



# Annual report

2024



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# Letter from the CEO

**Writing this in the early months of 2025 and looking back at 2024, I can't help but feel that although the past year had its hurdles, we are now facing an even rockier path.**

Several countries have reduced their aid budgets significantly, and investors are pulling back from their commitments to the energy transition. We are also seeing trade wars hampering growth. Facing these developments, our mission may grow more challenging, but not less important. We now need to channel our energy into real action, rather than succumbing to the situation.

I just got back from a trip to Ghana and Nigeria. The entrepreneurial creativity and drive across such diverse sectors as recycling of plastics, agri-processing, fintech and distributed energy keeps on impressing me. The resilience and optimism these entrepreneurs are demonstrating gives me hope and renews my drive as CEO of Norfund.

We remain steadfast in our mission – to create jobs and improve lives by investing in businesses that drive sustainable development. In 2024, we increased our investments by NOK 1.2 billion, reaching NOK 7.7 billion. This growth, driven by strong returns, allows us to invest nearly three times the amount we receive from the Norwegian government. Despite a global decline in direct investments in developing countries, Norfund's investments grew by 18%.

Our mandates—the Development Mandate and the Climate Mandate—guide everything we do. Under the Development Mandate, we continue prioritizing investments in the Least Developed Countries, with Sub-Saharan Africa remaining our focal point. Through the Climate Mandate we invested 1.7 billion focusing on projects in countries heavily reliant on fossil fuels, such as South Africa, Indonesia, and India. The impact in terms of avoided emissions and the positive financial returns gained increased attention over the past year, as stakeholders and media recognize the fund's unique effectiveness as a climate tool.

Additionally, we were entrusted with NOK 250 million by the Norwegian Government to invest in Ukraine, supporting reconstruction and economic

resilience through the Nansen program. This task exemplifies the trust placed in Norfund's experience in high-risk markets and our ability to mobilize private capital.

Investing in challenging markets is possible—and profitable. Our experience shows that private investors often overestimate risks. Norfund helps bridge this gap, mobilizing capital where it's needed the most.

Building on our 2024 results, we are prepared to scale and deepen our impact even further in 2025. By partnering with entrepreneurs and emerging businesses, we aim to create more jobs, reduce poverty, and contribute meaningfully to global climate goals.

It is an honor to lead this organization and to witness the tangible difference we are making in people's lives.

**Tellef Thorleifsson**

Chief Executive Officer

May, 2025



# Key figures

Despite a global decline in foreign direct investment to developing countries in 2024, Norfund committed NOK 7.7 billion – an 18 percent increase from 2023 and our highest annual investment to date.

The figures below, and more, are explained in more detail on the relevant pages of the annual report.

[Read more about the development mandate](#)

[Read more about the climate mandate](#)

## Commitments

**7.7 BNOK** New in 2024

**43.2 BNOK** Total portfolio

## Mobilization and costs

**7.8 BNOK** 2024  
mobilized private capital\*

**0.99%** 2024  
operating costs of committed portfolio

\*attributed according to [OECD Methodology](#)

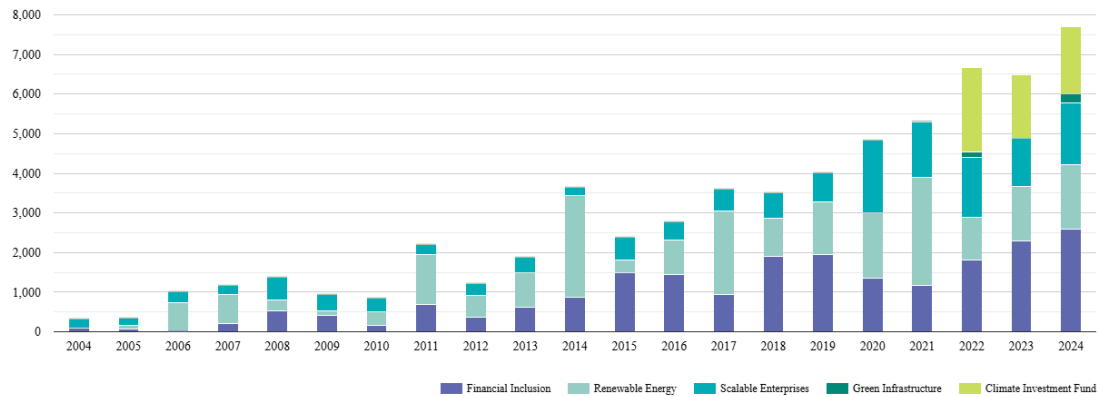
Investments

27	New
24	Follow-ons

Companies in portfolio

245	Direct investees
1050	Indirect investees

## Committed investments per year (MNOK)



## Jobs

**712,000** Jobs  
in portfolio companies

**41,400** Jobs created  
net, in portfolio companies

**38%** Female employees  
in portfolio companies

[Read about job creation](#)

## Avoided emissions

**9.2 million** 2024  
actual tCO2e avoided emissions in 2024 from

portfolio companies (greenfield)

**17.6 million**

**Since inception**  
expected tCO<sub>2</sub>e avoided emissions annually  
**Climate Investment Fund**

[Read about avoided emissions](#)

## Energy access and supply

**750,000**

**New households**  
granted access to electricity via  
micro/minigrids or solar home systems

**22.6 TWh**

**Electricity produced**  
by portfolio companies in 2024

**3315 MW**

**New capacity**  
total new renewable capacity financed

[Read about increased energy access and supply](#)



## Access to finance

**14.6 million** **New clients**  
offered financial services in 2024

**134 million** **Total clients**  
offered financial services in 2024

**37 BNOK** **Increased lending**  
increase in total lending volume

[Read about access to finance](#)

## Internal rate of return

**8.4 %** **2024**  
in investment currency (19.6% in NOK)

**5.2 %** **Since inception**  
in investment currency (8.7% in NOK)

**8.3 %** **Development mandate**  
in investment currency in 2024 (19.7% in NOK)

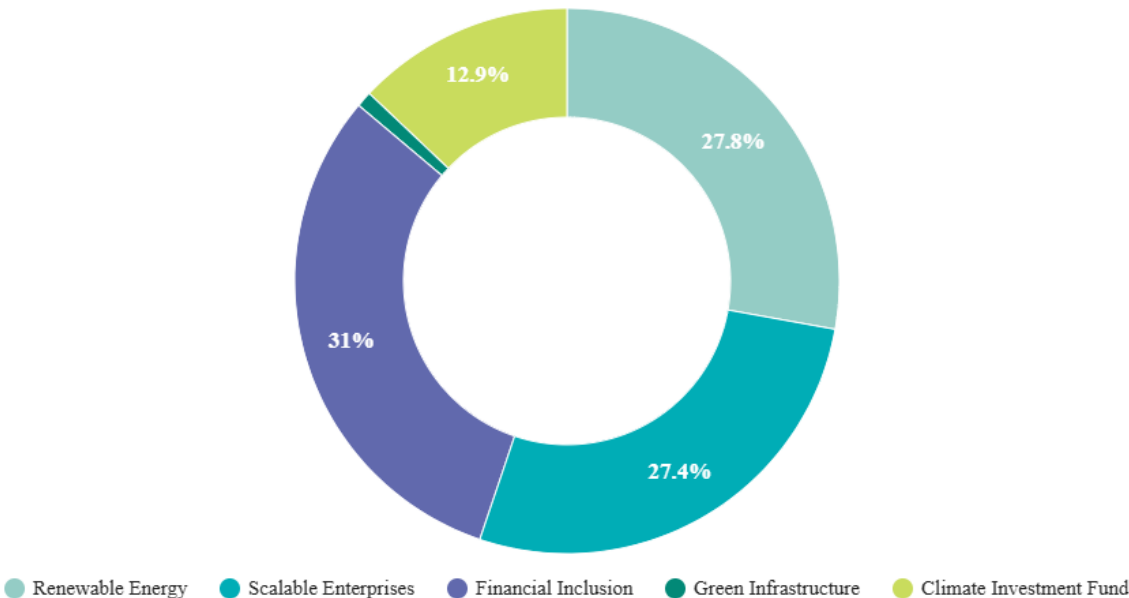
**9.3 %** **Climate mandate**  
in investment currency in 2024 (18.2% in NOK)

[Read about returns and financial results under the development mandate](#)

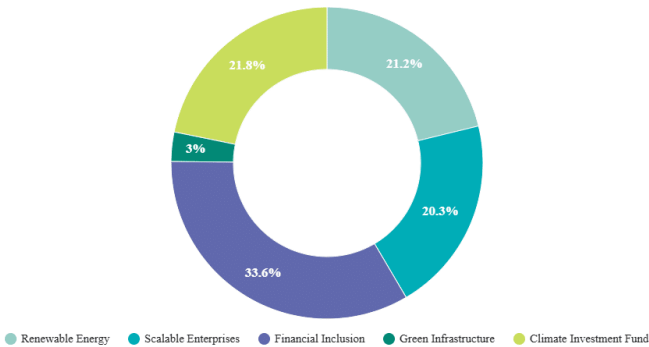
[Read about returns and financial results under the climate mandate](#)

Commitments per investment area

Total portfolio (MNOK)

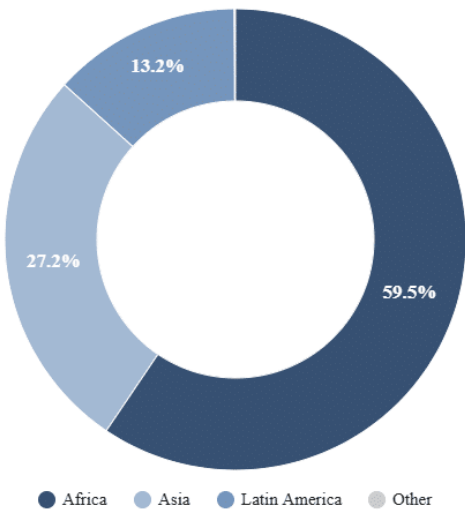


In 2024 (MNOK)

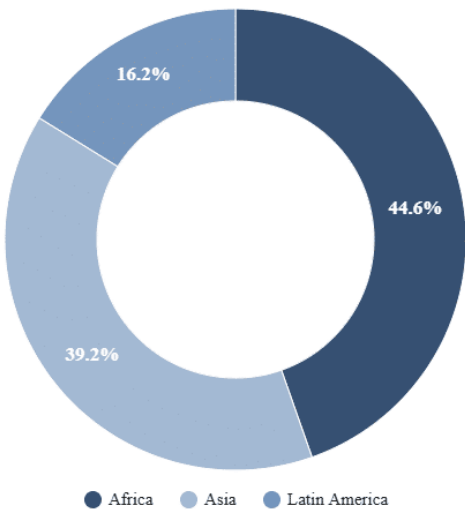


Commitments per region

Total portfolio (MNOK)

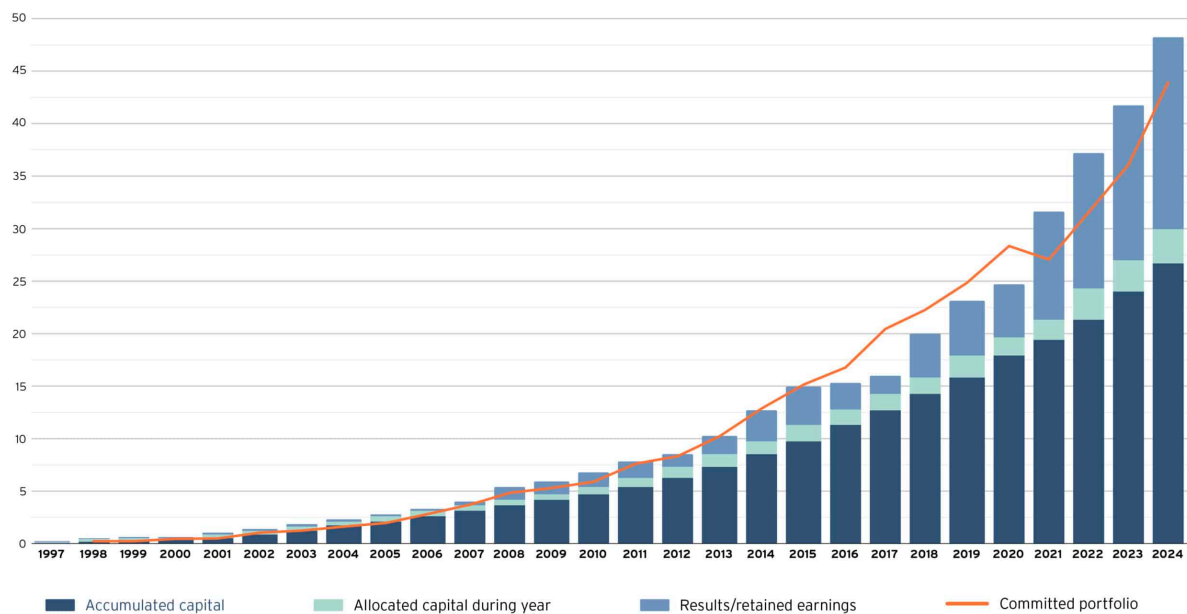


In 2024 (MNOK)



## Portfolio since inception

Committed Portfolio and Capital composition (End-of-year, Billion NOK)\*

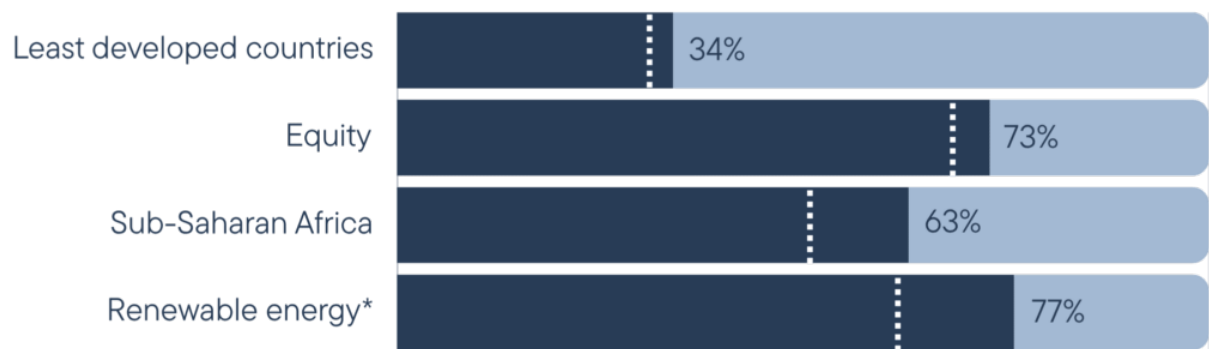




## Norfund Key Performance Indicators

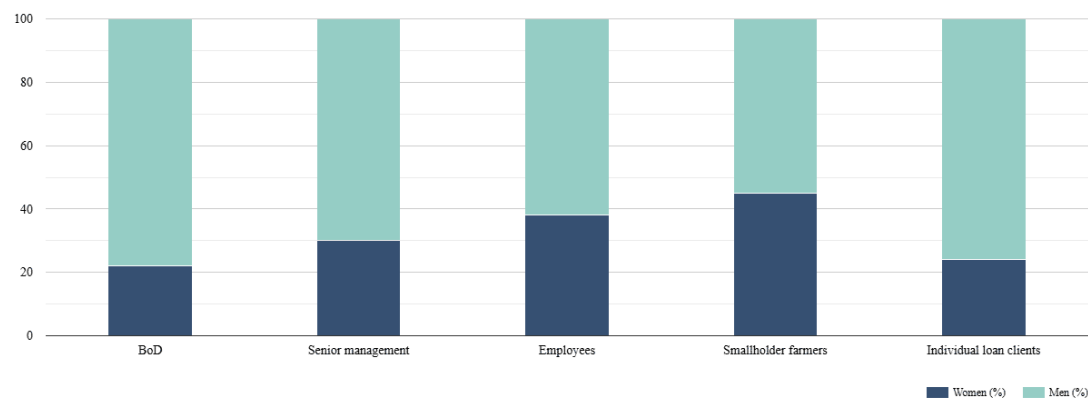
### Development Mandate

Four key performance indicators (KPIs) have been developed to ensure that the portfolio evolves in line with Norfund's mandate. While the KPIs are measured at the portfolio level, they are also monitored annually (see table below).

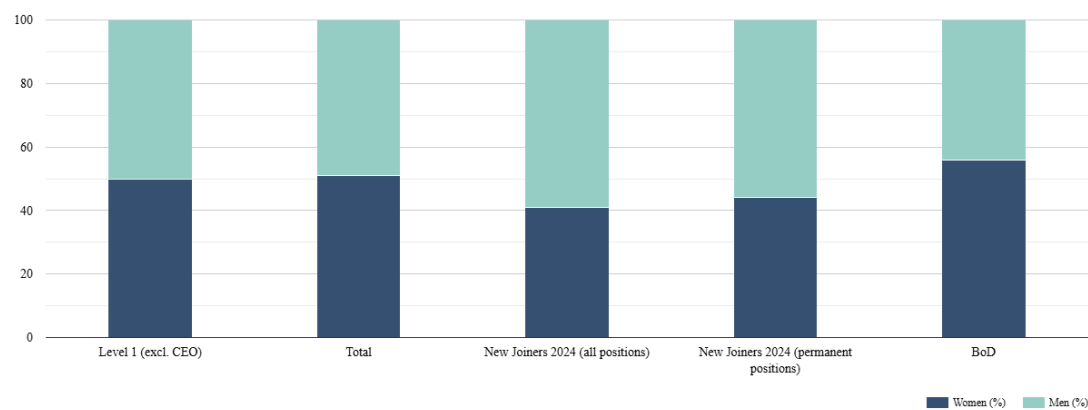


\*The RE KPI was new for 2022 and is different from the other portfolio KPI's. The RE KPI is defined as total RE-commitments (at commitment date fx-rate) divided by total allocation from MFA, starting from 2022. This should over time be at least 60%.

Gender equality in Norfund's investees 2024



Gender equality in Norfund 2024



→ [Read about how we work with gender equality](#)

## Key figures per year

Key figures	2016	2017	2018	2019	2020	2021	2022	2023	2024
Climate and Development Mandates									
Committed portfolio (MNOK)	16 762	20 439	22 253	24 944	28 352	26 924	31 650	36 225	43 225
New investments (MNOK)	2 784	3 600	3 511	4 015	4 839	5 320	6 513	6 487	7694
Number of direct investments in portfolio	124	136	149	163	170	198	226	230	245
Capital allocated by the owner (MNOK)	1 478	1 500	1 690	1 905	1 820	1 680	2 678	2 678	2 938
Number of employees in Norfund	69	71	75	82	96	111	113	134	149
Development Mandate									
Committed portfolio (MNOK)	16 762	20 439	22 253	24 944	28 352	26 924	29 516	32 468	37 636
New investments (MNOK)	2 784	3 600	3 511	4 015	4 839	5 320	4 540	4 873	6016
Return on invested capital (IRR) (inv. currency)*	2.9%	14%	4.6%	6.3%	-0.1%	5.2%	5.1%	1.8%	8.3%
Number of direct investments in portfolio	124	136	149	163	170	195	219	219	230
KPI: Share of investments in least developed countries	33%	36%	41%	40%	39%	40%	37%	38%	33.6%
KPI: Share of investments in Sub Saharan Africa	52%	50%	55%	53%	53%	65%	63%	64%	62.6%
KPI: Share of equity and indirect equity	85%	85%	81%	79%	79%	75%	74%	71%	72.6%
KPI: Renewable energy share of allocated capital >50% (ended 2021)	62%	145%	60%	55%	54%	40%	-	-	-
KPI: Renewable energy share of allocated capital >60%							64%	68%	77.5%
Number of jobs in portfolio companies	276 000	292 000	304 000	380 000	377 000	452 000	514 000	625 000	712 000
Taxes paid by portfolio companies (BNOK)	10.9	9.3	13.9	14.1	16.9	16.9	23.2	33	41
Climate Mandate									
Committed portfolio (MNOK)	-	-	-	-	-	-	2 135	3 757	5589
New investments (MNOK)	-	-	-	-	-	-	2135	1 614	1678

Key figures	2016	2017	2018	2019	2020	2021	2022	2023	2024
Number of direct investments in portfolio	-	-	-	-	-	-	7	12	16

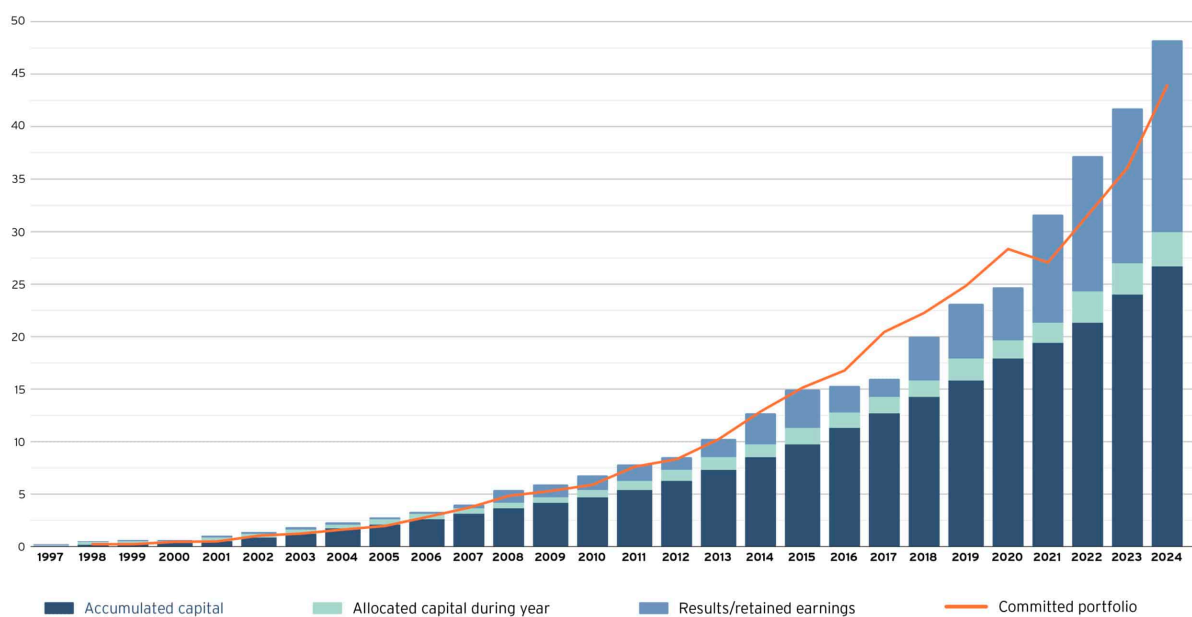


# Portfolio overview

Norfund's total committed portfolio of 43.2 billion NOK by year end of 2024, consists of 245 direct investees and 1050 indirect investees. Out of the total committed portfolio, 5.59 billion NOK and 16 of the investees were under the Climate Mandate. During 2024, Norfund made a total of 27 new investments and 24 follow-on investments.

