



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 993 246 743
Organisasjonsform: Kommandittselskap
Foretaksnavn: NMI FRONTIER FUND KS
Forretningsadresse: c/o Abler Nordic AS
Roald Amundsens gate 6
0161 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

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: Cathrine Streeval
Dato for fastsettelse av årsregnskapet: 08.05.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 13.07.2025



Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad		289 000	299 000
Sum kostnader		289 000	299 000
Driftsresultat		-289 000	-299 000
Finansinntekter og finanskostnader			
Inntekt på andre investeringer		175 000	319 000
Annen renteinntekt		275 000	112 000
Net gain in sale of financial assets		3 396 000	
net foreign exchange gain		122 000	
Sum finansinntekter		3 968 000	431 000
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi		3 917 000	1 700 000
Annen finanskostnad			182 000
Sum finanskostnader		3 917 000	1 882 000
Netto finans		51 000	-1 451 000
Ordinært resultat før skattekostnad		-238 000	-1 750 000
Ordinært resultat etter skattekostnad		-238 000	-1 750 000
Skattekostnad på ekstraordinære poster			28 000
Årsresultat		-238 000	-1 778 000



Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investeringer i aksjer og andeler		20 376 000	24 033 000
Sum finansielle anleggsmidler		20 376 000	24 033 000
Sum anleggsmidler		20 376 000	24 033 000
Omløpsmidler			
Varer			
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		2 942 000	7 477 000
Sum bankinnskudd, kontanter og lignende		2 942 000	7 477 000
Sum omløpsmidler		2 942 000	7 477 000
SUM EIENDELER		23 318 000	31 510 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		17 296 000	17 296 000
Sum innskutt egenkapital		17 296 000	17 296 000
Opptjent egenkapital			
Annen egenkapital		6 022 000	14 127 000
Sum opptjent egenkapital		6 022 000	14 127 000
Sum egenkapital		23 318 000	31 423 000
Sum langsiktig gjeld		0	0



Balanse

Beløp i: USD	Note	2023	2022
Kortsiktig gjeld			
Annen kortsiktig gjeld			87 000
Sum kortsiktig gjeld			87 000
Sum gjeld		0	87 000
SUM EGENKAPITAL OG GJELD		23 318 000	31 510 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 556304

Enheten

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Organisasjonsform: Kommandittselskap
Foretaksnavn: NMI FRONTIER FUND KS
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Rosenkrantz' gate 22
0160 OSLO

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Brønnøysundregistrene, 23.07.2024



Organisasjonsnr: 993 246 743
NMI FRONTIER FUND KS

RESULTATREGNSKAP

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
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Organisasjonsnr: 993 246 743
NMI FRONTIER FUND KS

BALANSE

Beløp i: USD	Note	2023	2022
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Sum egenkapital		23 318 000	31 423 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Annen kortsiktig gjeld			87 000
Sum kortsiktig gjeld			87 000
Sum gjeld		0	87 000



SUM EGENKAPITAL OG GJELD

23 318 000

31 510 000



Organisasjonsnr: 993 246 743
NMI FRONTIER FUND KS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper

Abler Nordic AS is a Norwegian registered limited company (the company) with a head office in Oslo. The primary objectives of the company are to be the general partner for Nordic Microfinance Initiative Fund III KS as well as performing investment activities as portfolio manager for other funds. Basis of preparation The annual financial statements of Abler Nordic 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 of December 31st 2022 and are mandatory for financial years starting on or after January 1st 2023. The financial statements are based on the principles of historical cost accounting, except for financial instruments at fair value through profit or loss, which are measured at fair value.

<u>Sum</u>	<u>Beløp</u>	
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Pantstillelse</u>	<u>Beløp</u>	

Note

Virkelig verdi og resultatført verdiendr. i perioden, finansielle instrumenter

<u>Eiendel</u>	<u>Virk. verdi</u>	<u>Verdiendring</u>
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20376000.00 -3917000.00

<u>Sum</u>	<u>Virk. Verdi</u>	<u>Verdiendring</u>
	20376000.00	-3917000.00

Mer om finansielle instrumenter

Beskrivelse av finansielle derivater

<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
----------------------------------	---------------	------------------	-------------------------



Skattedirektoratet

Saksbehandler	Deres dato	Var dato
Torstein Kinden Helleland	07.05.2014	16.05.2014
Telefon	Deres referanse	Var referanse
22078139	Ole Sandbraaten	2014/327687

NMI AS
Akersgata 20
0158 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til deres e-post av 7. og 13. mai 2014 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

NMI AS	org. nr. 993 147 044
NMI Global Fund KS	org. nr. 993 246 735
NMI Frontier Fund KS	org. nr. 993 246 743
NMI Fund III KS	org. nr. 912 348 644

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

Bakgrunn

NMI er et samarbeid mellom det offentlige og private investorer og har som visjon å styrke fattiges stilling i utviklingsland ved å bidra til å skape arbeid og velferd på bærekraftig grunnlag. Dette oppnås ved å investere i mikrofinansinstitusjoner i identifiserte fokusland gjennom å yte lån og egenkapital til disse.

