	84 387 000



Annual Financial Statements

NMI GP IV AS

2020



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DIRECTORS' REPORT FOR 2020

General

NMI GP IV AS was established 4 December 2018 and has a registered business address in Oslo.

The objective of the company is to be the general partner for the limited partnership NMI Fund IV KS (Fund), which invests in microfinance institutions and financial inclusion companies in developing countries.

The company's functional currency is NOK and the financial statements are prepared and recorded in NOK. The financial statements are prepared in accordance with IFRS.

The accounting period covers the period from 1 January 2020 until 31 December 2020.

Personnel and the environment

The company does not have employees at the end of 2020. The company promotes equality, ensures equal opportunities and rights, and prevents discrimination on the grounds of gender, ethnicity, nationality, age, heritage, language, religion or beliefs.

The pollution of the external environment by the company is negligible.

Comments on the annual financial statements

The general partner has entered a management arrangement with Nordic Microfinance Initiative AS which is a portfolio manager for the Fund.

The Company is co-located with Nordic Microfinance Initiative AS.

The Company does not have operating revenue and the net loss for the year 2020 is NOK 6 million and primarily derives from the change in the fair values of the Fund's investments. During 2020 the investment in NMI Fund IV KS has been impacted by Covid-19 to some extent and primarily equity investments.

No subsequent events have occurred after the end of the financial year that are significant for an evaluation of the company unless presented in the annual financial statements and notes thereto.

The income statement, balance sheet and notes attached thereto provide a true picture of the company's operations and position as at 31 December 2020.

In accordance with Section 3-3a of the Norwegian Accounting Act, it is confirmed that the prerequisites for continued operations have been met and the Financial Statements have been prepared on this assumption.

Outlook

Net result in the Company for 2021 will continue to come from changes in the fair values of the Fund's investments.

The spread of COVID-19 virus will impact the valuation of the investment portfolio in 2021. At the point of issuing the Financial Statement, impact from Covid for certain regions are less prominent. Other regions and institutions are still facing issues. The Fund and Fund Manager expect improved pricing on equity investments and will monitor and assess the situation on an ongoing basis and take necessary steps and action to support the investees when needed.



Financial risk

Overall objectives and strategy

The company is exposed to financial risk in various areas. The company focus on reducing the unwanted financial risk to the greatest extent possible as the Fund makes investments in different countries and through equity and debt instruments.

Market risk

Currency risk is the most dominating of the various market risk factors faced by the company. The company is exposed to currency exchange rate fluctuations, especially USD, since the paid-in capital in the Fund is made in NOK while investments in the Fund are made in other currencies. The company has not entered into forward contracts or other agreements in order to reduce the company's foreign exchange risk and thereby the operational market risk.

Credit risk

The short-term credit risk is primarily related to the bankruptcy risk associated with bank deposits.

Liquidity risk

The company considers the liquidity in the company to be sufficient. However, the company's main asset consists of investment in the closed end fund which has a limited ability to convert its investments into liquid assets prior to liquidation of the fund. NMI GP IV AS is the general partner of the fund.

Allocation of profit/(loss) for the year

The financial statements for 2020 show a loss of NOK 5,986 million which has been allocated as follows:

Charged to retained earnings	NOK	5,986 million
Total allocations	NOK	5,986 million

Oslo, 15 April 2021

Christian Are Halvorsen
Chairman of the Board

Marianne Halvorsen
Board Member

Heidi Finskas
Board Member

Andreas Roti
Board Member

Deepa Agar Hingorani
Board Member

Johannes Ladegaard
Board Member

Lars Boné
Board Member

Arthur Sletteberg
Managing Director



NMI GP IV AS

Income Statement for the period		01.01.2020	04.12.2018
		-	-
Income Statement	Note	31.12.2020	31.12.2019
<i>All amounts in NOK thousands</i>			
Expenses			
Other operating expenses		<u>-163</u>	<u>-5</u>
		<u>-163</u>	<u>-5</u>
Operating profit/(loss)		<u>-163</u>	<u>-5</u>
Net gain/(loss) on financial assets at fair value through profit or loss	3	-5 827	-820
Interest income		<u>4</u>	<u>7</u>
Net financial items	6	<u>-5 823</u>	<u>-813</u>
Profit/(loss) before income tax		<u>-5 986</u>	<u>-817</u>
Income tax expense	8	-	-
Profit/(loss) for the year		<u>-5 986</u>	<u>-817</u>