## Portfolio since inception

Committed Portfolio and Capital composition (End-of-year, Billion NOK)\*

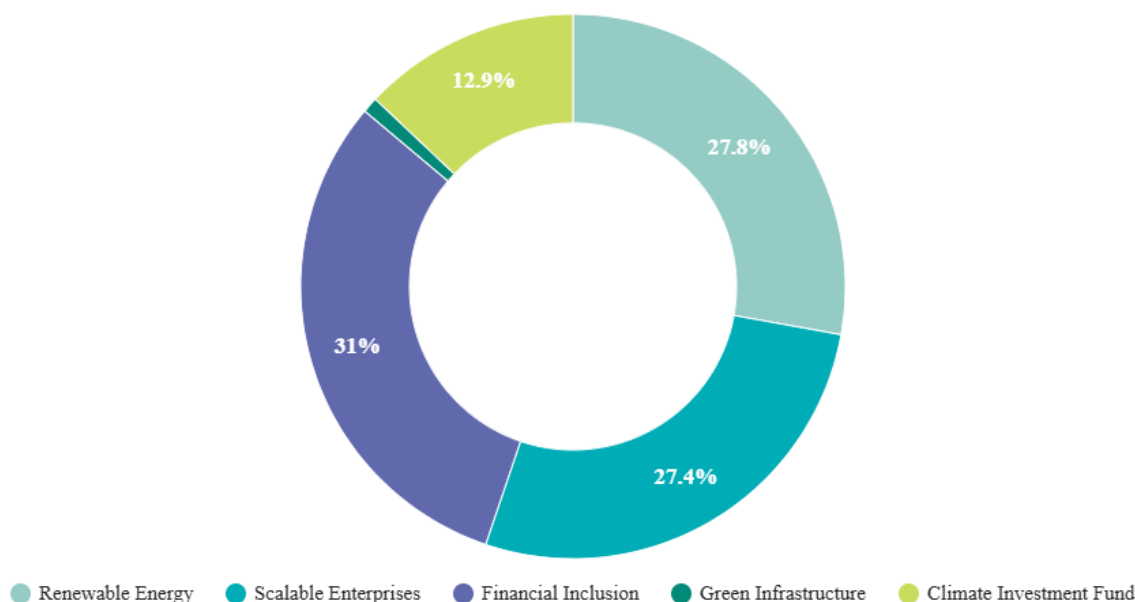


## Priority investment areas

Under the Development Mandate, Norfund invests in four areas where the potential for development impact is substantial and aligned with the SDGs: Renewable Energy, Financial Inclusion, Scalable Enterprises and Green Infrastructure.

Under the Climate Mandate, we invest in renewable energy to accelerate the energy transition in developing countries with large emissions from coal and other fossil power production.

## Portfolio per investment area (MNOK)



## Key Performance Indicators (KPIs) for Norfund's Development Mandate portfolio

Four Key Performance Indicators are defined for Norfund's Development Mandate portfolio.

### Least Developed Countries >33%

The scarcity of capital available in Least Developed Countries (LDC) means the needs for our investments are high. 33.6% of Norfund's portfolio is in these markets.

**34** Total portfolio in LDCs

## Sub-Saharan Africa >50%

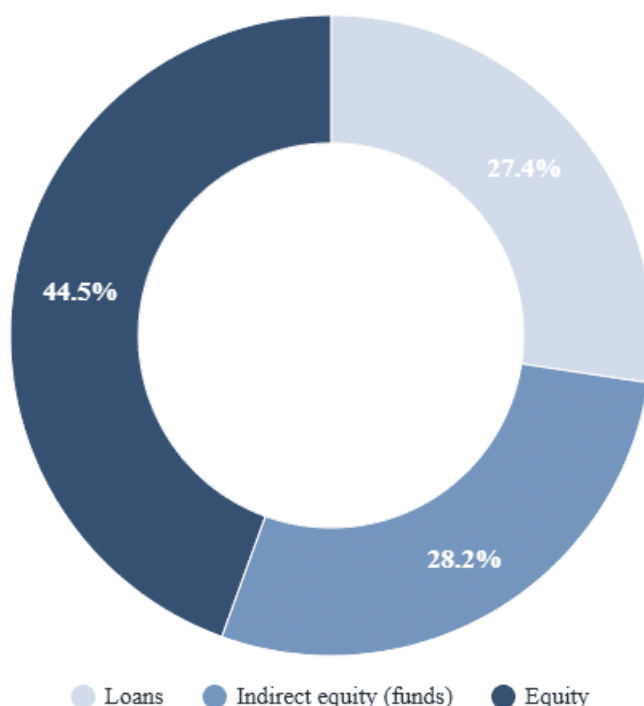
In line with Norfund's strategic target, 53% of all new commitments under the development mandate in 2024 were made in Sub-Saharan Africa, bringing the regional portfolio share to 62.6%.

**63** Investments in Sub-Saharan Africa

## Equity and indirect equity >70%

Norfund provides capital in the form of equity, debt and fund investments. Preference is given to equity investments - both direct investments and through funds - because in most developing countries equity is the scarcest type of capital available to enterprises.

The equity KPI has increased from 71% in 2023 to 72.6% by the end of 2024.



## Renewable energy > 60%

The Renewable Energy KPI was introduced in 2022 and is different from the other portfolio KPI's. It is defined as the total RE-commitments (at commitment date fx-rate) divided by total allocation from the MFA, starting from 2022. This should over time be at least 60%. As of Q4 2024 this KPI stood at 77.5%.

**77** Renewable energy



# Exited companies

**Circulating capital by exiting investments where we are no longer needed is a key part of our strategy in order to maximize development impact.**

We strive to be a predictable, long-term investor, ensuring that our capital is deployed where it contributes the most. We will not retain ownership for longer than necessary. Exit strategies are prepared at the time of investment. Capital and profit generated are reinvested in new businesses where there is a greater need for our risk capital.

At regular intervals we do exit analysis of exited portfolio companies. [The latest](#) was done in 2022.

## What is defined as an exit?

A project is considered exited when all Norfund's instruments with the investee are exited and no direct relationship exists any longer.

## Exited investments in 2024

During 2024 we exited 13 investments. All exits were under the development mandate, which is as expected as our other mandates are newer than our normal long-term horizon as an investor.

Project	Department	First investment year	Invested amount MNOK	Country	Sector	IRR since inception (investment currency)
African Century Nampula	SE	2017	4,8	Mozambique	Real estate activities	NA
AfriCap Microfinance	FI	2007	14,1	Regional	Microfinance	-12.2%
Agrivision	SE	2012	161,5	Zambia	Agriculture, forestry and fishing	-11.1%
Amartha	FI	2021	64,9	Indonesia	Microfinance	12.0%
Basecamp Explorer	SE	2010	38,8	Kenya	Hotels	3.1%
Cambodia-Laos Development Fund	SME Funds	2009	25,3	Regional	Investment funds	0.1%
Equity Bank	FI	2019	128,2	Regional	Banking	7.9%
First Finance	FI	2013	70,6	Cambodia	Microfinance	7.6%
Kandeo Fund 3 Debt	FI	2021	4,6	Regional	Non-Bank Financial Institution	-75.7%
LAFISE	FI	2014	231,4	Nicaragua	Banking	8.2%
Renewable Energy Holdings	RE	2014	36,9	South Africa	Hydropower	13.7%
Scatec ASYV	RE	2014	30,5	Rwanda	Solar power	4.2%
Sunshine	RE	2017	14,4	Regional	Solar power	-18.1%

# How we make a difference

**Norfund is the Norwegian government's main instrument for private sector development and for accelerating the energy transition in developing and emerging markets. We invest in businesses that create jobs and drive the shift to renewable energy in high-emission countries—contributing to poverty reduction and avoiding emissions.**

Throughout 2024, we continued to invest in regions where access to capital was notably scarce. Our approach includes prioritizing equity investments, mobilizing and circulating capital for greater impact, and meeting high ESG standards.

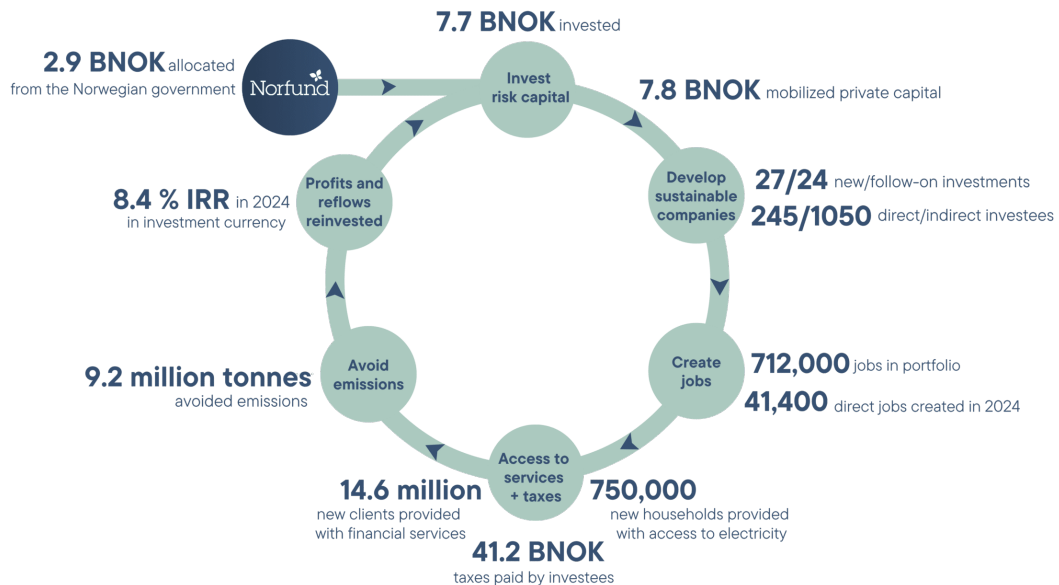
We maximize developmental impact and additionality in our investments by focusing on selected sectors and countries, with the ambition of contributing to job creation and economic growth in these regions.

Norfund's strategies towards 2026 are focused on impactful investments in the investment areas Renewable Energy, Financial Inclusion, Scalable Enterprises and Green Infrastructure.

[More about additionality](#)

## The development wheel

Our operations and impacts for 2024 are illustrated in the wheel below.



The diagram illustrates our operations and impact last year, showcasing the efforts in job creation, climate mitigation, expanding energy accessibility, and advancing financial inclusion. Norfund has theories of change for each investment area, that build on literature and are outlining how we expect our inputs to lead to the desired impact. These theories were updated during 2024.

[Read about our Theories of Change here](#)

We exit investments once they no longer require additional support from us, so we can reinvest the proceeds in enterprises that have a greater need for risk capital and mobilise private capital into the markets where we operate. This ensures a continuous cycle of impact and sustainable development in the specified areas.

## Norfund's mandates

## Development Mandate

Create jobs and improve lives by investing in businesses that drive sustainable development



## Climate Mandate

Investing in the transition to net zero in emerging markets



## Ukraine Mandate

Contribute to development of sustainable businesses and job creation in Ukraine



## Norfund and the SDGs

The cross-cutting issues in Norway's development policy – human rights (SDG 8), anti-corruption (SDG 16), gender equality (SDG 5), climate and environment (SDG 13) – are assessed in all our investments.

For the development mandate, Norfund's mission is to create jobs and improve lives by investing in businesses that drive sustainable development, thereby contributing to SDG 1: No Poverty. Norfund's investments are concentrated in four investment areas that contribute directly to specific targets of the SDGs: Renewable Energy (SDG 7), Financial Inclusion (SDG 9), Scalable Enterprises (SDG 8) and Green Infrastructure (SDG 11). Additionality and capital mobilisation are key priorities and help to reduce inequalities between countries (SDG 10) and to mobilise funding to developing countries (SDG 17). Norfund is a responsible investor and assesses crosscutting issues such as gender equality (SDG 5) and climate and environment (SDG 13) in our investment process.

## A minority investor reliant on partners and co-investors

Norfund is always a minority investor, with ownership normally below 35 percent. It is important to support local ownership and encourage other investors to invest in developing countries.

We meticulously assess potential partners, considering factors such as their expertise, track record, societal roles, and reputation. Co-investing this way enables us to leverage additional capital and to provide the industrial and local knowledge needed for each investment. Equity is our preferred instrument, and we often take up board positions in our portfolio companies.

By mobilizing private capital Norfund can significantly amplify its impact. Getting the private sector on board is key to increasing capital flows to developing countries and bridging the SDG funding gap, as private commercial capital massively outweighs public funds. For this reason, Norfund actively seeks to pave the way for private investors by investing alongside us or after us or by being inspired by us. Norfund tracks and reports on official mobilized private capital on an annual basis according to the definitions outlined by the OECD and the MDBs

(Multilateral Development Banks).

## A responsible investor

Norfund takes different measures to execute our role as a responsible investor. From management of climate, environmental and social risk to influencing governance, improving gender equality and assisting our investees through our Business Support facility. You can read more about our role as a responsible investor in 2024 across these topics:

- [Environmental and social risk management](#)
- [Governance and business integrity](#)
- [Climate and environment](#)
- [Gender equality](#)
- [Business Support](#)

[More about Norfund's business integrity policy](#)

[Norfund's approach to impact](#)

## Responsible tax policy

Payment of taxes is one of the important ways Norfund's portfolio companies contribute to sustainable development. Norfund's approach to tax-related issues and what we expect from our portfolio companies and co-investors are outlined in our [Responsible Tax Policy](#). They include requirements regarding transparency, that Norfund's investees shall pay taxes to the countries in which they operate and where the income occurs, and that third countries must only be used when necessary to meet the Norfund's development priority of investing in high-risk markets and to protect the fund's capital.

## Business Support

Norfund's facility for technical assistance, Business Support, aims to enhance sustainability and development effects of our investments.

The Business Support strategy aligns with our overall strategies, and targets ESG risks and the four cross-cutting issues: human rights, anti-corruption, climate and environment, and gender equality.

[Visit the digital Business Support Annual Report for 2024](#)

## Frontier Facility

Projects that have a risk level higher than other investments in Norfund's core portfolio, and that are in Least Developed Countries and fragile states can be carried out using Frontier Facility. These investments are managed as a separate facility and are not included in our overall portfolio calculations.

[More about Frontier Facility](#)



# Organization and team

Norfund's mandate is to assist in building sustainable businesses and industries in developing countries. Our mandate is complex, and our most valuable resource to meet this mandate is our employees. We believe that with a relatively small organization built on local presence and competence spread across the globe, Norfund is a unique place to work both in terms of our mandate, as well as incorporating the Norfund culture - The Norfund Way.



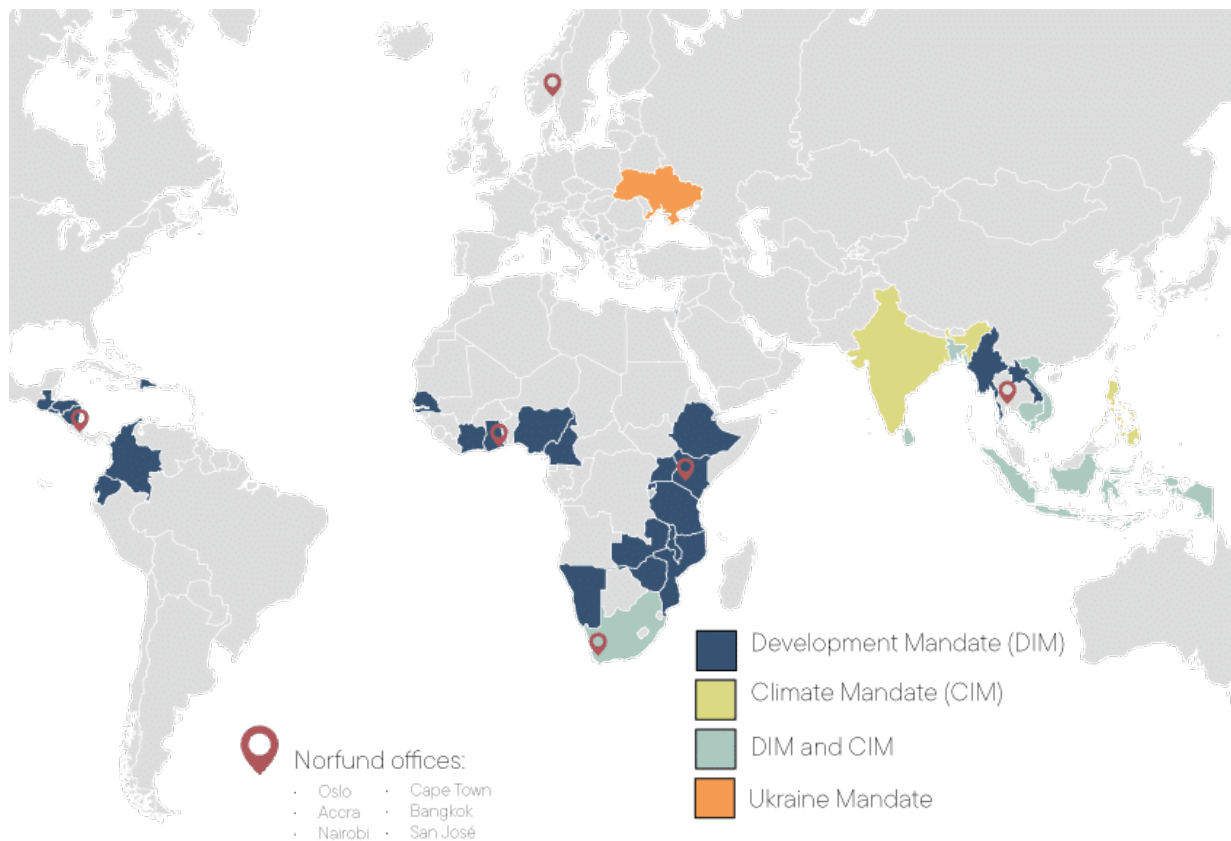
*Norfund team at the Norfund Week 2024*

## Country presence

To ensure local proximity and knowledge Norfund has five regional offices located in Accra, Bangkok, Cape Town, Nairobi, and San José. The regional offices generate investments, monitor existing commitments, and provide all the sector-based departments with

support.