Virksomheten er organisert gjennom komplementaren NMI AS som forestår forvaltningen av fondene NMI Global Fund KS, NMI Frontier Fund KS og NMI Fund III KS. Fondene har ulik risikoprofil og geografisk investeringsfokus. Et hovedmål for virksomheten er å yte kapital i lokal valuta i de landene fondene investerer i. Dette gjøres ved samarbeid med investeringsrådgivere, utenlandske banker og betalingsformidlere som opererer i de respektive land. I disse prosesser har det i de senere år vært et økende fokus på identifisering av og kjennskap til avsendere og mottagere av betalingsstrømmene særlig fra sentralbankene i de respektive land. Videre er det for de

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



utenlandske samarbeidspartnere av betalingsformidling et krav at det avleveres periodiske økonomiske rapporter, herunder avlagt årsregnskap og revisjonsberetning.

Siden oppstarten i 2008 har eierne av NMI AS og fondene vært Norfund, Ferd AS, Storebrand Livsforsikring ASA, DNB Livsforsikring ASA og KLP. Disse eiere har god kunnskap om investeringer i utlandet og har således god språklig kompetanse.

Andre brukere av regnskapet foruten eierne, er det særlig interessenter og samarbeidspartnere i utlandet som krever tilsendt årsregnskap på engelsk for de respektive selskaper de har samarbeid med. De aller fleste eksterne brukere av regnskapene nevnt ovenfor er lokalisert utenfor Norden. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets 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 m.v., 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 Skattedirektoratets 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 Skattedirektoratet lagt særlig vekt på at selskapet er eiet av institusjonelle investorer. Eierkretsen er begrenset. Interessenter og samarbeidspartnere i



utlandet krever årsregnskapet tilsendt på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Torstein Kinden Helleland





NORWEGIAN
MICROFINANCE
INITIATIVE

Annual Financial Statements

NMI Frontier Fund KS

2023



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DIRECTORS' REPORT FOR 2023

General

NMI Frontier Fund KS was established on October 20th 2008 and has a registered business address in Oslo.

The objective of the Company is to invest in and provide loans to newly established and promising microfinance institutions in the start-up phase. In addition, the Company may invest in innovative products in existing microfinance institutions and interests in fund managers who manage microfinance funds.

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 based on this assumption.

The Company's functional currency is USD. The financial statements are prepared and recorded in USD and in accordance with IFRS.

The Company does not have any employees and does not pollute the external environment.

Comments on the annual financial statements

During 2016, the general partner NMI AS demerged leading to a new general partner for the fund, Norwegian Microfinance Initiative AS. The new general partner also acts as a portfolio manager for the fund.

The Company made 3 new investments in 2023 transferred from NMI Global Fund KS. In addition the Fund made payments for fulfilment of investments in existing fund commitments and exited from its investment in FEFISOL and Baobab Senegal. At year end the Fund had investments at fair value of USD 20 million, which represents 87% of the Company's equity.

In addition to direct and indirect investments in financial assets, the Company's assets also include bank deposits.

Financial assets contributed with a small profit for the year. The Fund pays fees to the portfolio manager Norwegian Microfinance Initiative AS, which is also the Company's general partner. Total expenses exceeded net financial return from assets, leading to a small loss of USD 238 thousands.

The Company made a total negative USD return to investors of 0,8% in 2023, calculated as Profit divided by average Total Equity.

Future outlook

In 2024, the Company will primarily follow up investments already made in accordance with the investment strategy prepared for the Company as the investment period ended in October 2013. The Company will also pursue exit strategies for direct equity investments. The fund-in-fund investments are under liquidation and expects to be liquidated in 2024-2025.

Financial risk

Overall objectives and strategy

The Company is exposed to financial risk in various areas, particularly foreign exchange and credit risk. The objective is to reduce unwanted financial risk to the greatest extent possible by investing in different countries, MFI sizes and instruments. The Company's current strategy may include the use of financial instruments.

Currency risk

The Company is exposed to currency exchange rate fluctuations, especially USD, since the capital is paid in NOK, while the financial statements are prepared in USD. In addition, the Company has made investments in currencies other than its functional currency. The Company is currently not into forward contracts or other agreements in order to reduce the Company's foreign exchange risk. The Company is exposed to fluctuations in interest rates.



Credit risk

The short-term credit risk is essentially related to the bankruptcy risk associated with bank deposits. The long-term credit risk pertains primarily to the Company's investments and lending activity.

Liquidity risk

The Company considers the liquidity of the Company to be good. The investment portfolio, however, uses instruments that are not traded on regular markets and may be difficult to convert into liquid assets on short notice.

Allocation of profit/(loss) for the year


The financial statements for 2023 show a loss of USD 238 thousand, which has been allocated as follows:

<u>Charged against retained earnings</u>	<u>USD 238 thousand</u>
Total allocations	USD 238 thousand

A summary of the Company's equity and ownership structure is disclosed in the Notes to the Financial Statements.

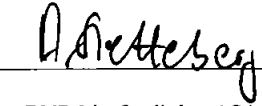
Oslo, 8 May 2024


Norfund


Ferd AS


Kommunal Landspensjonskasse


Storebrand Livsforsikring AS


DNB Livsforsikring ASA


Norwegian Microfinance
Initiative AS
General Partner



NMI Frontier Fund KS - Income Statement

<i>Amounts in USD thousands</i>		01.01.2023	01.01.2022	
Total Comprehensive Income		Notes	31.12.2023	31.12.2022
Operating Income				
Interest Income			275	112
Dividend revenue			175	319
Net Gain / (Loss) on Financial Assets and Liabilities at Fair Value through Profit or Loss	4		(3 917)	(1 700)
Net gain/ (loss) on sale of Financial Assets			3 396	-
Net Foreign Exchange Gain / (Loss)			122	(182)
	3		<u>51</u>	<u>(1 451)</u>
Operating Expenses				
Management Fees	12		(254)	(251)
Other General Expense			(35)	(49)
			<u>(289)</u>	<u>(299)</u>
Operating Profit / (Loss)			<u>(238)</u>	<u>(1 750)</u>
Withheld tax	6		-	(28)
Profit / (Loss) for the year			<u>(238)</u>	<u>(1 778)</u>
Other Income			-	-
Total Comprehensive Income / (Loss)			<u>(238)</u>	<u>(1 778)</u>