NMIGP IV AS

Financial Position

Assets	Note	31.12.2020	31.12.2019
<i>All amounts in NOK thousands</i>			
Non-current assets			
Financial assets			
At fair value through profit or loss	3	<u>101 343</u>	<u>84 380</u>
		<u>101 343</u>	<u>84 380</u>
Current assets			
Cash and cash equivalents	9	<u>3</u>	<u>7</u>
		<u>3</u>	<u>7</u>
Total assets		<u>101 346</u>	<u>84 387</u>
Equity and liabilities			
<i>All amounts in NOK thousands</i>			
Equity			
Share capital		10 727	8 520
Other reserves		<u>90 458</u>	<u>75 863</u>
	10	<u>101 185</u>	<u>84 383</u>
Current liabilities			
Tax payable	8	-	-
Trade payables and other payable liabilities		<u>161</u>	<u>4</u>
		<u>161</u>	<u>4</u>
Total liabilities		<u>161</u>	<u>4</u>
Total equity and liabilities		<u>101 346</u>	<u>84 387</u>

Oslo, 15 April 2021

Christian Are Halvorsen
Chairman of the Board

Marianne Halvorsen
Board Member

Heidi Finskas
Board Member

Andreas Roti
Board Member

Deepa Agar Hingorani
Board Member

Johannes Ladegaard
Board Member

Lars Boné
Board Member

Arthur Sletteberg
Managing Director



NMI GP IV AS

Statement of cash flows for the period	01.01.2020	04.12.2018
Note	31.12.2020	31.12.2019
<i>All amounts in NOK thousands</i>		
Cash flow from operating activities		
Profit/(loss) for the year after tax	-5 986	-817
Non-cash adjustments		
Change in fair value of financial assets	3 5 827	820
Net change in operating assets and liabilities (Increase)/reduction in trade and other receivables	-	-
Increase/(reduction) in trade payables and other payable liabilities	157	4
Net cash flow from operating activities	-2	7
Investing activities		
Investments in property, plant and equipment		-
Purchase of financial assets	-22 790	-85 200
Net cash flow from investing activities	-22 790	-85 200
Financing activities		
Proceeds from Issue of Capital	22 788	85 200
Net cash flow from financing activities	22 788	85 200
Net increase in cash and cash equivalents for the period	-4	7
Cash and cash equivalents at the start of the period	7	-
Cash and cash equivalents as at 31 December	3	7

Statement of changes in equity in the accounting period

Note	No. of shares	Share capital	Paid in premium	Retained earnings	Total equity
<i>All amounts in NOK thousands</i>					
As at 1 January 2020	8,520	8,520	76,680	-817	84,383
Proceeds from Capital Call	2,207	2,207	20,581	-	22,788
Profit/(loss) for the year	-	-	-	-5,986	-5,986
Other income and costs	-	-	-	-	-
Other income	-	-	-	-5,986	-5,986
As at 31 December 2020	10,727	10,727	97,261	-6,803	101,185
As at 4 December 2018	-	-	-	-	-
Proceeds from Capital Call	8,520	8,520	76,680	-	85,200
Profit/(loss) for the year	-	-	-	-817	-817
Other comprehensive income	-	-	-	-	-
Total income	-	-	-	-817	-817
As at 31 December 2019	8,520	8,520	76,680	-817	84,383



Notes – NMI GP IV AS

Note 1 – Accounting policies

General information

NMI GP IV AS is a Norwegian registered limited company (the company) with a head office in Oslo. The primary objective of the company is to be the general partner for NMI Fund IV KS.

The Company was established 4 December 2018.

Basis of preparation

The annual financial statements of NMI GP IV AS have been prepared in accordance with the International Financial Reporting Standards (IFRS), which have been issued by the International Accounting Standards Board (IASB) and approved by the EU as at 31 December 2019 and are mandatory for financial years starting on or after 1 January 2020.

The financial statements are based on the principles of historical cost accounting, with the exception of financial instruments at fair value through profit or loss, which are measured at fair value.

Summary of significant accounting policies

Revenue recognition

IFRS 15 *Revenue from Contracts with Customers* established a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Interest income

Under both IFRS 9 and IAS 39, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost.