The Bangkok office manages Norfund's investments in Asia, focusing on financial services, funds, and renewable energy. Norfund has over 20 years of experience investing in East Africa with a regional office in Nairobi, focusing on scalable enterprises and financial inclusion. The office in San José handles Norfund's investments in Latin America, focusing on financial inclusion and renewable energy. The office has a particular focus on debt and equity investments and business support projects. The Southern African office is based in Cape Town, and oversees Norfund's investments in key Southern African countries, focusing on scalable enterprises and renewable energy. The Accra office manages Norfund's investments across West Africa, covering all our investment sectors. The headquarter is located in Oslo with the majority of employees.



## Norfund Team

By end of year 2024, Norfund had 149 permanent employees, and 11 employees either on a temporary contract or services for hire.

Out of our permanent employees there are 90 employed in the investment departments, and 59 corporate employees. 46 employees are working at one of our regional offices, while the rest work at the headquarter in Oslo.

More detailed information about the Norfund Team can be found in our annual report on Gender Equality and Inclusion.

## Board of Directors

Norfund's Board of Directors is appointed by the General Assembly. The General Assembly is constituted by the Norwegian Minister of International Development who governs the state's ownership in Norfund.

Norfund's Board of Directors ensures that the Fund operates in accordance with the Norfund Act of 1997 and the fund's statutes. The Board defines Norfund's strategy and approves individual investments exceeding specified thresholds. Other investment decisions are delegated to the CEO.

In 2024, the Board held 7 board meetings.



## Olaug Svarva

### Chair

Olaug Svarva was the CEO of the Government Pension Fund Norway (Folketrygdfondet) from 2006 to 2018. Today, Svarva is Chair of the Board in DNB and she has also served as board member of Investinor, Institute of International Finance (IIF), and The Norwegian memorial foundation for Alfred Nobel. From 2001 to 2006, she held positions as CEO & Investment Director at SpareBank 1 Aktiv Forvaltning and SpareBank 1 Livsforsikring. Svarva holds a Bachelor of Science in Business Administration and an MBA from the University of Denver. She is also authorized as a portfolio manager by the Norwegian Society of Financial Analysts. Appointed Chair of the Board of Norfund in June 2019.

## Anne Jorun Aas

**Director** (from June 2024)

Anne Jorun Aas is the CEO of Farmforce AS, an agritech SaaS company that digitize data from smallholder farming. She also serves on the board of Envipco, a reverse vending machine technology company. Previous positions include COO of Scatec, SVP of Scatec Solar, interim CEO of Kjeller Innovasjon and McKinsey. She has significant board experience from listed and private companies including serving as Board Chair of EnergiX, a large program in the Norwegian Research Council. She holds a PhD in nuclear chemistry from the University of Oslo and CERN, Geneva.



## Brit Rugland

**Director**

Brit Kristin Rugland was Director of Statoil Shipping and Maritime Technology and CFO of the Statoil Group. She led the establishment of Navion ASA. Since 2000, she has been General Manager of various parts of the Rugland family business and is currently also Chair of the board of the Norwegian Agency for Local Governments (Kommunalbanken AS). Previous positions include Chair of the board of Gassco AS for 11 years, Chair of the board of Figgjo AS,

and member of the Executive Board in the Central Bank of Norway for 10 years. Rugland holds a Bachelor of Business Administration, major in accounting and a Master of Management from BI Norwegian Business School. Appointed board member in June 2015.

## Martin Skancke

### Director

Martin Skancke is a self-employed consultant at Skancke Consulting. He has worked in the Norwegian Ministry of Finance and headed the Ministry's Section for Monetary Policy and Public Finances. Skancke has also previously been Chair of Norway's Climate Risk Commission and Director General at the Office of the Norwegian Prime Minister and at the Ministry of Finance's Asset Management Department. He has held positions at McKinsey & Company and Storebrand ASA. He is currently a board member of Norfund, Storebrand ASA, Storebrand Livsforsikring AS, Summa Equity AB, Norsk Klimastiftelse and Klimastiftelsen UMOE. Appointed board member in June 2014.







## Åslaug Haga

### Director

Åslaug M. Haga is currently the CEO of Renewables Norway - the Norwegian wind power association. She has background from foreign service, national politics, private sector and international organizations. Haga has been State Secretary in the MFA and at the prime minister's office. She has held three ministerial cabinet positions in the Ministries of culture, local & regional affairs and oil & energy. She has also been a member of Parliament. She has served in various positions in the MFA - including postings at the Norwegian Mission to the UN in New York and the embassy in New Delhi. Before joining Renewables Norway, she was the Executive Director of the Global Crop Diversity Trust and Assistant Secretary General in the International Fund for Agricultural Development. From 2016 to 2020 she was Chair of the board for the Peace Research Institute Oslo. Haga was appointed to the Norfund board in August 2022.

## Jarle Roth

Jarle Roth is the board chairman of Storebrand. He has previously served as CEO of Umoe, Arendals Fossekompagni, Export Credit Norway, and Unitor, as well as director of the Fram Museum. He has also been board chairman of Hafslund, Norske Skog ASA, Enova SF, Glamox AS, Powel AS and EFD Induction AS; and a board member of Umoe, Kongsberg Gruppen ASA, Hafslund, Ekornes ASA, Multiconsult AS, Kverneland ASA, Awilco Offshore ASA, Grieg Shipping AS, and Aibel AS.



## Pablo Barrera

### Director

Pablo Barrera is CEO of Haugaland Kraft AS. He has experience from Yara and The Boston Consulting Group. Before joining Haugaland Kraft he was managing director of IMAGINE Food Collective, a value chain collaboration for the largest global private players in food and agriculture, where he was on loan from Yara. He was a member of Yara group management from 2018 to 2021, and before that he was country manager for Yara's operations in Chile.



## Karoline Teien Blystad

**Director** (Employee Elected)

Karoline Teien Blystad is Senior Development Economist in the Strategy & Communications department at Norfund. She joined Norfund in 2015 and is mainly working on Norfund's impact. She holds a Master's degree from NTNU and a BSc in Business management from Montana State University. Previous work experience includes both the consultancy industry and the public sector. Appointed employee elected board member Nov 1st, 2021.



## Vegard Benterud

**Director** (Employee Elected)

Vegard Benterud is Investment Director in the Green Infrastructure department at Norfund. With over 19 years of experience in private equity, Vegard has successfully executed transactions across all Norfund's key markets, including pioneering initiatives in complex environments such as Angola and Somalia. His previous positions include Investment Director at the Norwegian Microfinance Initiative (NMI) and Portfolio Manager at NBIM. Currently, he is spearheading initiatives focused on recycling and waste-to-energy projects in Africa and Asia. Vegard holds a Master of Science in Industrial Economics and

Technology Management from NTNU. He previously served on Norfund's board from 2015 to 2017 and was reappointed as a board member in September 2023.

## Vidar Helgesen

**Director** (Until April 2024)

Vidar Helgesen is Executive Director of the Nobel Foundation. He has held several public positions in the Norwegian government, as Special Representative for the Ocean, Minister of Climate and Environment, Minister of European Affairs and Chief of Staff to the Prime Minister, as well as Deputy Minister of Foreign Affairs. Internationally, he has served as Co-chair of the China Council for International Cooperation on Environment and Development, Secretary-General of the International Institute for Democracy and Electoral Assistance and as Special Advisor to the President of the International Federation of Red Cross and Red Crescent Societies. He is a Board member of CICERO Center for International Climate Research and a Co-chair of Seaweed for Europe. Appointed board member on 1 January 2021.



## Management Team

The management team manages the Fund according to Norfund's mission to create jobs and improve lives and support the transition to net zero by investing in businesses that drive sustainable development. There have been no changes in the management team in 2024.



Foto: Hanne Marie Lenth Solbø  
/ Norfund

### **Tellef Thorleifsson**

Chief Executive Officer

Tellef Thorleifsson has been CEO of Norfund since Autumn 2018. Prior to Norfund, he was a co-founder and managing partner of Northzone. Thorleifsson was instrumental in building Northzone to become a leading international venture fund. Since inception in 1996 it has raised more than EUR 1.5 billion through nine funds and invested in more than 130 companies. Thorleifsson is also a co-founder of the Voxtra Foundation which has been making targeted investments and grants within agribusiness in East Africa. Thorleifsson has held several directorships.



### **Fride Andrea Hærem**

Chief Financial Risk Officer & Head of HR

Fride Andrea Hærem took the position as CFRO and Head of HR in Norfund in 2021. Before joining Norfund, she was EVP for HR, Marketing and Communication, IT and Strategy at Norconsult. She has more than 10 years of experience in HR directorship roles and has held several manager positions, including at Posten and Cermaq. She holds a Master of Management with a specialisation in international business leadership from BI Norwegian Business School.



**Ylva Lindberg**

Executive Vice President, Strategy & Communication

Prior to joining Norfund, Ylva was founding partner of SIGLA, a boutique consultancy on sustainability and business, for 13 years. She has worked with sustainable and impact investments for almost 20 years and has experience with asset management and consumer goods. Ylva is a senior associate of the University of Cambridge Institute for Sustainability Leadership, board member of Lærdal Medical and member of the Responsible Investment Advisory Council of BMO Global Asset Management.



**Thomas Fjeld Heltne**

Executive Vice President, General Counsel

Thomas Fjeld Heltne took the position as General Counsel in Norfund in 2019. Before joining Norfund, he was Director M&A at Norsk Hydro. Heltne has throughout his career worked with transactions, financing and international projects, both from the legal and commercial side. He holds a degree in law from Norway as well as a Master of Laws from LSE and Corporate Finance from the Norwegian School of Management. Heltne has been member of and observer to boards of Norwegian industrial companies and served on the Trade Policy Panel for the Confederation of Norwegian Enterprise (NHO).



**Erik Sandersen**

Executive Vice President, Financial Institutions

Erik joined Norfund in 2014 and has represented Norfund on several boards of banks and microfinance institutions. He is currently a board member of the South Africa-based bank investment firm Arise and of the Nordic Microfinance Initiative. Prior to joining Norfund, Erik worked for 10 years as a co-founder and partner in a venture capital firm in the Nordic region. He has also worked as an executive in the IT sector and for the Boston Consulting Group in London and Oslo. He holds a master's degree in engineering from the Norwegian University of Science and Technology (NTNU)

and an MBA from Stanford University.



### Mark Davis

Executive Vice President, Renewable Energy

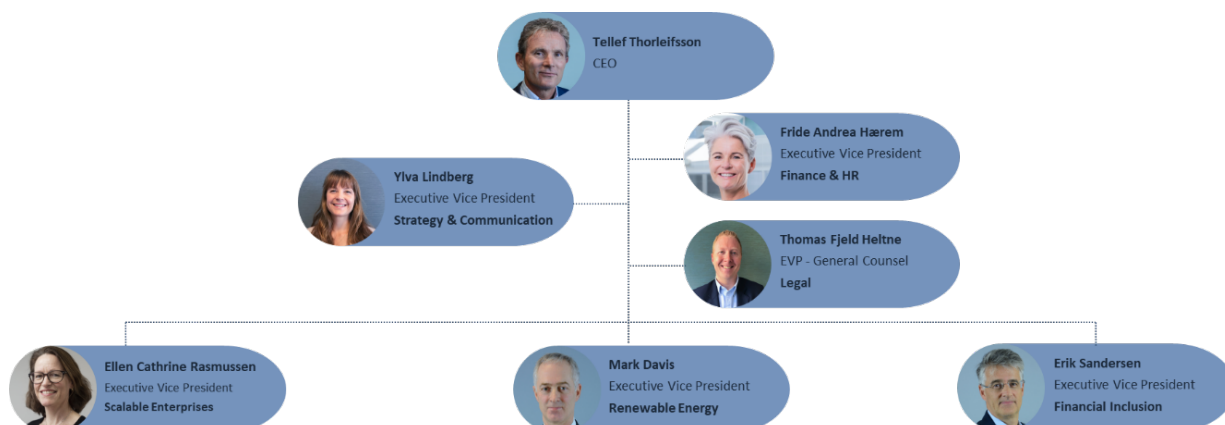
Mark has worked extensively with renewable energy investments, regulation and policy in developing countries, with a focus on Africa. Prior to joining Norfund he was a partner at ECON Analysis, and previously was Postgraduate Director at the Energy & Development Research Centre, University of Cape Town. He holds a PhD in energy economics from the University of Sussex, and earlier degrees in mathematics and applied science from the University of Cape Town.



### Ellen Cathrine Rasmussen

Executive Vice President, Green Infrastructure and Scalable Enterprises

Ellen Cathrine Rasmussen joined Norfund as EVP for Scalable Enterprises in March 2020. In 2021 she also took on the role of EVP for Green Infrastructure. Prior to Norfund, Ellen held several senior positions at Yara, the world's leading fertilizer company. Her last position in Yara was as VP of Sustainability Programs and Global Projects. Prior to that, she was country manager for the Ivory Coast. Earlier in her career Ellen spent four years as EVP for Agrinos, an international agriculture input provider, responsible for Europe, Middle East, Africa and Asia. Ellen has also had various management positions at Norsk Hydro and served as a board member for SINTEF. She studied economics in Norway and France.



## Norfund Investment Committee

Norfund's Investment Committee (IC) is important for quality assurance and for strengthening decision-making. The IC is chaired by the CEO, Tellef Thorleifsson and has seven additional members:

- Three external members: Per Aage Jacobsen, Kathryn Baker and Jacob Kholi.
- Four management team members; Mark Davis, Erik Sandersen, Ellen Cathrine Rasmussen, and Thomas Fjeld Heltne.
- One E&S advisor; Karin Bianca Gullman.

## Norfund Credit Committee

Norfund Credit Committee (CC) approves loans to banks.

The committee consists of:

- Tellef Thorleifsson
- Thomas Fjeld Heltne
- Naana Winful Fynn
- Erik Sandersen
- Kristin Imafidon
- Tore Olaf Rimmereid (External)

## Norfund Risk and Audit Committee

The Risk and Audit Committee is a preparation and advisory committee for the Board of Directors.

Its function is twofold:

- Assess the company's overall operational and financial risk and recommend any measures to the board.
- Assist the Board of Directors in overseeing the company's financial reporting and control systems and recommend improvements.

The committee consists of three representatives from the Board:

- Martin Skancke (leader)
- Jarle Roth
- Vidar Helgesen (until April)
- Åslaug Haga (from May)

And three representatives from Norfund, where Chief Financial and Risk Officer is leading the committee secretariat:

- Fride Andrea Hærem
- Hege Elisabeth Seel (until September)
- Guro Ruud Cedell (from September)
- Hanne Jørstad Francke

# Additionality

**Norfund is committed to making a difference by ensuring that our capital contributes to outcomes that would otherwise not have happened. This is referred to as “additionality” and is a key criterion for Norfund’s investments.**

[The Norfund Act](#) states that Norfund shall contribute to establishing viable, profitable undertakings that would not otherwise be initiated because of the high risk involved.

Proving the additionality of our investments is challenging because it requires insights into what could have happened had we not invested. Norfund substantiates additionality claims by evaluating all potential investments against our additionality framework. We also have portfolio level KPIs and thresholds that ensure that we allocate capital to instruments and markets with high inherent risk.

## **What does it mean that an investment is additional?**

### **Financially additionality**

An investment is financially additional when the private sector partners are unable to obtain financing from capital markets (local or international) for a specific activity at the necessary terms and/or scale, or where it mobilises finance from the private sector that would otherwise not have been invested.

### **Value additionality**

An investment is value additional in cases where the investor adds non-financial value, alongside its investment, to private sector partners that



the capital markets would not offer, and which will lead to better development outcomes. It is often pursued through active ownerships (e.g. board participation), capacity building activities, advisory services and other technical assistance and other ways.

### **Development additionality**

Development additionality is that the investment will deliver development impact that would not have occurred without the partnership between the official and the private sector.

## **Ten ambitions on additionality**

Norfund has a defined additionality framework that helps assess the additionality of our investments and ensure alignment with the OECD definition. This framework consists of ten additionality ambitions (see table below) reflecting both the financial and value additionality of our investments. For each ambition, we have identified relevant indicators to assess the extent to which we meet these ambitions. Investments under the Climate Investment Mandate are subject to the same additionality assessment. Development additionality is assessed for each new investment by setting baseline and target values for key impact/climate ambitions, describing what the investment aims to achieve.

Norfund's additionality in an investment depends on many factors and the additionality framework tries to capture different aspects of additionality. Investments are scored 1-10 based on how many additionality ambitions they trigger.

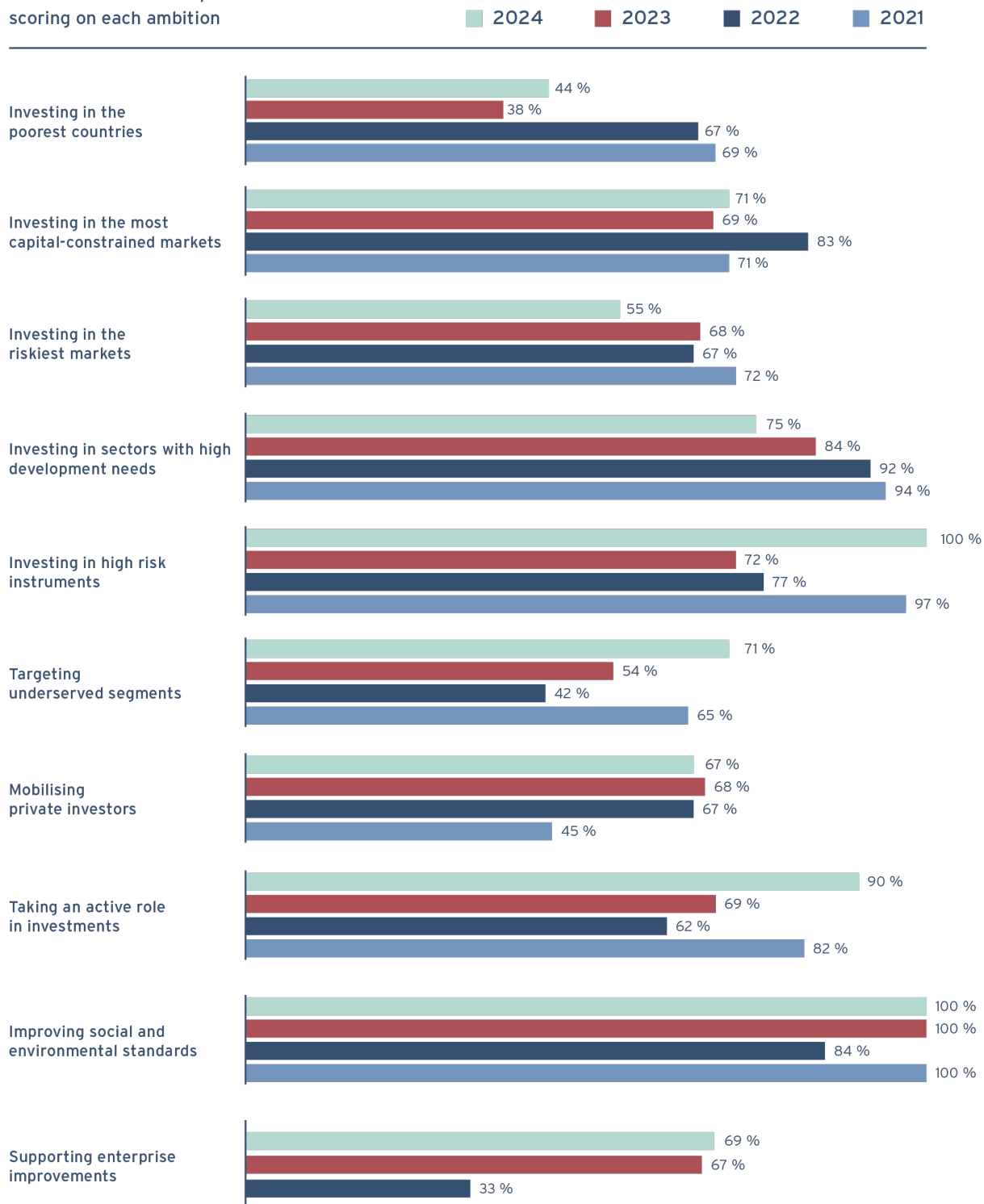
We have revised the framework twice since 2018, based on our user experience and to better reflect the markets we operate in. From 2025, we will implement a revised additionality framework to comply with updated OECD-DAC Private Sector Instrument requirements for additionality.