NMI Frontier Fund KS - Statement of Financial Position

Assets	Notes	31.12.2023	31.12.2022
<i>Amounts in USD thousands</i>			
Non-Current Assets			
Financial Assets			
At Fair Value through Profit and Loss	2,4,5	<u>20 376</u>	<u>24 033</u>
		<u>20 376</u>	<u>24 033</u>
Current Assets			
Other receivables and prepayments		192	-
Cash and Cash Equivalents	9	<u>2 750</u>	<u>7 477</u>
		<u>2 942</u>	<u>7 477</u>
Total Assets		<u>23 318</u>	<u>31 510</u>
Equity and Liabilities			
Equity			
General Partner Capital		1 502	1 502
Limited Partner Capital		15 793	15 793
Uncalled Capital from Partners		-	-
	7	<u>17 296</u>	<u>17 296</u>
Retained Earnings		<u>6 022</u>	<u>14 127</u>
Total Equity		<u>23 318</u>	<u>31 423</u>
Current Liabilities			
Other Payables and Accrued Expenses		-	87
Total Current Liabilities		-	87
Total Liabilities		-	87
Total Equity and Liabilities		<u>23 318</u>	<u>31 510</u>

Oslo, 8 May 2024

Norfund

Ferd AS

Kommunal Landspensjonskasse

Storebrand Livsforsikring AS

DNB Livsforsikring ASA

Norwegian Microfinance
Initiative AS
General Partner



NMI Frontier Fund KS - Statement of Cash Flows

	01.01.2023	01.01.2022
<i>Amounts in USD thousands</i>	Notes	31.12.2022
Cash Flows from Operating Activities		
Profit / (Loss) after Tax	(238)	(1 778)
Net changes in Operating Assets and Liabilities		
(Increase)/Decrease in Other Receivable	(192)	-
Increase/(Decrease) in Other Payables	(87)	83
(Increase)/Decrease in Financial Assets at Fair Value through Profit and Loss	3 917	1 700
(Gain) / Loss on sale of Financial Assets	(3 396)	-
Net Cash Flow from Operating Activities	<u>4</u>	<u>5</u>
Investment Activities		
Proceeds from redemptions and exits	5 103	266
Purchase of Financial Assets available at Fair Value through Profit and Loss	(1 968)	-
(Increase)/Decrease in Loans and Receivables	-	-
Net Cash Flow from Investment Activities	<u>3 135</u>	<u>266</u>
Financing Activities		
Proceeds from Issue of Capital	-	-
Repayments to investors	(7 867)	-
Net Cash Flow from Financing Activities	<u>(7 867)</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	(4 728)	271
Cash and Cash Equivalents as of Beginning of Period	7 477	7 205
Cash and Cash Equivalents as of End of Period	9 <u>2 750</u>	<u>7 477</u>

NMI Frontier Fund KS - Statement of Changes in Equity

<i>Amounts in USD thousands</i>	Notes	Committed Capital General Partner	Committed Capital Limited Partners	Uncalled Committed Capital of Limited Partners	Retained Earnings	Total Equity
As of 1 January 2023		1 502	15 793	-	14 128	31 423
Profit / (Loss) for the Period		-	-	-	238	238
Other Income		-	-	-	-	-
Total Comprehensive Income / (Loss)		-	-	-	238	238
Distribution		-	-	-	(7 867)	(7 867)
Revaluation of Uncalled Capital		-	-	-	-	-
As of 31 December 2023		<u>1 502</u>	<u>15 793</u>	<u>-</u>	<u>6 023</u>	<u>23 318</u>
As of 1 January 2022		1 502	15 793	-	15 906	33 201
Profit / (Loss) for the Period		-	-	-	(1 778)	(1 778)
Other Income		-	-	-	-	-
Total Comprehensive Income / (Loss)		-	-	-	(1 778)	(1 778)
Distribution		-	-	-	-	-
Revaluation of Uncalled Capital		-	-	-	-	-
As of 31 December 2022		<u>1 502</u>	<u>15 793</u>	<u>-</u>	<u>14 128</u>	<u>31 423</u>



Notes – NMI Frontier Fund KS

Note 1 – Accounting policies

General information

The annual financial statements for NMI Frontier Fund KS for 2023 were adopted at the partnership meeting on 8 May 2024. NMI Frontier Fund KS is a Norwegian registered limited partnership company (the Company) with a head office in Oslo.

Basis of preparation

The annual financial statements of NMI Frontier Fund KS 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 of 31 December 2022 and are mandatory for financial years starting on or after 1 January 2023.

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

The Company's functional currency is USD and its presentation currency is USD, unless otherwise stated.

Summary of significant accounting policies

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. These are measured at either:

- Amortised cost
- 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 on 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

The SPPI test

As a second step in 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 of 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, considering 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 since 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 when selling an asset or paid when 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 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 which market participants, acting in their economic best interest, would use when pricing the asset or liability.

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 isolated market transactions between well informed and voluntary parties, if available, as well as cash flow calculations or other valuation techniques.