Dividends

Dividends are recognized when the Company's right to receive a dividend has been established.

Government grants

Government grants are recognised as income when there is a reasonable degree of certainty that the company will satisfy the criteria for the grants and that the grants will be received. Government grants are recognised as income in the income statement in a systematic manner throughout the accounting period and at the same rate as when the cost-related items associated with the grant arise.

Financial instruments – initial recognition

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price.

Date of recognition

The purchase and sale of financial instruments is recognized on the date of the transaction, for example, the date when capital is contributed or the date for realization of units in the fund and the Company no longer has any potential gain or loss. Investment obligations are not recognized. Investment obligations are disclosed in a separate note. Capital contributions in accordance with the investment obligations are recognized on the date of the capital contribution.

Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- FVOCI
- FVPL

Financial assets and liabilities

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial cashflows to identify whether they meet the SPPI (Solely Payments of Principal and Interest) test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Financial assets and liabilities recognized at fair value with value changes through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9.



Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Interest earned or incurred on instruments designated at FVPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVPL is recorded using contractual interest rate. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

Financial instruments that qualify and are designated as instruments recognized at fair value with value changes through profit or loss include equity instruments that are not held for trading purposes. These instruments are designated based on the fact that they are part of a group of instruments that are measured and managed at fair value in accordance with risk management – and the Company's investment strategy. The fair value is reported internally to the portfolio manager and the partnership meeting.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair Value of Financial Instruments that are not traded in an active market is determined by a other appropriate valuation techniques. These techniques might include recent arm's length market transactions between well informed and voluntary parties if available, reference to cash flow calculations or other valuation techniques.

Held-to-maturity financial investments

Loans and trade receivables are held to collect (contractual cash flows) and give rise to cash flows representing solely payments of principal and interest. The criteria for measuring at amortised cost under IFRS 9 are met and as such there have not been a reclassification of these instruments. Loans and receivables include interest-bearing loans, dividends, interest income, advance payments and other receivables. After the initial recognition, loans and receivables are measured at amortized cost by means of the EIR method less write-downs. Discounts and premiums and directly attributable transaction costs are taken into account when the amortized cost is calculated. The amortization effect is recognized as operating revenue in the income statement.

Derecognition

A financial asset is primarily derecognized when:

- The rights to receive cash flows from the asset have expired

Or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets

The company applies a three-stage approach when measuring expected credit loss (ECL) for all loans and other debt financial assets not held at FVPL.

- A financial instrument that is not purchased or originated credit impaired is classified as stage 1 with 12-month ECL. 12-month ECL is measured at an amount equal to the portion of lifetime ECL that results from possible default events within the next 12 months.
- If a significant increase in credit risk since initial recognition is identified the financial instrument is moved to stage 2 with lifetime ECL measurement.
- An increase in credit risk reflects both customer-specific circumstances and developments in relevant macro risk drivers for the segment where the customer belongs. The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.
- If credit risk deteriorates further, and the financial instrument is assessed to be credit impaired, the financial instrument is moved to stage 3 with lifetime ECL measurement. As opposed to stage 1 and 2, the effective interest rate is calculated on amortised cost instead of the gross carrying amount.
- The loss provision for financial assets in stage 1 and stage 2 is calculated as the present value of exposure at default (EAD) multiplied by the probability of default (PD) multiplied by loss given default (LGD), and discounted by using the effective interest rate (EIR)
- Due to the nature of the underlying loan portfolio individual assessments are performed for all three stages.

Cash and short-term liquid investments

Cash and short-term investments on the balance sheet include bank deposits, cash at hand and short-term liquid investments with a maximum term of 3 months.

Transactions in foreign currencies

The company's functional currency is NOK. Transactions in foreign currency are translated using the exchange rate on the date of the transaction. Monetary items in foreign currency are translated to NOK using the exchange rate on the balance sheet date. Non-monetary items that are measured at the historical exchange rate and presented in a foreign currency are translated to NOK using the exchange rate on the date of the transaction. Non-monetary items measured at fair value and presented in foreign currency are translated using the exchange rate established on the balance sheet date. Changes in exchange rates are recognised on a current basis during the accounting period.

Tax payable

Current receivables and liabilities related to income tax for the current period are included in the amount that is expected to be received from or paid to the tax authorities. The tax percentages and tax legislation used to

calculate the amounts are those that have been adopted or essentially adopted on the balance sheet date in the countries where the company operates or generates taxable income.