More information on which ambitions each investment is particularly additional on, is listed on the individual pages of each investment in [the investment overview](#)

[on Norfund's webpage.](#)

**Percentage of committed capital to new projects in 2024 scoring materially on each additionality ambition (follow-on investments are not included):**

Share of committed capital  
scoring on each ambition



Since 2022, the overall share of investments scoring on the additionality ambition

“Investing in the poorest countries” has declined. This is partly due to the introduction of the Climate Investment Fund as well as expected annual fluctuations. Generally, projects in the poorest countries have smaller ticket sizes, which means they take up a relatively smaller share of total committed capital. 11 out of 27 new projects in 2024 scored on this ambition, which illustrates the high level of activity towards these countries in Norfund.

More than two thirds of the committed capital in 2024 targeted sector-specific underserved segments, meaning the beneficiaries are underserved business types or end-clients. This could for instance be a loan issued to a financial institution targeting microenterprises or an investment in a company providing off-grid solutions to poor households.

All the capital Norfund committed in 2024 were with high risk instruments. This includes equity, various quasi-equity instruments, local currency loans, and debt with long tenor. Norfund’s willingness to take on more risk than what the market normally is willing to accept is central to our additionality, and as such this is a positive development.

# Environmental and social risk management

Appropriate Environmental & Social (E&S) measures reduce risk to workers, the environment and local communities and provide business benefits which increase our impact. The management of environmental and social risks is therefore an integral part of Norfund's investment process.

## Revised policy for Environmental & Social (E&S) sustainability

A significant milestone in 2024 was the Board's approval of our revised [Policy for E&S Sustainability](#). To ensure a comprehensive and inclusive approach, we conducted a thorough desktop mapping exercise and engaged key internal and external stakeholders in discussions regarding the policy's scope and structure. This revision incorporates Norfund's commitment to new standards and principles, addresses emerging expectations, and defines our E&S objectives.

### ENVIRONMENTAL AND SOCIAL OBJECTIVES

Through our investment activities, Norfund seeks to strengthen investees' E&S performance and avoid adverse environmental and social impacts. Our approach is risk-based, adjusted to the nature, size, and profile of each investee and guided by the following objectives:

- Promote resource efficiency and reduce pollution
- Support climate change mitigation and adaption
- Promote protection of biodiversity and ecosystems

- Respect human rights and promote decent work
- Encourage diversity and gender equality
- Seek positive community outcomes
- Protect clients and consumers

## Enhanced training programme

Our Environmental and Social Management System (ESMS) outlines roles and responsibilities related to E&S risk management, covering governance, oversight, and day-to-day practices. Our training programme for investment staff includes comprehensive modules on the ESMS, the IFC Performance Standards (PS), and identifying environmental, health, and safety issues during site visits. In 2024, new modules were introduced to address critical issues such as Gender-Based Violence and Harassment, and Client Protection Principles, in line with the priorities outlined in our revised policy. We also organised E&S training for board members of companies in which Norfund is invested.

## Integrated part of the investment process

E&S risk management is an integrated part of our investment process and specific actions are required for each step of the project cycle: initial screening, due diligence, investment agreements and monitoring.

## Understanding the risk profile of portfolio companies

During the initial screening phase, we assess each project against the EDFI Exclusion Lists and conduct a high-level evaluation of key E&S risks. Based on this assessment, projects are assigned an inherent risk category, which determines the required level of due diligence and the extent of E&S expert involvement.

This categorisation reflects the potential environmental and social impacts of the financed business activities but does not yet consider the client's capacity and

commitment to managing these risks—an aspect we evaluate later in the investment process. Norfund categorises risk as high, medium-high, medium, or low, in alignment with EDFI E&S Standards. In 2024, 57 per cent of projects fell into the two highest risk categories, requiring detailed due diligence and the involvement of E&S experts.

## Assessing E&S risks and impacts

Once our investment/credit committee approves a project, we initiate comprehensive E&S due diligence. This process involves detailed assessments of E&S risks and performance, which include document reviews, site visits, and interviews with relevant stakeholders. It helps identify relevant IFC Performance Standards and evaluate the potential client's capacity and commitment to effective E&S risk management.

## IFC PERFORMANCE STANDARDS

The [IFC Performance Standards for Environmental and Social Sustainability](#) and the [World Bank Group Environmental, Health and Safety Guidelines](#) are the main standards for operationalizing Norfund's sustainability commitments. These standards are globally recognized benchmarks for environmental and social risk management in the private sector. The standards are used by development finance institutions, commercial banks and other similar institutions. The table below outlines the eight Performance Standards and the extent to which they were triggered by the projects we invested in during 2024.

IFC PERFORMANCE STANDARD	NUMBER OF PROJECTS
1 Assessment and Management of Environmental and Social Risks and Impacts	51
2 Labour and Working Conditions	47
3 Resource Efficiency and Pollution Prevention	27
4 Community Health, Safety and Security	27
5 Land Acquisition and Involuntary Resettlement	12
6 Biodiversity Conservation and Sustainable Management of Living Natural Resources	14
7 Indigenous Peoples	5
8 Cultural Heritage	6

## Requiring alignment with recognized standards

Any gaps or improvement opportunities identified during due diligence are addressed through an Environmental and Social Action Plan (ESAP), which is incorporated into the investment agreement. In 2024, 78 per cent of investments included an ESAP. Our portfolio companies must comply with national laws and regulations as well as international standards such as IFC Performance Standards and World Bank Group Environmental, Health, and Safety Guidelines. This includes a requirement to develop an ESMS, encompassing an E&S policy, procedures for managing risks, adequate organisational capacity, emergency preparedness measures, and stakeholder engagement processes.

## Monitoring compliance and supporting capacity building

As a responsible investor, Norfund actively monitors portfolio companies' compliance with our E&S requirements. Investees are required to report annually on their E&S risk management performance. Our business support facility plays a



critical role in enhancing E&S capacity within portfolio companies, often focusing on strengthening their ESMS and providing targeted training.

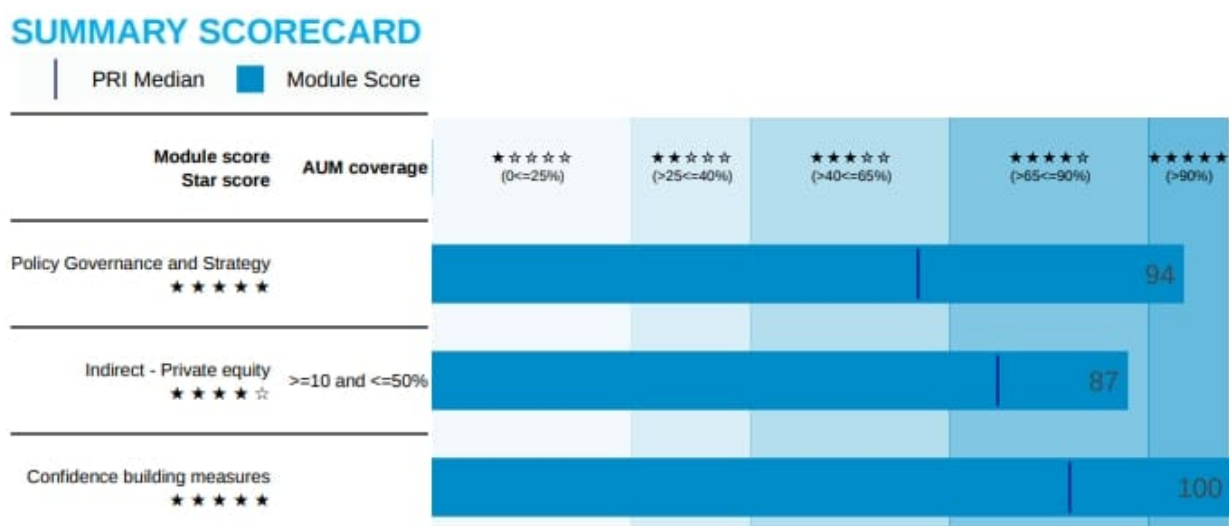
## Transparent reporting

Norfund seeks to be transparent about our approach to risk management. As a signatory of the UN Principles for Responsible Investment and the Operating Principles for Impact Management, we annually report on our progress and how we integrate these principles into our investments.

### UN Principles for responsible investment

Norfund has been a signatory of the UNPRI since 2017. These six principles emphasise the importance of environmental, social, and governance (ESG) factors in investment decisions. Norfund's annual report to PRI reflects how we adhere to these principles. Our performance is consistently above the median across all three assessment modules, showing significant progress in 2023.

### UNPRI score 2024



[See full PRI Assessment Report Summary Scorecard here](#)

# Governance and business integrity

**High business integrity standards are prerequisites for succeeding in delivering on Norfund's mandate.**

Corruption, money-laundering and other economic crime have wide-ranging negative effects on societies and are detrimental to reach the United Nation's Sustainable Development Goals (SDGs). Norfund has a zero-tolerance approach to corruption and other forms of economic crime, and we are committed to promoting integrity, transparency and accountability in all our investments.

## The framework that governs our work

### Overall framework

Norfund has adopted a governance framework consisting of overarching policies adopted by our Board of Directors, relevant underlying guidelines and requirements approved by the management and detailed procedures and templates to help ensure compliance and consistency throughout the organization. The governance framework underwent a major overhaul in 2020, and implementation efforts continued throughout 2024. The governance framework is regularly reviewed to make sure it is up to date and relevant. In 2024, A completely revised policy for E&S sustainability was adopted and our HR Policy was updated. Norfund further updated our Conflict of Interest procedure, providing the business with routines for same segment and multiple instrument investments.

## Business Integrity framework

The management of Business Integrity risks is an integral part of Norfund's investment process. We require the companies we invest in, our business partners and our employees to promote and adhere to high standards, including:

[Norfund Code of Conduct](#)  
[Norfund Supplier Code of Conduct](#)  
[Norfund Compliance System](#)  
[Norfund Business Integrity Policy](#)  
[Norfund Responsible Tax Policy](#)  
[Norfund Gifts and Hospitality Guidelines](#)  
[Whistleblowing and Incident Standard](#)

## Risk-based approach

The Business Integrity framework describes how we work to identify, assess and manage the Business Integrity risks associated with the operations of our investments, and provides an overview of the cross-cutting principles that guide our work. In 2024, there was a focus on updating and professionalizing Norfund's Business Integrity program for investments, in response to the risk assessment of our investment portfolio that was conducted in 2022, which outlined the Business Integrity risks that Norfund is exposed to, as well as a review of existing mitigating measures and suggested additional measures. The revision project will continue throughout 2025.

## Dedicated resources

In 2024, Norfund's, the Compliance team was further strengthened with the hiring of a Compliance & Business Integrity Advisor, who will contribute to enhancing Norfund's Business Integrity capabilities and routines on an ongoing basis. The Compliance team now consists of 3 full-time employees.

## **Business Integrity Week**

Norfund held its annual Business Integrity awareness initiative in December 2024 in connection with the International Anti-Corruption Day. The purpose of the event is to spread awareness and provide training in important Business Integrity practices to the whole organization and continue to build a strong Compliance culture in Norfund. Anti-corruption is one of Norfund's four cross-cutting principles and it is a topic that is assessed in all of Norfund's investments. A Business Integrity Week is planned for 2025.

## **Whistleblowing and reports**

Norfund encourages the reporting of any suspected breach of its governance framework or applicable laws or regulations in connection with or related to its investments or activities. Norfund staff can report suspected violations to internal functions, and such reporting is also encouraged via Norfund's external whistleblowing channel. The whistleblowing channel caters for anonymous reporting of illegal, unethical or other unacceptable circumstances within Norfund and our investments. The whistleblowing channel is also open to Norfund representatives, business partners and other stakeholders, and reviewing and following up on Business Integrity incidents has a high priority in Norfund.

# Climate and environment

**Climate change significantly threatens global development, with developing countries bearing the burden of its impact. In response, Norfund is strengthening its commitment to supporting the transition to net zero across the portfolio.**

In 2024, we made significant progress in implementing our Net zero strategy. We increased climate finance, improved climate competence by training investment teams, and developed tools to assess climate risk and Paris alignment in our investment process.

## Supporting the transition towards net zero

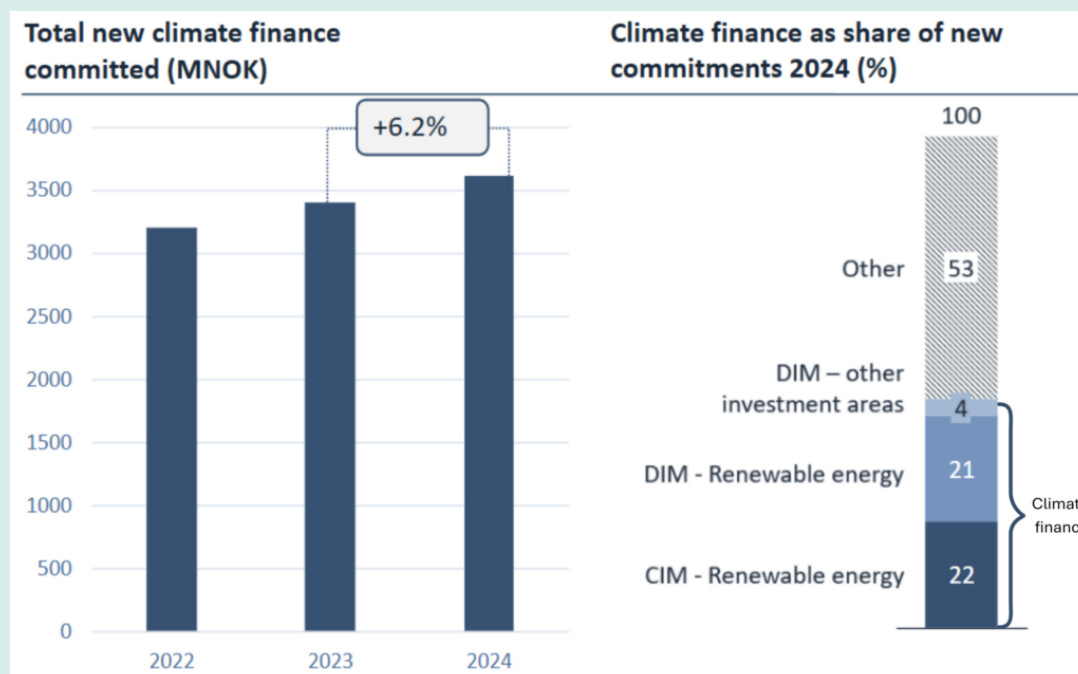
Our [Net zero strategy \(2024-2030\)](#) describes the role Norfund plays in the net zero transition in developing countries. We need to focus on transitioning sectors with high emissions (such as cement and paper manufacturing), alongside supporting the sectors that are providing climate solutions (such as renewable energy).

**These are the concrete steps we are taking:**

- **Invest heavily in climate finance:** Step up annual investments in climate finance and seek to invest in climate projects across all investment areas.

**Progress:** Climate finance refers to the financial investments to support climate change mitigation and adaptation projects, to reduce emissions and adapt to climate impacts. The criteria used to assess climate finance at Norfund are defined in the [IDC/MDB's Common Principles for Climate Mitigation Finance Tracking](#), and The MDB's [Joint Methodology for Tracking Climate Change Adaptation Finance](#). In absolute figures,

Norfund increased its climate finance commitments in 2024 by 6.2% compared to 2023, totaling to 3.6 billion NOK. However, relative to new investments, the share fell to 47%, from 52% in 2023, and a step-up is needed to reach the ambition of 64% climate finance as set out in the Net Zero strategy. Renewable energy (both development mandate and climate mandate) represents most of the climate finance, while the other investment areas accounted for 3.5 % of total new investments. Additionally, Norfund mobilized 5.87 billion NOK in private capital in the climate finance commitments in 2024.



**2. Support transition to low-carbon economy:** Several high-emitting sectors are essential for development in emerging and developing markets. Thus, investing in emission reduction initiatives in such sectors is crucial to contribute to a 'just transition'. Supporting the transition also entails applying decarbonization measures in existing portfolio companies with medium and high emissions.

### **3. Ensure all new investments are Paris-aligned over time:**

Apply Paris alignment methodology to new investments and work actively with investees in the ownership phase.

We strive to support our investees in the transition to net zero, minimize transition risks and reduce stranded asset risk, ensuring our portfolio supports a sustainable and climate-resilient future.

Paris alignment assessments are done through our climate assessment tool (see box).

**4. Limit portfolio exposure to fossil fuels:** Transitioning away from fossil fuels is essential to limit emissions. Norfund has low exposure to fossil fuels and does not make new investments in the fossil fuel value chain except in special circumstances and in line with the Paris agreement.

Norfund and the other European Development Finance Institutions (EDFI) have identified a list of sectors and activities in which we do not invest in (the [EDFI Fossil Fuel Exclusion List](#)). Norfund has further strengthened its approach to fossil fuels with the [Norfund Fossil Fuel Standard](#).

## **Climate assessment tool**

Norfund has developed a climate tool to do climate assessments in the investment process. The purpose is to make better and more climate-informed investment decisions, as well as future-proofing and

professionalizing investees on climate by identifying opportunities and ways to reduce risk.

In this tool we address Norfund's climate objectives and cover:

- Climate risk and opportunities assessment
- Climate maturity assessment
- Paris alignment assessment
- Fossil fuel standard check
- High-level emissions estimation

It also includes guidance and recommendations for investment teams.

There are three slightly different tools for a) direct investments, b) financial institutions, and c) fund investments, as they all have somewhat different approaches to climate risk and Paris alignment.



Climate Tool for Direct Investments
1. Prospect Information

The tool is specifically designed for use in Norfund's ADM, SI&RE departments.

The intention of this tool is to collect general information about the company that is used to consider initial screening climate considerations and inform the depth of the due diligence. Investment decisions must consider Alignment. The tool helps to identify what impacts climate has on the investee and what impact the investee has on climate.

Response
Explanatory field
Not applicable based on your selection

1
Investee name

Sector Classification

**Task:** Please select the sectors the investee operates in, by selecting from the drop-down menu from Level 1 to Level 5 (if applicable) and enter the corresponding **revenue in descending order**. Please try to be as specific as possible.

**Purpose:** Sector information enables emission estimations and can guide the Paris Alignment Status. Sectors' vulnerability to climate risk differ. To be able to estimate the climate risk sufficiently, we need sector data. Revenue is used to estimate the climate risk, but also to guide the sectoral exposure to different climate risks. Level 4 needs to be filled out to get emission estimations.

**Commentary:** Level 1 through 4 use the European standard for sector definitions, NACE. Level 5 is added by Norfund for the sectors where level 4 is not granular enough (e.g., renewable energy).

	Level 1	Level 2	Level 3	Level 4	Level 5
Sector 1	<select>	<select>	<select>	<select>	<select>
Sector 2	<select>	<select>	<select>	<select>	<select>

0. User guide
1. Prospect info
2. Pre-CIP
3. Output CIP - Internal
4. Output CIP - IC Paper
5. DD
5.1 DD: Gender

Climate Tool for Direct Investments
2. Pre-CIP

Response
Explanatory field
Automated tool information
Not applicable for your selections

1 Climate Risk and Opportunities

Climate risk and opportunities should be understood as climate's impact on the investee's business (not the investor's impact on the world).

Threats are included in pre-CIP risks, opportunities, and the resulting physical impact. The pre-CIP results will give an idea of whether the risks are high or low, which guides where to put the efforts in the DD phase. While it is challenging to have a sense of the magnitude in order to prioritize the work in DD appropriately.

1.1 Risks

**Task:** Review the pre-calculated risk scores based on sector and country exposure. Please adjust or confirm the scores to reflect the real risk more accurately. Use the guidance provided and your expertise and add an explanation, if you wish.

**Purpose:** Review accurate assessment of physical and transition risks using additional data and assumptions.

**Commentary:** The orange fields show pre-calculated risk scores, which are inclusive and based on limited data sources (UNEPL, EIB). More detailed information can be found in the risk deep-dive section and the Resources sheet.

	Automated risk classification	Country	Total	Confidentiality adjustment (reducing)	# pre-changed risk level
1.1.1 Physical risk	Medium	Medium	Medium	Medium	
1.1.2 Transition risk	Low	Low	Low	Low	

1.2 Opportunities

Question	Response	Please explain

0. User guide
1. Prospect info
2. Pre-CIP
3. Output CIP - Internal
4. Output CIP - IC Paper
5. DD
5.1 DD: Gender
6. Output

[Assessment of environmental issues is addressed in this article on environmental & social risk management](#)

## Climate-related risks and opportunities

Norfund is subject to a range of climate-related risks, with substantial exposure to regions and sectors vulnerable to the physical impact of climate change, while also opening up for opportunities. Climate risks and opportunities have a large potential impact on the viability of the businesses in Norfund's portfolio. Therefore, climate risk and opportunity assessments are incorporated into our investment process. We continue to improve tools and procedures to assess climate risk and enable the investees to reduce climate risks.