Derecognition

A financial asset is primarily derecognized when:

- The rights to receive cash flows from the asset have expired
- The financial asset has been modified and the modification resulted in a substantial change in the financial asset
- 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

Net presentation of financial instruments

Financial assets and liabilities are recognized on a net basis only if there is a valid legal set-off right and there is an intention to settle on a net basis or to realize the asset item and liability simultaneously.

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 three months.

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

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or



premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the income statement.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Dividends

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

Transactions in foreign currencies

The Company's functional currency is USD. Transactions in foreign currency are translated using the exchange rate on the date of the transaction. Monetary items in foreign currency are translated to USD 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 USD 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 recognized on a current basis during the accounting period.

Provisions

A provision is recognized when the Company has an obligation (legal or self-imposed) as a consequence of an earlier event, and it is probable (more probable than not) that a financial settlement will be made as a consequence of the obligation and the size of the amount can be measured reliably.

Distribution of dividends

The distribution of dividends is adopted by the Company. Dividends reduce the retained earnings. Proposed dividends are recognized as an obligation during the period that the dividends are adopted by the partnership meeting.

Withheld tax

Withheld tax is paid for income in the country of origin. The withheld tax is recognized in the fund as an expense at the time of payment of a transaction.

Equity

The partners' capital contribution commitments are in NOK. Capital contributions are measured at the exchange rate on the payment date. Uncalled capital is measured at the exchange rate on the balance sheet date.

Segment information



For management purposes, the Company is organized as an operating segment that invests in equity instruments and debt instruments. All activities are coordinated and mutually dependent on each other. As a consequence of this, all the operative decisions are based on an analysis of the Company as a single operating segment and financial reporting for this segment is equivalent overall to the Company's reporting. The companies operating revenue is presented by geographic area and investment class in Note 3.

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

Fair value of investments in funds is set by the Manager of the respective Fund and is expressed as a Net Asset Value (NAV) of the Company's investment at the end of the reporting period. For instances where the fair value of financial assets or liabilities in the annual financial statements cannot be verified in active markets, the valuation will be based on other valuation methods. For direct investments, fair value is normally measured as a multiple of the book value of the equity in these companies. The multiples are reviewed by the Company and adjusted if necessary, with respect to what the Company finds to be additional factors affecting the fair value of the investment. Other elements that are used for valuation may include multiples for recently completed transactions that are comparable. Fair value of financial instruments is presented in Note 4.

Note 2 – Financial risk and the management's objectives and guidelines

Introduction

The aim of the Company's risk management is to create value and protect the partners' assets. The Company's activities are associated with inherent risk including political and regulatory risk factors in each of the countries the investments operate in. Some risk factors, such as political and regulatory risk can be substantial in the markets where the Fund operates, but the portfolio manager has limited tools to mitigate these risk factors. Other risk factors are managed through a continuous process of risk identification, measurement and monitoring.

Risk management, measurement and systems

The portfolio manager regularly monitors risk factors that affect the Company and regularly reports significant changes in risk factors to the Investment Committee and the Board of the portfolio manager. The Company uses a broad range of sources to access the significant risk factors for each investment and makes use of an independent third-party for the assessment of the effectiveness of hedging transactions.

Reduction of risk

In its general investment guidelines, the Company has defined strategies, risk tolerance and an overarching philosophy for risk management. The portfolio manager assesses the risk profile of each investment before any financial hedging transactions are carried out.

Foreign exchange loss facility

To cover the currency risk that might incur as a result of making investments in local currencies, the fund has a limited foreign exchange support facility (FX facility) available. The FX facility is utilized as a local currency risk mitigation tool and is meant to cover losses larger than the expected depreciation of the local currencies related to the direct investments in the fund. Expected depreciation of the local currency is covered



by the fund. The capacity of FX Facility that the Fund is able cover the described FX losses, is limited to NOK 19,5 million. Other Abler Nordic Funds have also possibility to cover their FX losses in a similar way in the same FX Facility based on a FIFO principle. The FX Facility is administered by Abler Nordic AS.

Concentration of risk

The concentration of risk indicates the relative sensitivity of the Company's development within a particular sector or geographic area. The concentration of risk arises when a number of financial instruments are entered into with the same counterparty, or when a number of counterparties are in the same sector, or have activities within the same geographic area, or have similar financial characteristics that will affect their ability to fulfil contractual obligations and result in a similar impact for financial, political or other prerequisites.

The concentration of foreign exchange risk may arise if the Company has a significant net open position in an individual currency, or aggregated net open position in multiple currencies that tend to move in the same direction. To avoid the concentration of risk, the Company's policy and procedures provide specific guidelines for maintaining a diversification of portfolio through geography, type and size of institution.

1. Market risk

Market risk is the risk that the fair value of future cash flows from financial instruments will vary due to changes in market variables such as interest rates, foreign exchange and equity prices. Such types of risk are presented in detail below.

1a. Interest rate risk

Interest rate risk arises due to the fact that the probability of fluctuations in interest rate levels will affect future cash flows or the fair value of financial instruments. The Company is exposed to interest rate fluctuations to a limited extent since most of the financial assets with an interest rate risk have been hedged by interest rate swaps to the USD LIBOR rate with a fixed margin.

The table below illustrates the various accounting items that are exposed to interest rate risk. The Company's accounting items are recognised at fair value and classified according to the earlier of the contractual renewal or maturity date as of 31 December 2023.