Tax payable related to items charged directly to equity are charged directly to equity and not to the income statement. Management periodically evaluates cases that are subject to an interpretation of the taxation rules and sets aside provisions as required.

Deferred tax

Deferred tax is calculated by means of the liability method based on temporary differences between the tax-related values for assets and liabilities and their book values for financial reporting on the balance sheet date. The carrying amount for deferred tax receivables is reassessed for each reporting period and reduced if it is no longer probable that the future taxable income will be able to make use of the tax benefit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is deemed to be realised or the liability is deemed to be settled, and they are based on the rates that have been adopted or essentially adopted on the balance sheet date. Deferred tax related to off-income statement items is not included in the income statement.

Deferred tax elements are included together with the underlying transaction, either under other income and costs or directly in equity. Deferred tax assets and liabilities may be set off if a legal right to such a set-off has been established between the current tax assets and liabilities, and the deferred tax refers to the same taxpayer and tax regime.

Provisions

Provisions are set aside when the company has a liability as the result of an incident, it is probable that a future financial benefit will entail settlement of a liability and there is a reliable estimate that can calculate the future liability. If the company expects to receive all or part of the amount in return, the repayment will be recognised as a separate asset, but only if there is a reasonable degree of certainty that the repayment will be made. The repayment is taken into account when the costs associated with the provisions are presented in the income statement.

Pension

The Company has a defined contribution pension scheme according to legal requirement. The pension premium is expensed as the cost occurs. In addition, the Managing Director has an individual compensation paid monthly in order to reach total pension premium level set for the Managing Director.

Critical accounting estimates and assumptions

When preparing the annual financial statements, the management must use estimates and assumptions that affect the amounts reported for assets, liabilities, income and costs. Uncertainty related to these estimates may entail a significant correction of the reported amount for assets and liabilities in future periods. Significant sources for the assessment of uncertainty and assumptions in connection with the preparation of the annual financial statements are stated below.

Fair value of financial instruments

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability



The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair Value of Financial Instruments that are not traded in an active market is determined by other appropriate valuation techniques. These techniques might include recent arm's length market transactions between well informed and voluntary parties if available, reference to cash flow calculations or other valuation techniques.

Note 2 – Financial risk

NMI GP IV AS is exposed to different types of risks. The major risk factors are credit risk, foreign exchange risk and equity price risk through cash and cash equivalents and investments in the limited partnership. Credit risk is the risk that arises when counterparty to a financial instrument can inflict a financial loss on the company by not being able to fulfil its payment obligation. Credit risk is limited to the company's bank accounts.

The foreign exchange risk is the risk that the value of a financial instrument will vary in accordance with the currency exchange rate fluctuations. The company's investments in a currency other than NOK will thus be affected in a positive or negative direction by currency exchange rate fluctuations. The company is thus exposed to foreign currency.

The equity price risk is the risk related to unfavourable changes in fair value related to the funds. Changes of this type will affect the item net gain/(loss) on financial assets designated at fair value through profit or loss.

Note 3 – Fair value of financial instruments

The following measurement categories exist:

- Quoted prices in active markets for identical assets and liabilities (Level 1);
- The instruments that have another observable input for the asset or liability, either directly (in the form of prices) or indirectly (derived from prices) from prices other than the quoted prices mentioned under Level 1. (Level 2), and
- The instruments included as an asset or liability derived from unobservable market data (Level 3).

There have been no transfers between the levels throughout the accounting period.



	31 December 2020			
	Level 1	Level 2	Level 3	Total
<i>All amounts in NOK thousands</i>				
At fair value through profit or loss				
Unlisted funds	-	-	101,343	101,343
	-	-	101,343	101,343

	31 December 2019			
	Level 1	Level 2	Level 3	Total
<i>All amounts in NOK thousands</i>				
At fair value through profit or loss				
Unlisted funds	-	-	84,380	84,380
	-	-	84,380	84,380

For all the financial instruments, the fair value is calculated by means of various valuation methods.

Level 1:

The company does not have any financial instruments within this level.

Level 2:

The company does not have any financial instruments within this level.

Level 3:

The company invests in unlisted funds, which are not quoted in an active market and may have restrictions, such as a defined period of time for ownership or other trading restrictions. Such transactions do not occur regularly and are classified under Level 3.