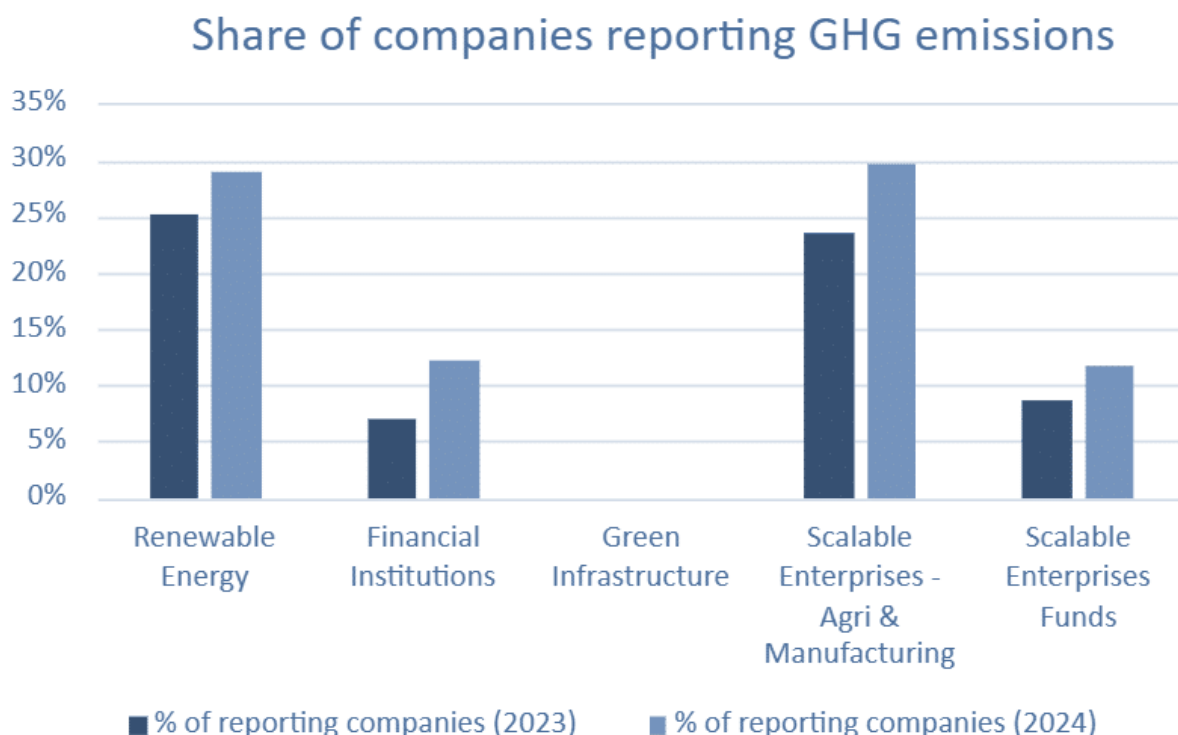
Norfund has disclosed our exposure, strategy, targets, and governance related to climate risk in accordance with recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) in our 2024 report in the link below.

[Read about how we are exposed to and manage climate risk in the 2024 TCFD Report](#)

## Norfund's financed emissions

The largest share of Norfund's GHG emissions stem from the operations of our investees, also known as financed emissions, or Category 15 - Emissions from investments in the GHG protocol. Our approach is to support our investees to reduce their emissions, rather than focusing on divestment or portfolio reallocation. We work with investees to increase their capabilities in understanding their own emissions, how they can reduce them, and report on them. With this approach, we expect to have a higher real-economy impact on emission reductions.

In 2024, Norfund saw a 34% increase in the number of companies reporting GHG emissions. Of the 213 companies that reported emissions for 2024, 24% of companies reduced their emissions compared to 2023 numbers. Still, there is a need to increase the share of companies reporting emissions.



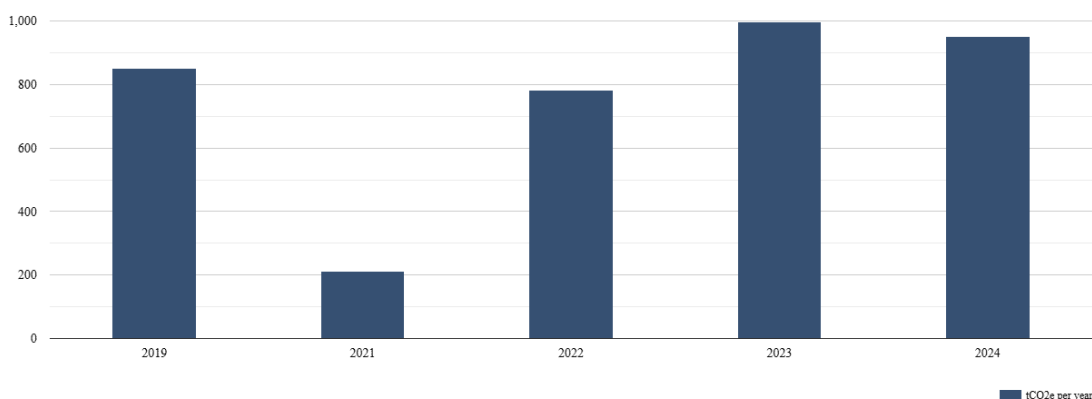
We aim to align with the PCAF standard by 2026, as data quality continues to improve.

## Responsible workplace - climate & environment

**Beyond our climate-related activities in our investment, we also strive to minimize the footprint of and work to improve our internal operations in Norfund.**

Norfund's Oslo office was certified as an Eco-Lighthouse (Miljøfyrtårn) in 2022 and is in the process of recertifying this year. We use this framework to advance our internal environmental and social performance. As part of the framework, Norfund reports operational emissions annually.

### Operational emissions per year



\*For 2019, we reported emissions from air travel, waste and energy for the Oslo office

\*For 2021, we reported emissions from air travel, waste and energy for the Oslo office

\*For 2022, we reported emissions from air travel for all Norfund offices, waste and energy for the Oslo office

\*For 2023, we reported emissions from air travel, employee commute and energy for all Norfund offices, waste and water for the Oslo office

\*For 2024, we reported emissions from air travel, employee commute, and energy for all Norfund offices, and waste for the Oslo office

The decrease from 2023 to 2024 is mostly due to a reduction in emissions from air travel. Total CO2e per FTE per year has gone down from 7,61 in 2023 to 5,95

in 2024.

Air travel accounts for almost 95% of Norfund's operational emissions. According to Norfund's travel guidelines, we always assess the need to travel for physical meetings, and whether digital meetings could be a suitable option.

We work continuously to build more responsible operations and better working environments, and we yearly identify measures to be implemented and followed up within the organization.

## Norfund's 2024 operational emissions, by scope

<b>0 tCO<sub>2</sub>e</b>	<b>Scope 1</b>
<b>56 tCO<sub>2</sub>e</b>	<b>Scope 2</b>
<b>896 tCO<sub>2</sub>e</b>	<b>Scope 3</b> Category 1-14
<b>952 tCO<sub>2</sub>e</b>	<b>Total</b>

\* Scope 2 includes emissions from energy for all Norfund offices. Scope 3 emissions within category 1-14, includes emissions from air travel and employee commute for all Norfund offices, and emissions from waste for the Oslo office.

# Gender equality

**Significant strides have been made in advancing gender equality worldwide over the past decades, yet critical gaps remain. Investing in women's rights and opportunities is not only the right thing to do from a moral perspective but also a proven driver of stronger financial performance for businesses. At Norfund, we are dedicated to fostering gender equality both within our organization and among our investees.**

Norfund's work on gender equality is guided by our Gender Position. Norfund reports annually on the gender balance in Norfund and the companies we are invested in to the Board of Directors and in the annual report.

## **Norfund's position on gender equality and women's economic empowerment has three objectives:**

- To ensure equal opportunities and promote gender balance across all levels in Norfund
- To promote equal opportunities for men and women across all levels in investee companies and through access to finance
- To engage with relevant stakeholders to learn and where possible influence others to promote gender equality

[More about Norfund's Gender Position and how we promote gender equality](#)



*Photo credit: CrossBoundary Energy*

[Gender Equality and Inclusion Annual Report 2024](#)[Download](#)

## Gender balance in Norfund's portfolio companies

We collect gender disaggregated data from all investees annually. This enables us to carry out gender analyses at investee and portfolio level, and helps us to create awareness, both internally and externally, about gender equality.

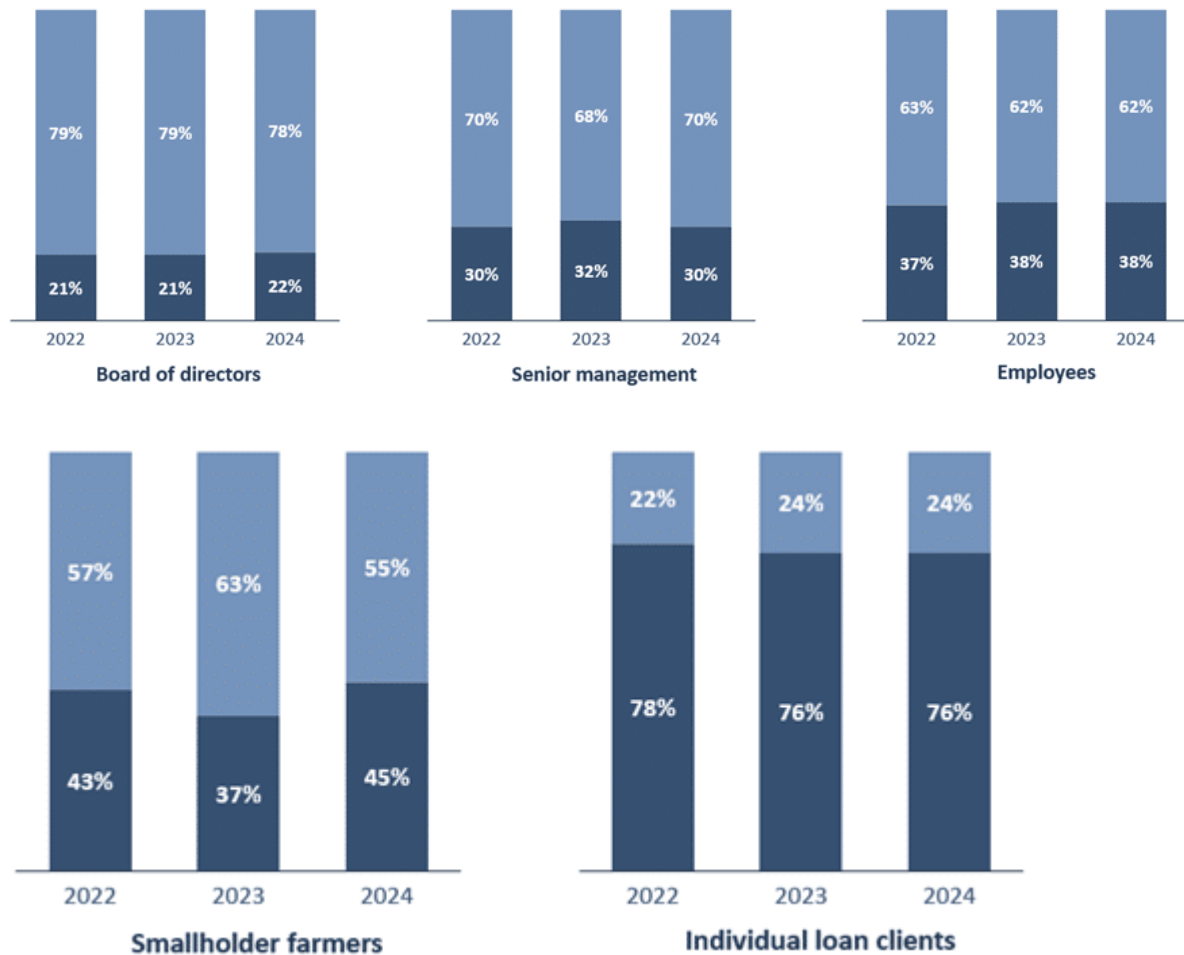
In 2024, the number of direct jobs held by women increased by 15 100 jobs, or 7.9 %, within Norfund's portfolio companies (with two consecutive years of reporting)\*. The total number of jobs held by women in our portfolio companies was 260 000 by the end of 2024.

\* Includes investees directly in Norfund portfolio as well as investees through platforms and funds

[Read more about job creation in Norfund here](#)

Status 2022-2024:

Gender balance in Norfund's portfolio companies

Note: The figures are not directly comparable across years due to changes in Norfund's portfolio. For 2023 and 2024 the numbers relating to employment also include investments under the climate mandate. For 2024, the share of individual loan clients reflect 2023 numbers.

## Empowering women through access to finance

Expanding access to finance for women is one of the most effective ways our investments contribute to greater gender equality. The majority of individual loan clients reached through our investments are women. These services are delivered through different types of financial institutions, including large banks, microfinance institutions, many of which primarily serve female customers, and companies in the financial technology sector.

In 2024, Norfund invested in a syndicated loan led by FMO in Génesis, a



microfinance institution in Guatemala. Génesis currently serves over 340,000 clients, with 72% being women and 76% residing in rural areas. The company enables these women to enhance their businesses and improve their families' quality of life through enabling financial access, tailored guidance and training. Most of their clients are from the base of the income pyramid. The company typically examines how well the client and their family are in terms of basic needs before moving them towards loans for their micro businesses, or offers a mix of funding to achieve both improved quality of life and access to funding for their business. They call this their “Development Route” and it is formulated for each client.

The investment in Genesis aligns with our commitment to foster gender equality through economic empowerment and economic development in underserved communities.

Norfund has a strong focus on client protection as part of its investments in financial inclusion. During the due diligence process, Norfund ensures that financial institutions adhere to responsible lending practices that protect clients from harm and promote transparency, fairness, and respect. This involves assessing the company's client protection measures and verifying the client protection certification or social rating, ensuring the certification is from a credible third-party source, and identifying areas for improvement.

## Engagement with our investees

Norfund promotes entrepreneurship and self-employment through enabling access to finance as well as promoting equal opportunities for men and women in our investees. Norfund requests information and data on gender balance already as part of the due diligence process to explore areas for improvement and assess the companies' intentionality towards gender equality. We also look for gender diversity nominating and appointing board directors for our investees.

Our Business Support facility is an important tool in Norfund's work to support our investees. This can facilitate external support on gender

gap assessments, gender and diversity strategy development or training.

One example of such a business support project approved in 2024 was with Phatisa Food Fund II, to provide insights on challenges and opportunities to improve gender equality and social inclusion (GESI) across the argi value chain, particularly focused in the fruit farming sector in South Africa. This project consists of research and data collection to better understand challenges and opportunities to enhance GESI in the South African agribusiness value chain. As a result, we expect to see realistic and tangible improvement opportunities for companies described and implemented.

In 2024, we also supported EcoEnterprises in advancing gender equality across its portfolio companies through a range of tailored initiatives. These initiatives were designed to address the specific needs of each company and included training programs for female employees, leadership development workshops, climate resilience assessments and resources for smallholder farmers, as well as gender diagnostics to identify areas for improvement and provide targeted recommendations.

Several portfolio companies recognized the importance of strengthening support for women employees by enhancing their leadership skills and offering personalized coaching. One company identified the need to foster a more inclusive organizational culture and, as a result, engaged the workforce in a series of workshops and training sessions. These sessions focused on combating discrimination, promoting inclusivity, and implementing tools to advance diversity, equity, and inclusion.

In addition to these company specific Business Support projects, we also collaborate with The Female Future Program and The Board Room Africa, two programs that offer leadership training primarily to women. Over the past years, several women in Norfund's portfolio companies have attended these programs.

[See page for a more detailed description of The Boardroom Africa](#)

[and the Female Future Programs](#)

[Other examples of Business Support provided to companies in our portfolio can be found here](#)

## Addressing gender-based violence and harassment

Encouraging gender equality and diversity across all levels in investees and through their products and services also requires addressing gender-based discrimination, violence and harassment (GBVH), a pervasive and critical global challenge. Norfund is committed to promoting compliance with the ILO Convention on Violence and Harassment C190.

Norfund is enhancing the capacity of its investees to identify, prevent, and manage GBVH in the workplace. Through Business Support funding, we are providing a series of advanced GBVH training sessions for portfolio companies, running from 2024 to 2026. The training is co-funded by BII (UK, lead investor), DFC (US), Proparco (FR) and DEG (GE) and delivered by [Social Development Direct](#). In 2024, training sessions were held in Kenya, India, and Ghana, receiving excellent feedback from the participants from our portfolio. Additionally, several more participants from our portfolio companies attended, with their costs covered by other DFIs.

Internally we have also strengthened capacity, through trainings, and integrated tools to assess and address the risk of GBVH in Norfund's portfolio throughout 2024.

[Learn more about our efforts to enhance GBVH prevention among our investees here](#)

## Engagement with the wider society

To deliver on our gender strategy, we are also committed to enhancing existing and exploring new ways of collaboration addressing gender equality and diversity. As a minority investor, collaboration with partners is essential.

Norfund is a member of the 2X Global and has supported the organization since its inception. The 2X Global is an international membership and field-building organization and a result of an ambition of G7 countries to increase investments in women in developing countries.

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### → [2X Global](#)

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During the fall of 2024, Norfund held a dialogue meeting regarding gender equality with Norwegian civil society organizations, to get input and facilitate dialogue around how we work on gender equality and gender-related risks / GBVH. A broad range of civil society organizations were invited to share their experiences. Twelve institutions and sixteen people attended the dialogue meeting.

Furthermore, during 2024, we continued our collaboration with the Nordic DFIs, IFU (DK), Swedfund (SE) and Finnfund (FI), on gender equality by sharing and learning as well as exploring collaboration on work related to gender equality within investees in which we have co-invested.

In addition, we rely on other partners with subject matter expertise to learn and discuss our approach and challenges.

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# Business Support

**Norfund's Business Support facility aims to enhance the sustainability and development effects of our investments.**

[View the digital Business Support annual report here](#)

Business Support is Norfund's technical assistance facility. By leveraging Business Support, we can exercise responsible ownership and create value additionality for our investments in high-risk sectors and segments, through technical assistance and grants. Business Support projects actively target the cross-cutting issues climate and environment, gender equality, human rights, and anti-corruption. The facility is earmarked Norfund's portfolio companies, and indirect investees, as well as prospects. For this grant-based financing, portfolio companies take up to 50% of the project costs.

## Business Support projects in 2024

In 2024, Norfund received 10 million NOK from the Norwegian MFA to provide technical assistance to our portfolio companies, down from 15 million NOK the year before.

The Business Support portfolio consisted of 59 active projects with a committed amount of 80 million NOK. Of those, 21 projects were approved in 2024, accounting for 17 million NOK in new approved projects.

We saw a high amount of Business Support projects related to Environmental & Social (E&S), and an increasing share of our portfolio was focused on climate. We also continued to support the Technical Assistance Facilities of several of our fund managers, ensuring a diverse and broad range of impact and recipients.

## Our work in 2024

During 2024, Business Support has strengthened its efforts in climate-related technical assistance. In line with Norfund's principle of assisting our investees in reducing their emissions, rather than reducing portfolio emissions through

divestments, Business Support is set to be one of the tools to achieve a net-zero portfolio by 2050. Our work during 2024 has been focused on positioning the facility to focus efforts where the climate-return on the projects are the greatest.

## Highlights from 2024

**27** direct or indirect investees assisted with new assessments and new procedures linked to climate and environment ranging from carbon footprint measurement, net-zero strategies and climate risks assessments to assist investees on climate adaptation. This has enabled investees and indirect investees in Norfund's portfolio to take more informed decisions regarding their climate risks and climate footprint.

**298** staff at Norfund investees and indirect investees trained in climate and environment related issues focusing on a broad range of topics such as climate adaptation strategies, net-zero approaches etc.

**19** Investees received assistance to assess and review their E&S work or develop and implement Environmental and Social Management Systems in line with IFC Performance Standards.

**759** employees of Norfund's direct and indirect investees were trained on E&S and OHS, with particular focus on IFC Performance Standards. Consequently, how they work with and manage E&S risks in their companies has been strengthened.

**553** staff members of investees were trained on gender equality focusing on a broad range of topics such as inclusion, gender bias and gender lens investing. This has strengthened how investees address gender equality in their companies.

**8** investees developed and implemented gender equality assessments or new gender equality procedures during the year.

# Jobs created

Norfund contributes to creating jobs both directly in portfolio companies and indirectly through the companies' value chains.