	0-3 months	3-6 months	6 months - 1 year	1-5 years	Non- interest bearing	Total
<i>Amounts in USD thousands</i>						
Assets						
Cash and Cash Equivalents	2 750	-	-	-	-	2 750
Prepayments and Other Receivables	-	-	-	-	192	192
Financial Assets						
Derivatives at Fair Value through Profit and Loss	-	-	-	-	-	-
Designated at Fair Value through Profit and Loss	-	-	-	-	20 376	20 376
Loans and Receivables	-	-	-	-	-	-
Total Assets	2 750	-	-	-	20 568	23 318
Liabilities						
Other Payables and Accrued Expenses	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-
Total Interest Sensitivity Gap	2 750	-	-	-	20 568	23 318



Comparable figures as of 31 December 2022:

	0-3 months	3-6 months	6 months - 1 year	1-5 years	Non- interest bearing	Total
<i>Amounts in USD thousands</i>						
Assets						
Cash and Cash Equivalents	7 477	-	-	-	-	7 477
Prepayments and Other Receivables	-	-	-	-	-	-
Financial Assets						
Derivatives at Fair Value through Profit and Loss	-	-	-	-	-	-
Designated at Fair Value through Profit and Loss	-	-	-	-	24 033	24 033
Loans and Receivables	-	-	-	-	-	-
Total Assets	7 477	-	-	-	24 033	31 510
Liabilities						
Other Payables and Accrued Expenses	-	87	-	-	-	87
Total Liabilities	-	87	-	-	-	87
Total Interest Sensitivity Gap	7 477	(87)	-	-	24 033	31 423

1b. Foreign exchange risk

The foreign exchange risk is the risk that the value of a financial instrument will vary in accordance with exchange rate fluctuations. The Company's investments are recognised to some extent in a foreign currency other than USD. As a result of this, the value of the Company's assets may vary as a result of exchange rate fluctuations, and the Company is thus affected by such fluctuations.

The primary purpose of the financial hedging of currency fluctuations is to reduce the volatility associated with investments in a foreign currency or other assets or liabilities in a foreign currency within the scope of the Company's ordinary activities. The Company makes primarily use of currency swaps and forward contracts in foreign currencies to hedge financial instruments denominated in foreign currencies. Changes in the value of investments denominated in foreign currencies is reflected in part by gains or losses on the financial hedging instruments.

The table below illustrates the Company's exposure to currency for assets and liabilities, respectively, at the end of the accounting period.

	31 December 2023		31 December 2022	
	Exposure to Assets	Exposure to Liabilities	Exposure to Assets	Exposure to Liabilities
	% of Assets	% of Liabilities	% of Assets	% of Liabilities
Currency				
KES	0,0 %	0,0 %	2,2 %	0,0 %
XOF	0,0 %	0,0 %	15,3 %	0,0 %
NOK	0,2 %	100,0 %	0,3 %	100,0 %
EUR	6,5 %	0,0 %	10,3 %	0,0 %
INR	77,1 %	0,0 %	46,1 %	0,0 %
USD	16,2 %	0,0 %	25,8 %	0,0 %
Total	100,0 %	100,0 %	100,0 %	100,0 %



2. Liquidity risk

Liquidity risk is defined as the risk the Company is exposed to as a result of difficulties in redeeming financial obligations through settlement by cash or other financial assets. Exposure to liquidity risk arises from the probability that the Company will be required to redeem its obligations. The Company can be dissolved after 10 years and the partners may not demand that the committed capital be returned during this 10-year period.

The Company invests primarily in microfinance institutions, unlisted microfinance funds and loans to microfinance institutions or such funds, as well as swap contracts to reduce the interest rate risk and foreign exchange risk related to these investments. Investments in funds of this type are in general illiquid and lack an active market for the trading of units. In addition, some of the investments are made for a defined period of time, in which the Company is obligated to make additional investments. For further information on investment obligations and trading restrictions, see Note 6.

The Company's guidelines place restrictions on loan-financed investments, thereby reducing exposure to liquidity risk and the risk related to the remaining term to maturity for assets and liabilities.

Financial assets

The analysis of equity and debt instruments at fair value through profit or loss is based on the date when these assets are expected to be realised. For other assets, they are classified based on the remaining term to maturity from the balance sheet date to the contractual maturity date or, if earlier, the date the asset is expected to be realised.

The following table sums up the profile for the remaining term to maturity for financial assets as of 31 December 2023. Amounts that mature in less than six months are recognised at the carrying amount, since the effect of the discounted values is considered insignificant.

<i>Amounts in USD thousands</i>	Less than 1 month	1-3 months	3-6 months	6 months - 1 year	1-5 years	Total
Assets						
Cash and Cash Equivalents	2 750	-	-	-	-	2 750
Prepayments and Other Receivables	-	-	-	-	192	192
Financial Assets						
Designated at Fair Value through Profit and Loss	-	-	-	-	20 376	20 376
Loans and Receivables	-	-	-	-	-	-
Derivatives Net Settled	-	-	-	-	-	-
Total Assets (excluding Gross Settled Derivatives)	2 750	-	-	-	20 568	23 318
Liabilities						
Other Payables and Accrued Expenses	-	-	-	-	-	-
Total Liabilities (excluding Gross Settled Derivatives)	-	-	-	-	-	-
Liquidity Surplus (Cap)	2 750	-	-	-	20 568	23 318



Comparable figures as of 31 December 2022:

<i>Amounts in USD thousands</i>	Less than 1 month	1-3 months	3-6 months	6 months - 1 year	1-5 years	Total
Assets						
Cash and Cash Equivalents	7 477	-	-	-	-	7 477
Prepayments and Other Receivables	-	-	-	-	-	-
Financial Assets						
Designated at Fair Value through Profit and Loss	-	-	-	-	24 033	24 033
Loans and Receivables	-	-	-	-	-	-
Derivatives Net Settled	-	-	-	-	-	-
Total Assets (excluding Gross Settled Derivatives)	7 477	-	-	-	24 033	31 510
Liabilities						
Other Payables and Accrued Expenses	87	-	-	-	-	87
Total Liabilities (excluding Gross Settled Derivatives)	87	-	-	-	-	87
Liquidity Surplus (Gap)	7 390	-	-	-	24 033	31 423

3. Credit risk

Credit risk is the risk that arises when a counterparty to a financial instrument may inflict a financial loss on the Company by not being able to fulfil his payment obligation.