The Company measures Fair value of Level 3 investments regularly and can be classified as:

- **Investments in funds:** Fair Value of the investment is calculated by the Fund's Manager and is expressed as a Net Asset Value (NAV) of the Company's investment at the end of the reporting period. The respective Fund Manager utilized acknowledged valuation techniques.

The company has invested in the limited partnership NMI Fund IV KS, which is a managed fund and not quoted in active markets. There are restrictions on the trading of units. Investments in the Fund are valued at the Net Asset Value (NAV). The NAV is adjusted as required to reflect the date of the calculation, liquidity risk, restrictions and other factors. The company classifies these investments as Level 3.



The following table illustrates the reconciliation of the movements in fair value for the financial instruments classified as Level 3 at the start and end of the accounting period.

	<u>NMI Fund IV KS</u>
<i>All amounts in NOK thousands</i>	
Reconciliation for Level 3	
Opening balance as at 1 January 2020	84,380
Investments/(repayments)	22,790
Changes in value through profit or loss	<u>-5,827</u>
Balance sheet as at 31 December 2020	<u>101,343</u>
Opening balance as at 4 December 2018	
Investments/(repayments)	85,200
Changes in value through profit or loss	<u>-820</u>
Balance sheet as at 31 December 2019	<u>84,380</u>

Note 4 – Related parties

NMI GP IV AS is the General Partner for NMI Fund IV KS. NMI GP IV AS has a management agreement with Nordic Microfinance Initiative AS which is a manager for NMI Fund IV KS.

	Receiveable on / (liability to) the funds
<i>Figures in NOK thousands</i>	
<u>NMI Fund IV KS</u>	<u>-135</u>
Total	<u>-135</u>

Comparable figures as of 31 December 2019:

	Receiveable on / (liability to) the funds
<i>Figures in NOK thousands</i>	
<u>NMI Fund IV KS</u>	<u>-4</u>
Total	<u>-4</u>

Terms for transactions with related parties:

The terms for the sale and purchase of services from related parties are "at arm's length". Outstanding amounts on the balance sheet date are unsecured and do not bear interest unless otherwise stated, and they are settled in cash. No guarantees have been made for receivables or debt associated with related parties.



Note 5 – Payroll costs

The company has no employees at the end of the accounting period. Neither the Managing Director nor the Board of Directors receive remuneration from the Company.

Note 6 – Breakdown of financial items

	2020			Total
	Fair value	Cash and cash equivalents	Foreign exchange gains/losses	
<i>All amounts in NOK thousands</i>				
Change in fair value of investments	-5,827	-	-	-5,827
Interest income	-	4	-	4
Net financial items	-5,827	4		-5,823

	2019			Total
	Fair value	Cash and cash equivalents	Foreign exchange gains/losses	
<i>All amounts in NOK thousands</i>				
Change in fair value of investments	-820	-	-	-820
Interest income	-	7	-	7
Net financial items	-820	7		-813

Note 7 – Auditor's fees

	2020	2019
<i>All amounts in NOK</i>		
Auditing	51	4
Other audit-related services	102	-
Total	153	4

The amounts are inclusive of VAT.



Note 8 – Income tax expense

Breakdown of income tax expense	2020	2019
<i>All amounts in NOK thousands</i>		
Tax payable	-	-
Change in deferred tax	-	-
Total income tax expense	-	-

Calculation of basis for tax payable	2020	2019
<i>All amounts in NOK thousands</i>		
Profit/(loss) before tax	-5,986	-817
Permanent differences	5,826	
Taxable profit/(loss) from companies assessed as a partnership	-2,700	
Temporary differences	-	-
Utilisation of carry-forward losses	-	-
Tax base	-2,860	-817

Breakdown of temporary differences:	2020	2019
<i>All amounts in NOK thousands</i>		
Current assets	-	-
Accrued liabilities	-	-
Tax loss carryforward	-	-
Total	-	-

Effective tax rate	2020	2019
<i>All amounts in NOK thousands</i>		
<i>Expected tax</i>		
Permanent differences	-	-
Overaccrued tax previous year	-	-
Income tax expense for the year	-	-

Effective tax rate% *) 0% 0%

*) Income tax expense in relation to profit/(loss) before tax.
NMI GP IV AS has not recognized any deferred tax asset on temporary differences as of 31 December 2020.