## Results in 2024

**41400** new jobs created in portfolio companies\*

**712000** total jobs in portfolio companies

\*In companies with two consecutive years of reporting

## Promoting decent jobs

Norfund promotes job quality using the IFC Performance Standards (PS) on Environmental and Social Sustainability in our investment processes.

- [Read more about the IFC Performance Standards](#)
- [more about our sustainability commitments and the IFC Performance Standards](#)

[Read about Norfund's development mandate strategy](#)

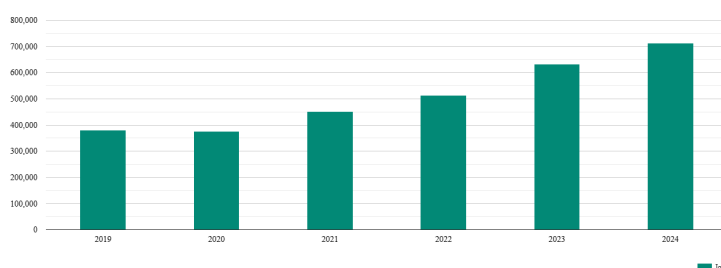
## Results 2024

### Record high number of jobs in Norfund portfolio companies

By the end of 2024, the companies which Norfund invested in employed a record high number of 712,000 full-time equivalents (FTEs), either directly or through funds. 76% of these were permanent jobs.

The below figure shows the number of jobs directly supported through the companies Norfund has invested in during the last three years. Figures are not directly comparable across years due to variations in the portfolio composition from new investments and exits. However, we see that since 2022 the number of direct jobs supported through our investments has increased by 39 %. Over the same period, Norfund's committed portfolio has grown by 34 %.

### Total jobs in Norfund's portfolio companies



Note: The figures reflect changes due to new investments and exits, with large sales significantly impacting total figures. From 2023 onward, figures include jobs supported through the Climate Mandate. As these figures represent full-time equivalents, actual employment is

higher. All figures for development effects are not attributed to the share of investment held by Norfund. Figures therefore represent total jobs at portfolio companies.

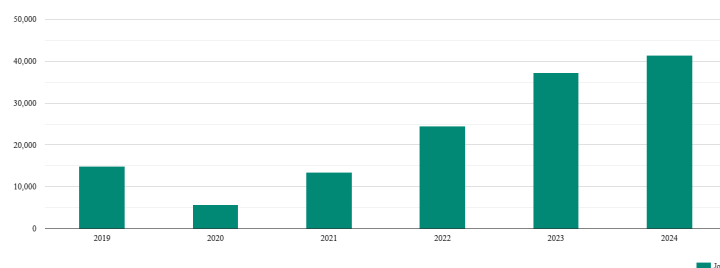
Considering companies that Norfund has been invested in during two consecutive years allows for calculation of the jobs that are created. From the end of 2023 to the end of 2024, Norfund's portfolio companies (with two consecutive years of reporting) reported a net increase of new jobs of almost 8 %, or 41,400 new jobs. This is a record high number.





Photo credit: Erco

### Jobs created



Jobs created are also affected by the composition of the portfolio in terms of size of companies and sector distribution.

### Job distribution by demographics and region

More than 477,000 jobs were held in companies operating in Africa, making up almost 67 % of total employees in Norfund's portfolio companies. 22 % were

employed in companies in Asia, 10 % were employed in companies in Latin America and 1% were employed in companies operating globally.

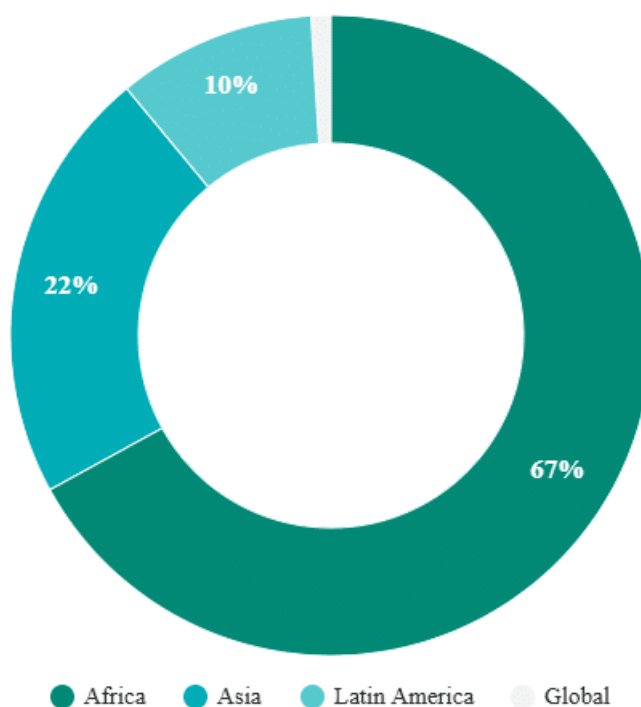
More than 192 000, 27%, of the jobs were in Least Developed Countries (LDCs).

**38** Female employees in Norfund portfolio companies

**20** Youth employees in Norfund portfolio companies

[Read more about how Norfund works with gender equality](#)

### Jobs per region



Norfund generates impact in multiple ways, including job creation, expanding access to financial services, and improving energy availability, while simultaneously achieving financial returns on its investments. Norfund's investments not only drive measurable social benefits but also, on average, ensure financial viability, demonstrating that positive development outcomes and strong financial performance can go hand in hand. From 2023 to 2024, the investments in Norfund's portfolio delivered an estimated return, measured as IRR, of 8.4 % measured in investment currency and 19.6 % measured in NOK.

[Read more about our financial results here](#)

# Energy access and supply

Access to energy is a fundamental prerequisite for economic growth, job opportunities, and enhanced living standards in developing countries. Furthermore, transitioning to a renewable energy system is essential for combating the climate crisis and ensuring a more sustainable future.

Norfund contributes to this by investing in renewable energy generation, transmission and off grid solution providers in emerging markets.

[Read about avoided emissions here](#)

## Impact 2024

<b>750,000</b>	<b>New households</b> granted access to electricity via micro/minigrids or solar home systems
<b>22.6 TWh</b>	<b>Electricity produced</b> by portfolio companies in 2024
<b>3315 MW</b>	<b>New capacity</b> total new renewable capacity financed

## Impact objectives

Norfund invests in renewable energy and access to energy under two different mandates, namely the development mandate and the climate mandate. The investments under the development mandate primarily seeks to reduce poverty and spur economic growth through increased provision of energy and access to

energy. Investments under the climate mandate primarily seeks to contribute to the transition to net zero by increasing access to renewable energy in emerging markets and thereby reducing emissions. Therefore, investments made under the two mandates have different impact objectives. Fulfilment of these objectives leads to job creation and economic growth, while mitigating climate change.

### Norfund's impact objectives

#### Development mandate

1. Increase the supply of energy
2. Increase the share of energy from renewable sources
3. Increase the access to energy

#### Climate mandate

1. Increase renewable energy capacity
2. Avoid emissions

[Read more about our development rationale](#)

## Results 2024

### Increased energy supply

In 2024, Norfund helped finance the construction of 3 315 MW of new electricity generation capacity (greenfield\*), including on-grid independent power producer (IPP) projects and commercial & industrial (C&I) projects.

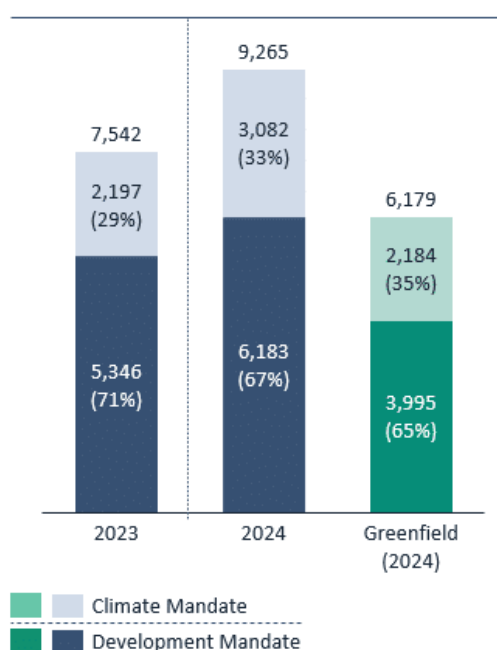
By the end of 2024, the total capacity in Norfund's portfolio was 14 461 MW, of which 9 265 MW was installed and 5 195 MW under construction. Of total capacity, 10 559 MW is greenfield.

In 2024, the power plants in our portfolio produced 22.6 TWh. Of this, 12.2 TWh was produced by power plants where Norfund has helped finance the construction (greenfield). This is [equivalent](#) to the combined annual electricity consumption of Tanzania and Uganda.

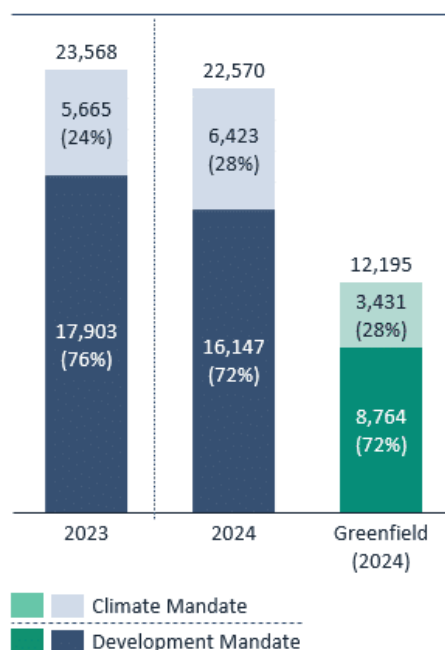
Transmission and energy storage projects are essential for a well-functioning energy system. In 2024, this sector continued to attract investment, with three new investments in transmission companies.

**Greenfield** refers to the capacity Norfund has helped finance the construction of. Hence, it excludes the capacity already installed in the portfolio companies at the time of the investment.

**Total installed capacity in portfolio (MW)**



**Total Production in portfolio (GWh)**



Adding to the already installed capacity, there was 5 195 MW capacity under construction in the portfolio in 2024. In addition to the 17.8 TWh in renewable energy generation, Norfund's portfolio companies produced 4.8 TWh non-renewable energy in 2024.





*Photo credit: Erco*

## Increased share of energy from renewable sources

All new capacity financed by Norfund is renewable, but Norfund still has investments in non-renewable energy capacity in the portfolio from previous investments. In 2023, the combined installed renewable energy under construction was 83% of the total, while in 2024 it increased to 89%.

The share of total energy production that was renewable also increased from 75% to 79%, contributing to an increase in actual avoided emissions from 8.4 million tons of CO<sub>2</sub>e in 2023, to 9.2 million tons of CO<sub>2</sub> in 2024.

## Increased access to energy

Not all households have the means or desire to connect to the electricity grid. For these households, mini-grid solutions and solar home systems serve as essential alternatives, delivering reliable electricity without the need for grid infrastructure. In 2024, 750,000 households gained access to electricity through these solutions.

Additionally, 1.3 million smaller solar-powered products, such as lanterns, were sold to households over the same period.

Norfund's investee companies also played a crucial role in expanding electricity access for businesses, providing solar-powered solutions, including lanterns and solar home systems tailored for both residential and commercial use.



# Access to finance

## Development Mandate

**Lack of access to useful and affordable financial products and services that meet the needs of clients is regarded as one of the most important constraints to the development and growth of businesses in low-income countries.**

This includes transactions, payments, savings, credit and insurance products, and the way these are delivered to the clients. Increasing access to, and use of, financial products and services also contributes to household resilience by enabling saving and the possibility of sourcing emergency funding. Contributing to increased financial inclusion is therefore a key priority for Norfund.

[Read about the development rationale for investments in financial inclusion](#)

## Norfund's impact objectives

Norfund has the following impact objective for investments in financial institutions:

- Increasing the provision of financial services
- Increasing the provision of credit to clients

This enables economic growth and job creation in low- and middle-income regions and helps to improve living standards.

## Impact in 2024

**14.6 million** new clients served by portfolio companies

**37.4 billion** increase in lending to clients by portfolio companies

The performance against the impact objectives is calculated based on companies with two consecutive years of reporting. The increased number of clients in the portfolio of 14.6 million constitute a growth of 13 % in 2024. Companies with two consecutive years of reporting increased their credit provision by NOK 37.4 billion (4.7% growth) during the year.

### Increased provision of financial services and credit to clients

In total the investments in Norfund's portfolio provided financial services to around 134 million clients in 2024. 75 % of these clients are in Africa, 17 % in Asia and 8 % in Latin America.

The combined loan book of all Norfund's investments in financial service providers reached a total of NOK 1094 billion by the end of 2024. The total number of loans provided to clients by the investments in our portfolio was 37.5 million. This is an increase compared to last year, where 32 million loans were provided to clients. Additionally, Norfund's investments offered around 107 million clients with deposit accounts.

# Avoided emissions

Scaling up the generation of renewable energy in developing countries is essential for both economic growth and development, as well as for mitigating climate change.

<b>9.2 million</b>	<b>2024</b> actual tCO <sub>2</sub> e avoided emissions in 2024 from portfolio companies (greenfield)
<b>17.6 million</b>	<b>Since inception</b> expected tCO <sub>2</sub> e avoided emissions annually <b>Climate Investment Fund</b>

Norfund's investments in renewable energy are playing a pivotal role in bypassing traditional fossil fuel-based development pathways and building more sustainable and resilient energy systems. By replacing current or future electricity that would otherwise be produced from fossil fuels, Norfund's investments are significantly contributing to the prevention of greenhouse gas emissions.

Norfund estimates avoided emissions from our investments in renewable energy annually based on actual renewable energy production from the investment projects (ex post). For the investments under the Climate Investment Fund, avoided emissions are also estimated up front from expected production (ex-ante).

[Read about increased energy access and supply](#)

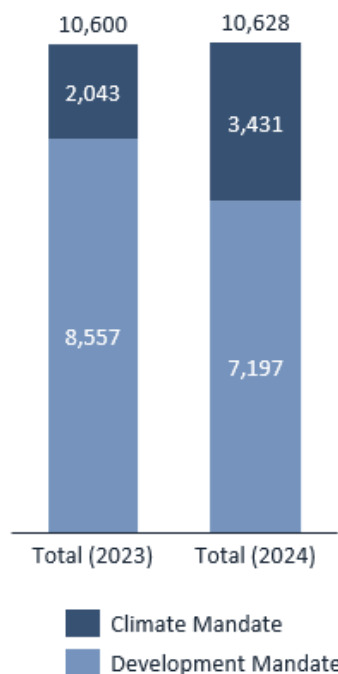
## Actual avoided emissions (ex-post)

Actual avoided emissions are the GHG emissions prevented by replacing grid electricity with power from greenfield renewable energy investments. This is estimated based on data from investees on annual GWh electricity production.

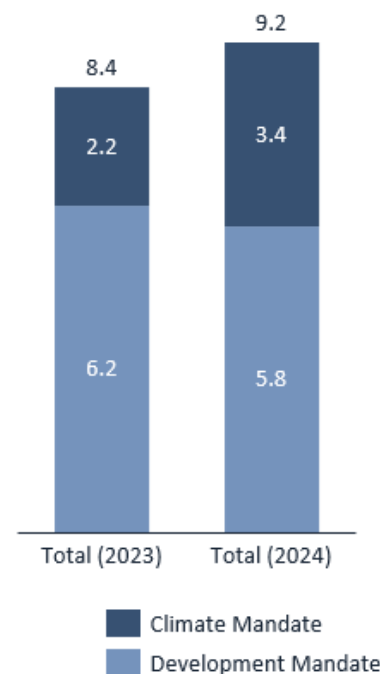
The indicator is used to track the performance of our renewable energy portfolio under both the climate and development mandates. In 2024 alone, Norfund's portfolio companies generated 10,628 GWh greenfield\* renewable energy, resulting in avoided emissions of 9.2 million tCO<sub>2</sub>e, roughly equivalent to 1/5 of Norway's total annual CO<sub>2</sub> emissions.

Compared to 2023, avoided emissions increased despite similar renewable energy production, because more the production was tilted towards countries with higher fossil fuel dependence and higher grid emission factors.

**Greenfield Renewable Energy Production  
(GWh)**



**Annual avoided GHG emissions  
(million tCO<sub>2</sub>e)**



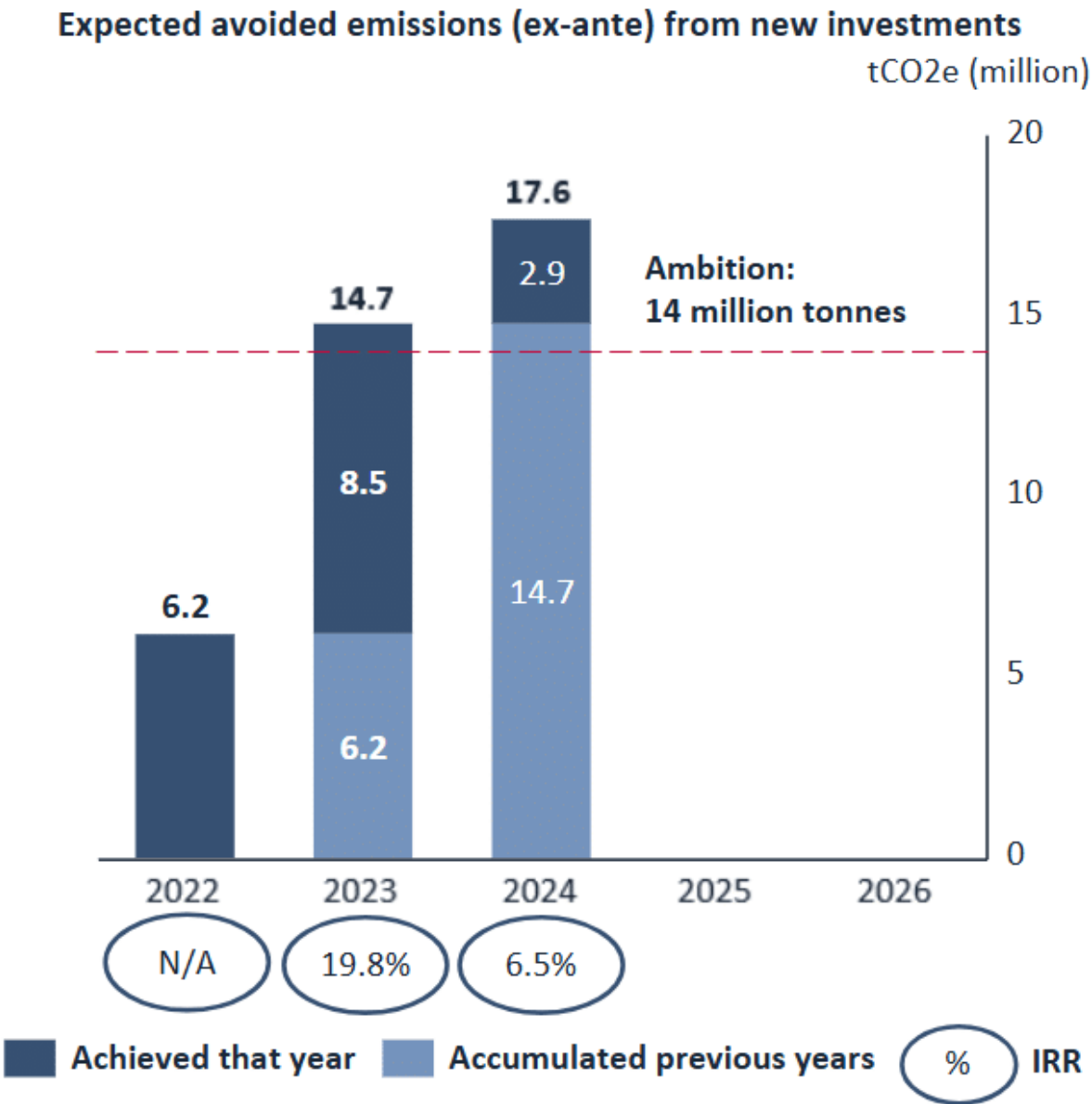
The main contributors to the avoided emissions in 2024 were wind and solar power investments in South Africa and India, which together make up 76% of total actual avoided emissions.

\*Greenfield refers to the capacity Norfund has *helped finance the construction of*. Hence, it excludes the capacity already installed in the portfolio companies at the time of the investment.