The Company is exposed to credit-related losses that can arise as a result of a counterparty not being able to or willing to honour his contractual obligations. Such credit exposure exists within financing relationships and other transactions. It is the Company's policy to enter into financial instruments with respected counterparties. It is the Company's policy that the portfolio manager shall carefully monitor the creditworthiness of counterparties and seek the termination of contracts in the event of an undesirable change. The credit risk related to unsettled transactions in unlisted funds is considered to be minimal since the portfolio manager makes use of other portfolio managers with a high level of creditworthiness in addition to the fact that the transactions are settled or paid by the issuance of ownership certificates. Payments are only made after confirmations have been received. Assets sold are only delivered after the manager has received payment.

The table below shows the Company's maximum exposure to credit risk at the end of the accounting period. The maximum exposure is shown gross, before any reduction for hedged values.

<i>Amounts in USD thousands</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Credit risk exposure		
Assets		
Cash at Banks	2 750	7 477
Other Cash Equivalents	-	-
Prepayments and Other Receivables	-	-
Derivative Financial Assets	-	-
Loans and receivables	-	-
Total	2 750	7 477

None of the investments in the Company's investment portfolio are credit rated.



Note 3 – Distribution of business

The table below shows the geographic distribution of the Company's operating income based on geographic location.

	2023	2022
<i>Amounts in USD thousands</i>		
Asia	1 712	(1 637)
Africa	(1 853)	79
Europe	192	107
Total Income	51	(1 451)

The table below shows the Company's operating income distributed by type of investment.

	2023	2022
<i>Amounts in USD thousands</i>		
Equity securities	(140)	(1 700)
Debt instruments	-	-
Cash and cash equivalents	191	249
Total Income	51	(1 451)

The table below shows the value of the Company's direct and indirect equity investments as well as debt investments, distributed by geographic area.

<i>Amounts in USD thousands</i>	31 December 2023		31 December 2022	
	Amount	%	Amount	%
Country				
India	16 927	83 %	14 521	60 %
Other countries in Asia	1 233	6 %	-	0 %
Total Asia	18 160	89 %	14 521	60 %
Kenya	434	2 %	1 195	5 %
Uganda	-	0 %	133	1 %
Nigeria	1 356	7 %	2 884	12 %
Senegal	-	0 %	4 817	20 %
Other countries in Africa	426	2 %	483	2 %
Total Africa	2 216	11 %	9 512	40 %
Total portfolio	20 376	100 %	24 033	100 %



Note 4 – Fair value of financial instruments

The following table shows financial instruments at fair value by the measurement category:

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

Level 1:

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

Level 2:

The Company makes use of recognised valuation methods to determine the fair value of interest rate swaps, currency swaps and forward foreign exchange contracts. The most commonly used valuation method includes future pricing and swap models based on present value models. The models include various factors such as the credit quality of counterparties, spot and future currency prices and interest rate curves. For these financial instruments, the data is observable in the market and therefore they are included at Level 2.

At year end 2023

the Company has no instrument at level 2.

Level 3:

The Company invests in companies and 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 set by the Manager of the respective Fund 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.
- **Direct equity investments:** Fair values of these investments are normally measured as a multiple of the book value of the equity in these companies. For the valuation of the direct investments, the multiples are reviewed by the Company and adjusted if necessary with respect to what the Company finds to be additional factors affecting the fair value of the investment. Other elements that are used for valuation may include multiples for recently completed transactions that are comparable.



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.

	Goodwill West Africa Microfinance Development Company Ltd	FEFISOL SICAV - SIFS.A	Progression Eastern Africa Microf. Fund	Baobab Senegal SA	Utkarsh Micro Finance Private Ltd	Kenya Women Microf. Bank	India Financial Incl. Fund	WWB	Shore Cap II	Total
<i>Amounts in USD thousands</i>										
Specification of level 3										
Balance at 1 January 2023	2 884	133	976	4 817	14 521	703	-	-	-	24 033
Additions	-	-	-	-	-	-	276	1 088	603	1 967
Dividends	-	-133	-	-	-	-	-	-	-	-133
Disposals and redemptions	-124	-	-44	-1 540	-	-	-	-	-	-1 708
Total gain and loss through P&I.	-1 403	-	-72	-3 277	2 181	-703	-56	145	-599	-3 784
Balance at 31 December 2023	1 356	-	860	-	16 702	-	220	1 233	4	20 376
Balance at 1 January 2022	2 305	266	901	5 662	16 158	708	-	-	-	26 001
Additions	-	-	5-	-	-	-	-	-	-	5
Dividends	-	-39-	-	280	-	-	-	-	-	241
Disposals and redemptions	-	-270	-1	-	-	-	-	-	-	-272
Total gain and loss through P&I.	579	177	71	-1 125	-1 638	-5	-	-	-	-1 942
Balance at 31 December 2022	2 884	133	976	4 817	14 521	703	-	-	-	24 033

The following table shows the fair value in relation to the cost price of financial instruments classified as Level 3 as of 31 December 2023.