Note 9 – Cash and cash equivalents

	31 December 2020	31 December 2019
<i>All amounts in NOK thousands</i>		
Bank deposits	3	7
Short-term deposits	-	-
Total	3	7





Under IFRS tax withholding funds are presented under the item other receivables and not under the item cash and cash equivalents. No restrictions are applied on the Company's bank deposits.

Note 10 – Share capital, equity and shareholders

Outstanding shares

<u>Investors</u>	<u>No. Of shares</u>	<u>Ownership</u>	<u>Voting share</u>
Norfund	2,400,000	22.4 %	22.4 %
Investment Fund for Developing Countries	2,400,000	22.4 %	22.4 %
Ferd AS	1,331,815	12.4 %	12.4 %
Kommunal Landspensjonskasse	1,331,815	12.4 %	12.4 %
DNB Livsforsikring ASA	1,331,815	12.4 %	12.4 %
Pædagogernes Pension	1,331,815	12.4 %	12.4 %
LF Investment ApS	480,073	4.5 %	4.5 %
TD Veen AS	120,000	1.1 %	1.1 %
Total	10,727,333	100.0 %	100.0 %

Note 11 – Subsequent events

The company made an equity raise on 26 March 2021 of NOK 13,6 million in order to facilitate the fourth and last close of the NMI Fund IV KS leading to Koldingvej 2, Billund A/S becoming an investor in the Fund and shareholder in the company. The table below shows the distribution of shares post equity raise:

<u>Investors</u>	<u>No. Of shares</u>	<u>Ownership</u>	<u>Voting share</u>
Norfund	2 400 000	19,9 %	19,9 %
Investment Fund for Developing Countries	2 400 000	19,9 %	19,9 %
Ferd AS	1 331 815	11,0 %	11,0 %
Kommunal Landspensjonskasse	1 331 815	11,0 %	11,0 %
DNB Livsforsikring ASA	1 331 815	11,0 %	11,0 %
Pædagogernes Pension	1 331 815	11,0 %	11,0 %
Koldingvej 2, Billund A/S	1 331 815	11,0 %	11,0 %
LF Investment ApS	480 073	4,0 %	4,0 %
TD Veen AS	120 000	1,0 %	1,0 %
Total	12 059 148	100,0 %	100,0 %



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of NMI GP IV AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NMI GP IV AS, which comprise the balance sheet as at 31 December 2020, statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Independent auditor's report - NMI GP IV AS

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Per memo Dokumentnr/kel: GP3TB-RECLM-ET7YL-QMEXA-5:FWW-UJ3ZK



Oslø, 20 April 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan-Herman Stene
State Authorised Public Accountant (Norway)

Permeo Dokumentnøkkel: GP3TB.SECUM.ET7YL.QMEXA.5JFWW.UJ3ZK

Independent auditor's report - NMI GP IV AS

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Johan-Herman Stene

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5993-4-2411909

IP: 81.166.xxx.xxx

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Skatteetaten

Vår dato
25.06.2019

Din dato
13.06.2019

Saksbehandler
Bente Halvorsen

800 80 000
Skatteetaten.no

Din referanse
AR325031852

Telefon

Vår referanse
2019/6110813

Postadresse
Postboks 9200 Grønland
0134 OSLO

NMI GP IV AS
c/o Nordic Microfinance Initiative
0160 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for NMI GP IV AS, org.nr. 922 100 209

Vi viser til deres brev av 13. juni 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for NMI GP IV AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering NMI GP IV AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det pålegger den regnskapspliktige å dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Virksomheten er et samarbeid mellom det offentlige og profesjonelle investorer og har som visjon å styrke fattiges stilling i utviklingsland ved å investere i mikrofinansinstitusjoner. Eierne har god kunnskap om investeringer i utlandet og har således god språklig kompetanse. Selskapet vil ha mange samarbeidspartnere i utlandet som krever engelsk regnskapsinformasjon.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at



ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informative regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet har en begrenset eierkrets av offentlige og profesjonelle investorer i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk. Videre er det vektlagt at selskapet har mange internasjonale samarbeidspartnere som krever engelsk regnskapsinformasjon.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Bente Halvorsen
Spesialrevisor
Brukerdialog, juridisk stab, gruppe 1
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.