	West Africa Microfin. Developm. Company	Progression Eastern Africa Microf. Fund	Utkarsh Microf. Private Ltd	Kenya Women Microf. Bank	India Financial Incl. Fund	WWB	Shore Cap II	Total
<i>Amounts in USD thousands</i>								
Invested amount	1 441	1 580	5 526	3 006	276	1 088	604	13 520
Fair Value	1 356	860	16 702	-	220	1 233	5	20 376
Gain / loss on invested amount	-85	-720	11 176	-3 006	-56	145	-599	6 856

Comparable figures as of 31 December 2022:

	Goodwill West Africa Microf. Development Company Ltd	FEFISOL SICAV - SIFS.A	Progression Eastern Africa Microf. Fund	MicroCred Senegal SA	Utkarsh Microf. Private Ltd	Kenya Women Microf. Bank	Total
<i>Amounts in USD thousands</i>							
Invested amount	1 565	-	1 624	1 540	5 526	3 006	13 260
Fair Value	2 884	133	976	4 817	14 521	703	24 033
Gain / loss on invested amount	1 319	133	-648	3 277	8 996	-2 303	10 773



Note 5 – Equity investments, committed amounts and trading restrictions

Comments on the obligations to funds as of 31 December 2023:

	Capital Investment as of 31 December 2023	Committed Capital Investment	Timing	Redemption Constraint
	<i>USD '000</i>			
Equity investments				
Goodwell West Africa Microfinance Development Company Ltd	1 441	EUR 1 600 000	Completion by 2020	Transfer rights with constraints exists.
Progression East Africa	1 580	USD 3 500 000	Completion by 2020	Transfer rights with constraints exists.
Utkarsh Micro Finance Private Limited	5 526	INR 224 000 000	Fully paid	Transfer rights with constraints exists.
Kenya Women Microfinance Bank	3 006	KES 257 025 000	Fully paid	Transfer rights with constraints exists.
India Financial Inclusion Fund	276	USD 5 850 000	Expected fully paid with	Transfer rights with constraints exists.
WWR Isis Fund	1 088	USD 3 000 000	Expected fully paid with	Transfer rights with constraints exists.
ShoreCap II	604	USD 5 000 000	Expected fully paid with	Transfer rights with constraints exists.
Total Equity investments	13 520			

Comparable figures as of 31 December 2022:

	Capital Investment as of 31 December 2022	Committed Capital Investment	Timing	Redemption Constraint
	<i>USD '000</i>			
Equity investments				
Goodwell West Africa Microfinance Development Company Ltd	1 565	EUR 1 600 000	Completion by 2020	Transfer rights with constraints exists.
Fonds Européen de Financement Solidaire SA SICAV-FIS	-	EUR 3 300 000	Fully paid	Transfer rights with constraints exists.
MicroCred Senegal	1 540	XOF 776 550 869	Fully paid	Transfer rights with constraints exists.
Progression East Africa	1 624	USD 3 500 000	Completion by 2020	Transfer rights with constraints exists.
Utkarsh Micro Finance Private Limited	5 526	INR 224 000 000	Fully paid	Transfer rights with constraints exists.
Kenya Women Microfinance Bank	3 006	KES 257 025 000	Fully paid	Transfer rights with constraints exists.
Total Equity investments	13 260			

Note 6 – Tax

No payable or deferred tax is calculated on the profit or loss. The profit or loss is distributed among the Company's partners and taxed on the owners' hands.

Withheld tax is paid for income in country of origin in 2023. Each individual partner may claim a refund for withheld tax in accordance with the credit method. The withheld tax expense for the year originates from Senegal.



Note 7 – Partnership capital and partners

The table shows each investor commitment and shareholding as of 31 December 2023

:

Partners (Amounts in NOK thousands)	Ownership interest	Voting share	Committed capital	Paid-in capital	Uncalled capital	Ownership fee as a % of the paid-in capital
Norfund	45.00%	45.00%	35 900	35 900	-	39.13%
Ferd AS	11.25%	11.25%	8 975	8 975	-	9.78%
KLP	11.25%	11.25%	8 975	8 975	-	9.78%
Storebrand Livsforsikring AS	11.25%	11.25%	8 975	8 975	-	9.78%
DNB Livsforsikring ASA Norwegian Microfinance	11.25%	11.25%	8 975	8 975	-	9.78%
Initiative AS (General Partner)	10.00%	10.00%	7 978	7 978	-	21.74%
Total	100.00%	100.00%	79 778	79 778	-	100.00%

Comparable figures as of 31 December 2022:

Partners (Amounts in NOK thousands)	Ownership interest	Voting share	Committed capital	Paid-in capital	Uncalled capital	Ownership fee as a % of the paid-in capital
Norfund	45.00%	45.00%	35 900	35 900	-	39.13%
Ferd AS	11.25%	11.25%	8 975	8 975	-	9.78%
KLP	11.25%	11.25%	8 975	8 975	-	9.78%
Storebrand Livsforsikring AS	11.25%	11.25%	8 975	8 975	-	9.78%
DNB Livsforsikring ASA Norwegian Microfinance	11.25%	11.25%	8 975	8 975	-	9.78%
Initiative AS (General Partner)	10.00%	10.00%	7 978	7 978	-	21.74%
Total	100.00%	100.00%	79 778	79 778	-	100.00%

Note 8 – Capital management

The total partnership capital is approximately USD 17 million and will be paid when a need for capital arises in connection with investments or the operations. The Company is not affected by external capital requirements and there are restrictions on the issuance of new capital as well as the purchase and sale of ownership interests. The general partner cannot transfer his ownership interests.

The purpose of the Company's management of capital is to:

- Employ the capital to make investments as described in the partnership agreement, which includes the type, risk exposure and expected return.
- Achieve a consistent return, which includes the protection of capital through diversified investments or other advanced instruments in the capital market and the use of various hedging strategies and techniques.
- Maintain satisfactory liquidity to support the Company's operations.



Note 9 – Cash and cash equivalents

	31 December 2023	31 December 2022
<i>Amounts in USD thousands</i>		
Cash at Banks	2 750	7 477
Short-term Deposits	-	-
Total	2 750	7 477

Note 10 – Employees

The Company did not have any employees in 2023 or 2022.

Note 11 – Auditor's fees

	2023	2022
<i>Amounts in USD thousands</i>		
Audit Related Services	10	15
Other fees	3	-
Total	13	15

Note 12 – Related parties

The general partner Norwegian Microfinance Initiative AS is the Company's portfolio manager in accordance with the limited partnership agreement. Remuneration of the portfolio manager is at arms-length and has been set at 2%.

	2023	2022
<i>Amounts in USD thousands</i>		
Remuneration to the Investment Manager	254	251
Due from/(to) Investment Manager	-	-
Total	254	251

The Company has appointed an Investment Committee that consists of representatives from each of the partners and a representative from NORAD. Each member of the Investment Committee has equal voting rights. The Investment Committee is authorised to approve investments on behalf of the Company.



The partners have a proportionate ownership interest in the investments made by the Company based on their ownership interest in the Company as of 31 December 2023.

Investment	NMI		Ferd	KLP	Storebrand	DNB		General Partner
	Frontier stake	Norfund (45.00%)				Livsforsikring (11.25%)	(10.00%)	
Goodwell West Africa Microfinance Development Company Ltd	13,6%	6,1 %	1,5 %	1,5 %	1,5 %	1,5 %	1,4 %	
Progression East Africa	9,9%	4,5 %	1,1 %	1,1 %	1,1 %	1,1 %	1,0 %	
Utkarsh Microfinance Private Limited	7,9%	3,6 %	0,9 %	0,9 %	0,9 %	0,9 %	0,8 %	
Kenya Women Microfinance Bank	4,0%	1,8 %	0,5 %	0,5 %	0,5 %	0,5 %	0,4 %	
Utkarsh Microfinance Private Limited	7,9%	3,6 %	0,9 %	0,9 %	0,9 %	0,9 %	0,8 %	
India Financial Inclusion Fund (IFIF)	6,6%	3,0 %	0,7 %	0,7 %	0,7 %	0,7 %	0,7 %	
ShoreCap II	6,5%	2,9 %	0,7 %	0,7 %	0,7 %	0,7 %	0,7 %	
WWW Isis Fund	5,9%	2,7 %	0,7 %	0,7 %	0,7 %	0,7 %	0,7 %	

Comparable figures 31 December 2022:

Investment	NMI		Ferd	KLP	Storebrand	DNB		General Partner
	Frontier stake	Norfund (45.00%)				Livsforsikring (11.25%)	(10.00%)	
Goodwell West Africa Microfinance Development Company Ltd	13,6%	6,1 %	1,5 %	1,5 %	1,5 %	1,5 %	1,4 %	
Fonds Européen de Financement Solidaire S.A SICAV-FIS	15,0%	6,8 %	1,7 %	1,7 %	1,7 %	1,7 %	1,5 %	
MicroCred Senegal SA	10,0%	4,5 %	1,1 %	1,1 %	1,1 %	1,1 %	1,0 %	
Progression East Africa	9,9%	4,5 %	1,1 %	1,1 %	1,1 %	1,1 %	1,0 %	
Utkarsh Microfinance Private Limited	7,9%	3,6 %	0,9 %	0,9 %	0,9 %	0,9 %	0,8 %	
Kenya Women Microfinance Bank	4,0%	1,8 %	0,5 %	0,5 %	0,5 %	0,5 %	0,4 %	

Note 13 – Subsequent events

The period after the closing of the accounting period and the presentation of the accounts, the Company has not made any significant investments. The transactions after the reporting period are considered to be natural with regard to their type and frequency.



Deloitte.

Deloitte AS
Dronning Eufemias gate 14
Postboks 221
NO-0103 Oslo
Norway

+47 23 27 90 00
www.deloitte.no

To the Partnership Meeting of Nmi Frontier Fund KS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Nmi Frontier Fund KS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with 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 as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities 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

The partnership is responsible for the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the other information. The purpose is to consider if there is material inconsistency between the other information and the financial statements or our knowledge obtained in the audit, or whether the other information appears to be materially misstated. We are required to report if there is a material misstatement in the other information. We have nothing to report in this regard.

Responsibilities of the partnership for the Financial Statements

The partnership is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as the partnership 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, the partnership 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 the partnership either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Independent auditor's report
Nmi Frontier Fund KS

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 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 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. We 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 the partnership.
- conclude on the appropriateness of the partnership'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 a true and fair view.

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.

Oslo, 08 May 2024
Deloitte AS

Roger Furholm
State Authorised Public Accountant
(electronically signed)



Independent auditor's report

Name

Furholm, Roger

Date

2024-06-04

Identification

 Furholm, Roger



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