## Expected avoided emissions (ex-ante)

Expected avoided emissions from investments under the Climate Investment Fund are estimated at the time of investment, projecting the emissions that will be avoided once the planned capacity is installed and operational—often several years later. These numbers are part of the strategic ambitions of the climate mandate. The electricity grid mix of the countries was an important criteria in the country selection in the strategy, where countries with higher grid emission factors were prioritized to maximize climate impact.

From 2023 to 2026, the climate investment mandate aims to achieve 14 million tCO<sub>2</sub>e in expected avoided emissions. This target was exceeded already in 2023, reaching 17.6 million tCO<sub>2</sub>e by the end of 2024. In 2024 alone investments done under the climate investment mandate are expected to avoid 2.9 million tCO<sub>2</sub>e.



**Avoided emissions from transmission and storage**

Norfund invests in energy infrastructure to overcome barriers to renewable energy in emerging markets. These projects, such as new substations, battery storage and transmission, strengthen energy systems and facilitate renewable expansion. While vital to Norfund’s goals for renewable energy penetration, calculating avoided emissions from these investments is complex and not yet included in impact reports.

Summary avoided emissions

	CIM	DIM
Ex-ante/expected in 2024 (greenfield)	2.9 mill tCO2e	N/A
Ex-post/actual in 2024 (greenfield)	3.4 mill tCO2e	5.8 mill tCO2e
Ex-ante accumulated (greenfield)	17.6 mill tCO2e	N/A

# Tax revenues

One of the important ways Norfund's portfolio companies contribute to sustainable development is by paying taxes and fees to the countries in which they operate.

## Taxes paid in 2024

**41.2 BNOK** Total taxes paid by portfolio companies

**30.3 BNOK** Total taxes paid in Africa

**5.4 BNOK** Increase in total taxes paid by portfolio companies\*

\*In companies with two consecutive years of reporting

## Results in 2024

Profitable companies pay taxes to governments in the countries in which they operate. Taxes and fees are paid both by Norfund's portfolio companies and by the companies in their value chains. This means that company growth can increase the demand for supplies, which in turn can increase tax revenues generated by the suppliers. In this way the company growth contributes to tax generation beyond the tax collected in the company.

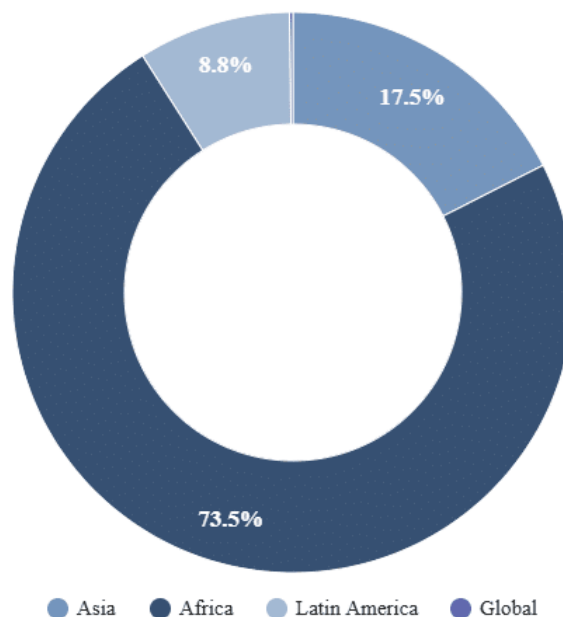


In 2024, an amount equivalent to NOK 41.2 billion was paid in taxes and fees by the companies in which Norfund is invested, both directly and through funds. This corresponds to 74 % of the total Norwegian development aid in 2024.

46 % of the total taxes were paid as corporate income tax and 54 % were paid as other transfers, such as sales taxes, withholding taxes, net VAT, royalties, license fees and social security payments.

From the end of 2023 to the end of 2024, the total taxes and fees paid by companies with two consecutive years of reporting increased by NOK 5.4 billion.

## Tax revenues per region



About 73 % of the taxes and fees paid by Norfund portfolio companies were paid by companies operating in Africa.

## Norfund's tax policy

A responsible tax policy is fundamental to all Norfund's operations. Our tax policy is based on the principles of the Norfund Act of 1997, Norfund's statutes and EDFI's principles for responsible tax in developing countries. The policy sets out

the principles that guide our approach to tax-related issues and what we expect from our portfolio companies and co-investors.

The tax policy includes requirements regarding transparency, stating that Norfund's investees shall pay taxes to the countries in which they operate and where the income occurs, and that use of third countries must only be done when necessary to meet the fund's development priority of investing in high-risk markets and to protect the fund's capital.

Norfund regularly reviews its policies and suggests updates and operational adjustments to ensure compliance. Norfund aims to review its tax policy in 2025 to see if any updates or operational adjustments are needed.

[More about taxes and Norfund's Responsible Tax Policy](#)

[Why DFIs use offshore financial centers](#)

# Creating jobs, improving lives

## Development Mandate

After decades of global poverty reduction, the past five years has seen [progress towards lower poverty reduction rate stagnate](#) – and the number of people living in poverty has increased. Covid-19 severely impacted developing economies, many of which have yet to fully recover. Meanwhile, growth rates in developing countries have [stopped catching-up](#) with the developed world, with interest rates and resulting [debt servicing costs rising to crippling levels](#). Following a “year of elections” in 2024, the political landscape has become less certain and more polarized, adding to the existing instability caused by the ongoing war in Ukraine and escalating conflict levels in the Middle East. Furthermore, the second Trump administration has dramatically rolled back most development aid, focusing the remainder on US national interests. Aid budgets are also facing severe cuts and steering towards national interests in many European countries.

Against this backdrop, an estimated [700 million people \(8.5% of the world’s population\) still live in extreme poverty](#). Key figures clearly show the need for creating jobs, improving access to energy and finance as well as strengthening infrastructure:

- [The ILO estimates a global jobs gap of 402 million](#) (the jobs gap includes unemployed, the potential labor force, and those who would like to work but who have obligations, such as care, that hinder them from taking up employment)
- [600 million people in sub-Saharan Africa](#) lack access to electricity
- [1.4 billion adults](#) do not have a financial account
- [2 billion people lack access to safely managed drinking water and 3.5 billion people lack access to safely managed sanitation](#)

The UN estimates the [current funding gap to reach the Sustainable Development Goals for developing countries to be 4.0 trillion USD](#) annually, up from 2.5 trillion USD in 2015. A significant increase in private capital inflows is required to bridge the shortfall. Norfund is the Norwegian government's main instrument for strengthening the private sector in developing countries, and therefore an important tool to help close this gap.



*Photo credit: Erco Energia*

## Strategy

The strategy towards 2026 is anchored in Norfund's mandate, informed by the Sustainable Development Goals, and reflective of the priorities of the Norwegian government's development assistance policy.

Additionality and impact remain the backbone of our strategy. Being additional means investing where capital is scarce and where other investors are reluctant to invest because of high risk. It also means adding non-financial value in the form of expertise and responsible ownership to the investments we make. Through our value-additionality, we can improve both the profitability and the development

impact of the companies. Norfund believes that targeted asset allocation is the best way to deliver impact, and the strategy underpins this.

Norfund has an ambition to seek exit of mature or de-risked investments to recycle capital and multiply the impact per dollar committed.

## Investment areas

Norfund invests in four areas with substantial potential for impact: Renewable Energy, Financial Inclusion, Scalable Enterprises and Green Infrastructure. Access to electricity and finance are crucial for growing businesses. Scalable enterprises are companies with significant potential for growth and job creation, while essential infrastructure is key to the development of sustainable cities.

Investments in these sectors contribute to job creation and improved lives in developing countries. At the start of the strategy period impact ambitions were set for each investment area to reflect accumulated growth (that is, development in the companies after Norfund has invested) on sector-relevant parameters. Progress towards these is tracked every year and the status as of end of 2024 is presented in the table below.

Investment area	Ambition (2023-2026 strategy period)	Achievement by end of 2024
Renewable Energy	6.5 million new households provided with access to electricity	1.2 million
	6.5 GW new capacity financed	2.6 GW
Financial Inclusion	40 million new bank clients	26.1 million
	NOK 280 billion increase in lending provided	93.4 BNOK
Scalable Enterprises	A&M NOK 3 billion additional revenues generated	4.85 BNOK
	10 000 new jobs created	16 300
	Funds NOK 16 billion additional revenues generated	13 BNOK
	70 000 new jobs created	21 700

Note: For Green Infrastructure, we have data for too few companies to report and disclose aggregate figures. Ambitions are set on organic growth and not growth through new investments. The achievements are calculated as the sum of two years of year-on-year change, per year, for companies reporting two consecutive years.

Norfund has a KPI set out in the statutes that approximately 60% of allocated capital from the government over time should be invested in renewable energy. At

year-end 2024, this metric stood at 77.5%. All numbers for development effects are unattributed, meaning they show the total effect of Norfund's portfolio companies and do not account for Norfund's ownership stake.

## Priority countries

Norfund targets 30 core countries that were selected based on three criteria:

- **Additionality** - there is considerable investment needs but few alternative investors
- **Competence** - Norfund has solid market knowledge of and expertise in these countries
- **Feasibility** - there are sufficient investment opportunities within Norfund's investment areas

Norfund's strategy gives priority to investments in Least Developed Countries (LDC) and Sub-Saharan Africa (SSA), with targets of at least 33% and 50% of the total portfolio in LDCs and SSA respectively. By the end of 2024, 34% of total commitments were in LDCs, while 63% were in SSA. It is increasingly important to be countercyclical in a world where investors are becoming more risk averse because of the uncertainty of the macroeconomic outlook.

## Priority instruments

Norfund provides capital in the form of equity, debt and fund investments. Preference is given to equity investments, as this remains the scarcest form of capital in developing countries. Provision of debt to financial institutions increases the ability of companies to provide loans to clients. Debt investments also diversify Norfund's portfolio, both in terms of risk and capital reflows. Investing in funds via trusted and skilled partners is a way to channel capital to companies that may be difficult to invest in directly, for example due to size,

sector or market. Norfund targets a minimum of 70% equity. By year-end 2024, 72.6% of commitments were equity investments.

# Financial Inclusion

## Development Mandate

Financial Inclusion is Norfund's largest investment sector under the Development Mandate, with a focus on commercial banks, microfinance institutions, fintech ventures, and other financial services such as non-deposit taking lenders, insurance, and leasing. By investing in financial institutions Norfund contributes to increased financial inclusion and in particular to support jobs in micro-, small- and medium-sized companies.

### Key achievements in 2024

**2587** MNOK committed

**14.6** million new clients reached

**37.4** BNOK increase in lending to clients

### Strategic ambitions

Norfund has defined two strategic ambitions for the investments within Financial Inclusion for the strategy period 2023-2026. There are related to the offer of financial services by our investees to new clients and the amount of outstanding loans.



- Offer financial services to **40 million new clients**
- Extend **280 billion NOK more** in loans to clients

## Investments and results in 2024

At the end of 2024 Norfund was invested directly in 75 financial institutions, accounting for 31% of Norfund's total portfolio. The FI portfolio consists of 41,3% equity investments, 47,3% loans, and 11,4% fund investments. The significant loan share ensures strong capital reflow, with 2024 repayments totaling 134 million USD. The FI department grew its loan portfolio by committing 10 new loans worth 154 million USD in 2024.

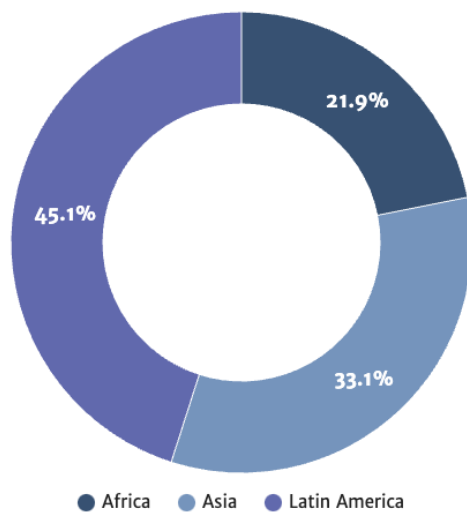
**2587** MNOK committed in 2024

**13379** MNOK committed in total FI portfolio

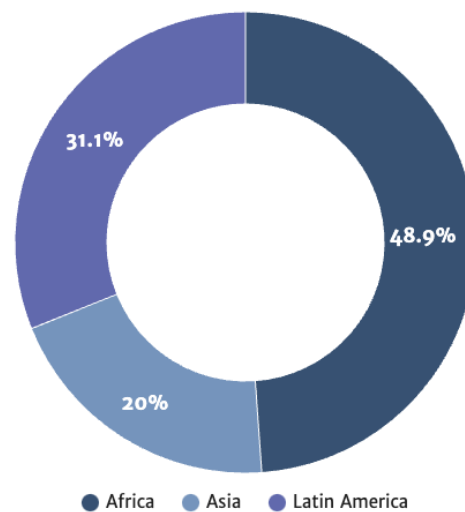
## Investments per region

In 2024, a total of 22 commitments were signed with financial institutions in Sub-Saharan Africa, Asia and Latin America.

Investments per region in 2024



Total portfolio per region



## Total portfolio by instrument

### Continued challenges due to the macro environment

The financial sector in Norfund's core countries is strongly affected by weakening macroeconomic factors. Higher-for-longer interest rates and increasing sovereign risk due to high sovereign debt levels, are the main trends that posed challenges during 2024. Defaults in recent years by Zambia, Sri Lanka, Ghana and Ethiopia illustrate these risks, and there is a risk of more to come. The significant holding of government securities in some banks is a particular concern. Sovereign defaults have significant implications for economic growth, inflation, exchange rates,

and the solvency of a country's financial sector. While the banks' interest margins are strong, we see increasing risk for repayment issues for the banks' customers resulting in higher impairment and weaker profits in several financial institutions.

## Strong portfolio performance

Despite the macro challenges, the FI portfolio delivered strong results in 2024, achieving a USD IRR of 12.4%. Additionally, 45 million USD was received in interest payments and 33 million USD in dividends and capital returns from our equity and fund investments.

We experienced three new non-performing loans in our debt portfolio, all of limited size and spread across Asia, Sub-Saharan Africa and Latin America. Our equity valuations increased overall, mainly driven by positive valuation developments in Arise. Our investments in Myanmar struggle to operate in a difficult environment and have been in need of restructuring on the debt side.

## Arise

Arise is a bank investment firm with significant minority stakes in several leading African banks, including in Kenya, Tanzania, Zambia and Uganda. Norfund is the main shareholder with more than 40% ownership of the company. While there continues to be some challenges in the portfolio largely due to the macroeconomic situation in the region in which the company has investments, Arise received substantial dividends in 2024 totaling 48 million USD (gross), consistent with the level received 2023. Arise management, together with the company's board and owners, is in the process of finalizing a strategy for the 2025-2029 period. The strategy incorporates an ambition to grow the portfolio, further improve the level of support to the Arise-investees and expand the shareholder base.

## Highlights of 2024

**15** new investee companies

**7** follow-on investments

In 2024 the Financial Inclusion department entered into 16 new investment agreements for a total of 239 million USD covering 9 different countries and 3 regional companies.

### **Mobilizing Nordic private capital through investment in Abler Nordic's Fund V**

Abler Nordic serves as Norfund's primary platform for bottom of the pyramid financial inclusion investments in Sub-Saharan Africa, South Asia, and South-East Asia. In 2024, Norfund committed 30 million USD to Abler Nordic's Fund V, which had a first close of 93 million USD, alongside IFU, Ferd, KLP, and DNB. The new fund will invest in institutions offering financial inclusion to low-income households in developing countries.



*Photo credit: Abler Nordic Kenya*

## Strengthening Guatemala's microfinance sector in rural areas through Genesis

Norfund provided 20 million USD in local currency funding through an FMO-led syndicated loan of 85 million USD to Genesis, a microfinance entity in Guatemala. Genesis serves over 340,000 clients, with 72% being women and 76% in rural areas. Most clients come from low-income backgrounds. The company addresses clients' basic needs first, then offers personal and microbusiness loans, along with guidance to strengthen their businesses. They also provide financial education programs in 23 indigenous languages.

## Fintech

Access to high quality, affordable financial services is essential for social and economic development, gender equality, resilience, and livelihoods. Unfortunately, globally around 1.4 billion people are unbanked and even more are underbanked. It is also a gender issue:

women are disproportionately affected: 74% of men and 68% of women in developing countries have account ownership.

Small- and medium-sized companies (SMEs) are also underserved by financial institutions in our markets. The use of digital technology and AI simplifies the on-boarding and credit processes thereby making it more financially attractive to take on SMEs as clients. Our mandate is to increase financial inclusion in both the personal and business segments, making fintech a natural area of interest for Norfund.

In 2024, two new direct commitments were made in this area, including Norfund's first direct fintech equity investment. Norfund committed up to 9.2 million USD for a shareholding in Awantunai, a fintech company that offers solutions to increase access to capital for micro and SME enterprises in the supply chain of the fast-moving consumer goods (FMCG) industry in Indonesia. The investment will enable Awantunai to scale up its operations and reach more underbanked and underserved companies. Norfund also provided a local currency loan equivalent to 10 million USD to Lula, a fully digital SME lending fintech in South Africa.

In addition, the four fintech funds in which we have ownership, Accion Quona Inclusion Fund, Quona Accion Inclusion Fund III, Integra Partners Fund II and APIS Growth Markets Fund III, executed several new equity investments in fintech companies across Africa, Asia and Latin America.

## Financial Inclusion portfolio

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
Arise	Regional	2016	Banking	Equity	33%	Netherlands	2857.9
NorFinance	Regional	2013	Banking	Equity	50%	Norway	507.5
AfricInvest FIVE	Regional	2018	Non-Bank Financial Institution	Equity	20%	Mauritius	346.1
Ecobank	Regional	2021	Banking	Loans	0%	Togo	340.6
Southeast Asia Commercial Joint Stock Bank	Vietnam	2024	Banking	Loans	0%	Vietnam	340.6
Banco Promerica Guatemala	Guatemala	2016	Banking	Loans	0%	Guatemala	333.5
LAAD	Regional	2004	Non-Bank Financial Institution	Loans	0%	Netherlands Antilles	329.2
Yoma Bank Limited	Myanmar	2019	Banking	Equity	11%	Myanmar	295.0
Amret	Cambodia	2013	Microfinance	Loans	0%	Cambodia	283.8
Abler Nordic Fund V	Global	2024	Microfinance	Funds	29%	Norway	283.5
Genesis	Guatemala	2024	Microfinance	Loans	0%	Guatemala	229.6
Access Bank	Nigeria	2017	Banking	Loans	0%	Nigeria	227.1
BANCO INDUSTRIAL EL SALVADOR	El Salvador	2014	Banking	Loans	0%	El Salvador	227.1
City Bank Limited	Bangladesh	2023	Banking	Loans	0%	Bangladesh	227.1
Apis Growth Markets Fund III SCSp	Global	2024	Fintech fund	Funds	5%	Luxembourg	225.7
CIFI Sustainable Fund	Regional	2023	Infrastructure fund	Funds	32%	Canada	216.9
Abler Nordic Fund IV	Global	2018	Microfinance	Funds	18%	Norway	216.0
Banco Ficohsa Honduras	Honduras	2012	Banking	Loans	0%	Honduras	204.4

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
BAC El Salvador	El Salvador	2023	Banking	Loans	0%	El Salvador	198.7
Vietnam Prosperity Joint Stock Commercial Bank	Vietnam	2023	Banking	Loans	0%	Vietnam	194.6
Produbanco	Ecuador	2023	Banking	Loans	0%	Ecuador	187.3
Mutual Trust Bank Limited	Bangladesh	2019	Banking	Loans Equity	10%	Bangladesh	185.3
Banco BDI	Dominican Republic	2022	Banking	Equity	20%	Dominican Republic	184.3
The Co-operative Bank of Kenya	Kenya	2022	Banking	Loans	0%	Kenya	181.7
Growth Investment Partners Ghana	Ghana	2024	Non-Bank Financial Institution	Equity	23%	Ghana	170.9
Banco Promerica El Salvador	El Salvador	2015	Banking	Loans	0%	El Salvador	170.3
CRDB - AfDB CRP	Tanzania	2022	Banking	Loans	0%	Tanzania	170.3
Banco Atlantida	Honduras	2022	Banking	Loans	0%	Honduras	152.1
Access Bank Ghana	Ghana	2022	Banking	Loans	0%	Ghana	151.4
Banco Cuscatlan	El Salvador	2022	Banking	Loans	0%	El Salvador	141.9
Abler Fund III	Global	2013	Microfinance	Funds	26%	Norway	139.0
Quona Inclusion Fund III	Global	2021	Fintech	Funds	5%	Cayman Islands	136.3
CRDB Bank DRC	Congo, Dem Rep Of	2022	Banking	Equity	23%	Congo, Dem Rep Of	121.3
National Development Bank	Sri Lanka	2021	Banking	Equity	10%	Sri Lanka	120.6
CIFI	Regional	2004	Non-Bank Financial Institution	Equity	34%	Panama	116.2
Banco BDF	Nicaragua	2017	Banking	Loans	0%	Nicaragua	113.5



Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
Banco Ficohsa Nicaragua	Regional	2022	Banking	Loans	0%	Nicaragua	113.5
FCMB	Nigeria	2019	Banking	Loans	0%	Nigeria	113.5
I&M group	Kenya	2024	Banking	Equity	12%	Kenya	113.5
Banco Popular Honduras	Honduras	2024	Banking	Loans	0%	Honduras	111.0
Lula Lend	South Africa	2021	Fintech	Loans	0%	South Africa	110.9
LOCFUND NEXT	Regional	2020	Microfinance	Funds	29%	Canada	106.1
Sathapana	Cambodia	2008	Banking	Loans	0%	Cambodia	102.2
Banco Promerica Costa Rica	Costa Rica	2018	Banking	Loans	0%	Costa Rica	99.3
AwanTunai	Indonesia	2024	Fintech	Equity	5-15%	Singapore	96.9
Evolution Credit	South Africa	2009	Non-Bank Financial Institution	Equity	12%	South Africa	93.3
Bayport Zambia	Zambia	2023	Microfinance	Loans	0%	Zambia	92.1
Premier Credit Limited	Kenya	2024	Microfinance	Loans	0%	Kenya	91.1
Hattha Bank	Cambodia	2007	Banking	Loans	0%	Cambodia	90.8
Locfund Next (Bridge Loan)	Regional	2024	Microfinance	Loans	0%	Canada	90.8
MI BANCO	El Salvador	2022	Banking	Loans	0%	El Salvador	90.8
Integra Partners Fund II	Regional	2022	Fintech fund	Funds	10%	Singapore	87.4
Accion Quona Inclusion Fund	Global	2019	Fintech	Funds	5%	Cayman Islands	86.0
Fedecredito	El Salvador	2016	Microfinance	Loans	0%	El Salvador	85.2
First National Bank	Ghana	2020	Banking	Loans	0%	Ghana	85.2
Banco Multiple Ademi	Dominican Republic	2023	Banking	Loans	0%	Dominican Republic	79.9
Finsocial	Colombia	2022	Microfinance	Loans	0%	Colombia	75.6
KREDIT PLUS	Colombia	2023	Other financial services	Loans	0%	Colombia	75.0

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
Desyfin	Costa Rica	2011	Non-Bank Financial Institution	Loans Equity	23%	Costa Rica	70.8
Wave Mobile Money	Regional	2022	Fintech	Loans	0%	Senegal	60.7
Advans MFI	Myanmar	2015	Microfinance	Loans Equity	40%	Myanmar	60.5
Norsad	Regional	2011	Non-Bank Financial Institution	Equity	14%	Botswana	56.8
Funding Societies	Indonesia	2023	Fintech	Loans	0%	Singapore	56.8
Softlogic Life	Sri Lanka	2020	Non-Bank Financial Institution	Loans	0%	Sri Lanka	56.8
Bayport Mozambique	Mozambique	2022	Microfinance	Loans	0%	Mozambique	52.2
Banco BCT	Costa Rica	2019	Banking	Loans	0%	Costa Rica	47.3
ARREND	Regional	2015	Non-Bank Financial Institution	Loans Equity	22%	Guatemala	42.8
FDL	Nicaragua	2013	Microfinance	Loans Equity	13%	Nicaragua	41.6
Abler Frontier Fund	Global	2008	Microfinance	Funds	45%	Norway	39.8
Abler Nordic GP IV AS	Global	2024	Microfinance	Equity	20%	Norway	31.5
Optima	El Salvador	2019	Microfinance	Equity	37%	El Salvador	30.4
Abler Nordic AS	Global	2008	Microfinance	Equity	33%	Norway	24.2
Abler Nordic GP IV AS	Global	2018	Microfinance	Equity	20%	Norway	24.0
Myanmar Finance	Myanmar	2015	Microfinance	Equity	25%	Myanmar	16.7
Abler Global Fund	Global	2008	Microfinance	Funds	45%	Norway	15.9
NMBZ	Zimbabwe	2013	Banking	Loans	0%	Zimbabwe	12.4
Bina Artha	Indonesia	2021	Microfinance	Loans	0%	Indonesia	10.0
Abler Norwegian AS	Global	2008	Microfinance	Equity	50%	Norway	10.0

# Financial Inclusion portfolio 2024

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
Arise	Regional	2016	Banking	Equity	33%	Netherlands	2857.9
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Finsocial	Colombia	2022	Microfinance	Loans	0%	Colombia	75.6

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
KREDIT PLUS	Colombia	2023	Other financial services	Loans	0%	Colombia	75.0
Desyfin	Costa Rica	2011	Non-Bank Financial Institution	Loans Equity	23%	Costa Rica	70.8
Wave Mobile Money	Regional	2022	Fintech	Loans	0%	Senegal	60.7
Advans MFI	Myanmar	2015	Microfinance	Loans Equity	40%	Myanmar	60.5
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Banco BCT	Costa Rica	2019	Banking	Loans	0%	Costa Rica	47.3
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Optima	El Salvador	2019	Microfinance	Equity	37%	El Salvador	30.4
Abler Nordic AS	Global	2008	Microfinance	Equity	33%	Norway	24.2
Abler Nordic GP IV AS	Global	2018	Microfinance	Equity	20%	Norway	24.0
Myanmar Finance	Myanmar	2015	Microfinance	Equity	25%	Myanmar	16.7
Abler Global Fund	Global	2008	Microfinance	Funds	45%	Norway	15.9
NMBZ	Zimbabwe	2013	Banking	Loans	0%	Zimbabwe	12.4
Bina Artha	Indonesia	2021	Microfinance	Loans	0%	Indonesia	10.0

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
Abler Norwegian AS	Global	2008	Microfinance	Equity	50%	Norway	10.0

# Renewable Energy

## Development Mandate

Norfund invests in various renewable energy sources, including solar, wind, hydropower, biomass, and geothermal energy, ranging from large-scale grid-connected plants to smaller distributed generation projects and off-grid solutions. Additionally, Norfund invests in enabling technologies like energy storage and transmission, which support the utilization of renewable solutions.

Approximately [750 million people worldwide](#) lack access to electricity, 80% live in sub-Saharan Africa. Investing in renewable energy enables job creation, economic growth, improves living standards and mitigates climate change.

### Key achievements in 2024

**1630** MNOK committed

**2065** MW new capacity financed, 100% renewable

**750000** new households gained access to electricity



## Strategic ambitions

Norfund has defined the following ambitions for the strategy period 2023-2026:

- **6.5 million new households** provided with access to electricity
- **6.5 GW** new renewable capacity financed

[Read about increased energy access and supply here](#)

## Investments and results in 2024

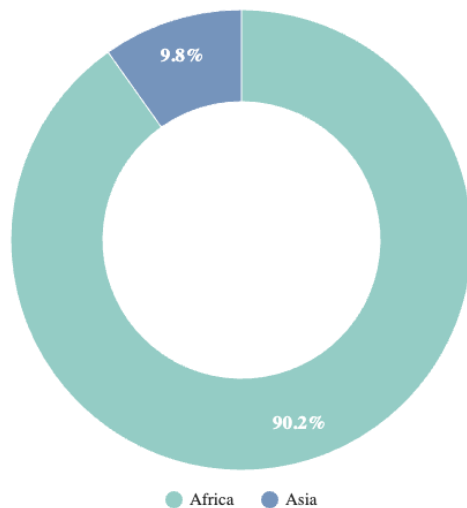
By year end, Renewable Energy under the development mandate accounted for 27.8% of our total portfolio with a total of 42 investments.

**1630** MNOK committed in 2024

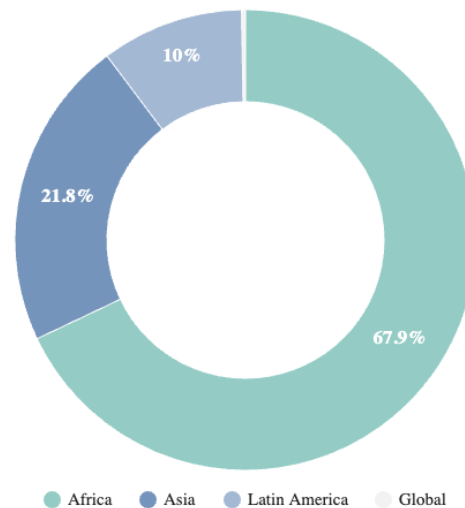
**12031** MNOK committed in total RE portfolio

## Investments per region

Investments per region in 2024



Total portfolio per region



## Highlights of 2024

**2** new investee companies

**7** follow-on investments

**1** new fund investment

## Green Guarantee Company

Norfund participated in the establishment of The Green Guarantee Company - a non-bank financial institution with the mandate to issue credit guarantees towards companies mitigating greenhouse gas emissions, primarily renewables. The institution has been established with an initial capital base of USD 100m and has the capacity to issue guarantees of up to 10x this volume. The Green Guarantee Company aims to mobilize institutional investors to bring capital to these projects in our target markets.



*Investment Director Cathrine Kaasen Conradi and Associate Investment Manager Fredrik Scheen at Norfund at the ceremony.*

## Supporting growth in portfolio companies

In 2024 we provided additional capital to a number of our investees to finance their growth in existing and new markets. Examples include:

- **Globeleq:** Norfund and BII committed equity funding to our investee Globeleq to fund their expansion in renewables. This includes a large-scale battery project in South Africa, a 120 MW

wind project in Mozambique and 2x20 MW solar projects in Zambia.

- Berkeley Energy Commercial and Industrial Solutions (BECIS) provides energy services, including rooftop solar, steam from biomass and energy efficiency solutions to clients in India and Southeast Asia. Together with other shareholders, Norfund and KLP participated in an increase in the company's equity capital.
- Cross Boundary Energy (CBE) is a provider of renewable power directly to off-takers and has grown especially within the mining sector in Africa. Norfund and KLP provided bridge financing which, together with a debt facility from Stanbic, will support execution of their pipeline of projects.
- Erco Energia is a pioneer in the provision of behind the meter solutions for commercial and industrial consumers in Colombia. Norfund first invested in Erco in late 2023 and the company has pivoted from rooftop and small ground-mounted systems to medium-sized solar plant supplying power to the Colombian market. Norfund provided additional capital, together with debt from a local bank, to finance execution of such projects.
- Aktivco, a subsidiary of Camusat, provides renewable energy solutions for telecom installations across several countries in West Africa. In 2024 Norfund and Proparco joined the funds "Facility for Energy Inclusion" (also a Norfund investee) and "Africa Go Green" in subscribing to a €68m bond to finance expansion in Senegal, Burkina Faso, Cameroon, Chad, Cote d'Ivoire and Madagascar.



Photo credit: Erco Energía

## Renewable Energy portfolio (Development Mandate)

Investment	Country	Committed year	Sector	Instrument	Stake	Domicile	Committed (MNOK)
Globeleq	Regional	2014	Energy	Loans Equity	30%	United Kingdom	2692.9
Fourth Partner Energy	India	2021	Solar power	Equity	N/A	India	905.2
Agua Imara	Global	2021	Hydropower	Loans Equity	100%	Norway	826.7
Klinchenberg	Regional	2021	Hydropower	Equity	50%	Netherlands	784.6
Copperbelt Energy Corporation	Zambia	2023	Energy	Equity	24%	UK for holding company	736.9
Berkeley Energy Commercial & Industrial Solutions	Regional	2020	Other/hybrid renewables	Loans Equity	13%	Singapore	586.2
H1 Pele SPV	South Africa	2021	Wind power	Loans	0%	South Africa	575.4
ERCO Energia	Colombia	2022	Solar power	Equity	N/A	Colombia	537.8
AktivCo	Regional	2021	Solar power	Loans	0%	France	447.5

Investment	Country	Committed year	Sector	Instrument	Stake	Domicile	Committed (MNOK)
Cross Boundary Energy	Regional	2022	Solar power	Equity	18%	Mauritius	437.1
Green Roof	Vietnam	2021	Solar power	Equity	50%	Singapore	431.9
Serengeti Energy	Regional	2017	Hydropower and Solar power	Equity	11%	Mauritius	273.7
Sun King Financing Limited	Kenya	2023	Solar power	Loans	0%	Jersey	241.6
Scatec Agua Fria	Honduras	2014	Solar power	Loans Equity	45%	Honduras	217.7
FEI - Facility for Energy Inclusion	Regional	2019	Renewable energy fund	Funds	18%	Mauritius	214.9
Metier Sustainable Capital Fund II	Regional	2019	Renewable energy fund	Funds	13%	Mauritius	187.8
ICCF	Global	2010	Other/hybrid renewables	Loans	N/A	Luxembourg	185.0
Empower	Regional	2022	Other/hybrid renewables	Loans Equity	18%	Norway	163.3
WeLight	Regional	2019	Energy	Loans Equity	30%	Mauritius	150.2
Evolution Fund II (Through KNI)	Global	2019	Renewable energy fund	Funds	7%	Mauritius	137.9
Kiangan	Philippines	2021	Hydropower	Loans	0%	Singapore	125.6
ESCOTEL	Regional	2020	Solar power	Loans Equity	31%	Mauritius	113.3
REPP 2.0	Regional	2024	Renewable energy fund	Funds	16%	Luxembourg	113.3
Baobab+	Regional	2021	Solar power	Loans Equity	25%	France	109.6
Yoma Micro Power	Myanmar	2017	Solar power	Loans Equity	15%	Singapore	101.2
d.light	Global	2016	Solar power	Loans Equity	6%	United States of America	80.6
Nordic Impact Cooperation (NIC)	Global	2022	Solar power	Equity	33%	Norway	79.1
responsAbility ACPF	Global	2019	Renewable energy fund	Funds	8%	Luxembourg	77.8
SUSI Asia Energy Transition Fund (Through KNI)	Regional	2021	Renewable energy fund	Funds	6%	Luxembourg	73.4

Investment	Country	Committed year	Sector	Instrument	Stake	Domicile	Committed (MNOK)
Schneider Electric Energy Access Asia	Regional	2019	Energy	Funds	30%	France	69.9
Scatec Benban	Egypt	2015	Solar power	Equity	12%	Netherlands	64.8
Green Guarantee Company	Global	2024	Other/hybrid renewables	Equity	5%	Guernsey	52.8
Scatec Los Prados	Honduras	2015	Solar power	Equity	15%	Honduras	49.1
Scatec Barzalosa	Colombia	2024	Solar power	Equity	N/A	Colombia	45.1
Brighter Life Kenya 2	Kenya	2022	Solar power	Loans	0%	Jersey	42.7
PRAC: Prime Road Solar	Cambodia	2021	Solar power	Loans	0%	Cambodia	41.2
Neo1 Solar Plant	Lesotho	2018	Solar power	Equity	15%	Lesotho	23.8
Lobu Dolom HPP	Indonesia	2021	Hydropower	Loans	0%	Norway	11.4
Eco-Nor	Regional	2019	Hydropower	Equity	15%	Mauritius	8.1
Rwimi	Uganda	2015	Hydropower	Loans	0%	Uganda	7.4
Bio2Watt Cape Dairy	South Africa	2014	Biomass	Loans	0%	South Africa	6.2

# Renewable Energy portfolio 2024

Investment	Country	Committed year	Sector	Instrument	Stake	Domicile	Committed (MNOK)
Globeleq	Regional	2014	Energy	Loans Equity	30%	United Kingdom	2692.9
Fourth Partner Energy	India	2021	Solar power	Equity	N/A	India	905.2
Agua Imara	Global	2021	Hydropower	Loans Equity	100%	Norway	826.7
Klinchenberg	Regional	2021	Hydropower	Equity	50%	Netherlands	784.6
Copperbelt Energy Corporation	Zambia	2023	Energy	Equity	24%	UK for holding company	736.9
Berkeley Energy Commercial & Industrial Solutions	Regional	2020	Other/hybrid renewables	Loans Equity	13%	Singapore	586.2
H1 Pele SPV	South Africa	2021	Wind power	Loans	0%	South Africa	575.4
ERCO Energia	Colombia	2022	Solar power	Equity	N/A	Colombia	537.8
AktivCo	Regional	2021	Solar power	Loans	0%	France	447.5
Cross Boundary Energy	Regional	2022	Solar power	Equity	18%	Mauritius	437.1
Green Roof	Vietnam	2021	Solar power	Equity	50%	Singapore	431.9
Serengeti Energy	Regional	2017	Hydropower and Solar power	Equity	11%	Mauritius	273.7
Sun King Financing Limited	Kenya	2023	Solar power	Loans	0%	Jersey	241.6
Scatec Agua Fria	Honduras	2014	Solar power	Loans Equity	45%	Honduras	217.7
FEI - Facility for Energy Inclusion	Regional	2019	Renewable energy fund	Funds	18%	Mauritius	214.9
Metier Sustainable Capital Fund II	Regional	2019	Renewable energy fund	Funds	13%	Mauritius	187.8
ICCF	Global	2010	Other/hybrid renewables	Loans	N/A	Luxembourg	185.0
Empower	Regional	2022	Other/hybrid renewables	Loans Equity	18%	Norway	163.3
WeLight	Regional	2019	Energy	Loans Equity	30%	Mauritius	150.2



Investment	Country	Committed year	Sector	Instrument	Stake	Domicile	Committed (MNOK)
Evolution Fund II (Through KNI)	Global	2019	Renewable energy fund	Funds	7%	Mauritius	137.9
Kiangan	Philippines	2021	Hydropower	Loans	0%	Singapore	125.6
ESCOTEL	Regional	2020	Solar power	Loans Equity	31%	Mauritius	113.3
REPP 2.0	Regional	2024	Renewable energy fund	Funds	16%	Luxembourg	113.3
Baobab+	Regional	2021	Solar power	Loans Equity	25%	France	109.6
Yoma Micro Power	Myanmar	2017	Solar power	Loans Equity	15%	Singapore	101.2
d.light	Global	2016	Solar power	Loans Equity	6%	United States of America	80.6
Nordic Impact Cooperation (NIC)	Global	2022	Solar power	Equity	33%	Norway	79.1
responsAbility ACPF	Global	2019	Renewable energy fund	Funds	8%	Luxembourg	77.8
SUSI Asia Energy Transition Fund (Through KNI)	Regional	2021	Renewable energy fund	Funds	6%	Luxembourg	73.4
Schneider Electric Energy Access Asia	Regional	2019	Energy	Funds	30%	France	69.9
Scatec Benban	Egypt	2015	Solar power	Equity	12%	Netherlands	64.8
Green Guarantee Company	Global	2024	Other/hybrid renewables	Equity	5%	Guernsey	52.8
Scatec Los Prados	Honduras	2015	Solar power	Equity	15%	Honduras	49.1
Scatec Barzalosa	Colombia	2024	Solar power	Equity	N/A	Colombia	45.1
Brighter Life Kenya 2	Kenya	2022	Solar power	Loans	0%	Jersey	42.7
PRAC: Prime Road Solar	Cambodia	2021	Solar power	Loans	0%	Cambodia	41.2
Neol Solar Plant	Lesotho	2018	Solar power	Equity	15%	Lesotho	23.8
Lobu Dolom HPP	Indonesia	2021	Hydropower	Loans	0%	Norway	11.4
Eco-Nor	Regional	2019	Hydropower	Equity	15%	Mauritius	8.1
Rwimi	Uganda	2015	Hydropower	Loans	0%	Uganda	7.4
Bio2Watt Cape Dairy	South Africa	2014	Biomass	Loans	0%	South Africa	6.2



# Scalable Enterprises

## Development Mandate

Norfund focuses our direct investments in scalable enterprises in Sub-Saharan Africa, partnering with robust industrial or financial counterparts. Our investment segments include agribusinesses and manufacturing. Growing sustainable scalable enterprises drives industrialization, economic growth and job creation.

### Key achievements in 2024

#### Scalable Enterprises

**978** MNOK committed

**7300** new jobs created by companies in the agribusiness and manufacturing portfolio\*

**3150** BNOK increase in revenue in the agribusiness and manufacturing portfolio\*

\*Excluding EFP

#### Funds

**587** MNOK committed

**12000** new jobs created by companies in the funds  
Norfund is invested in\*

**7650** BNOK increase in revenue in the funds Norfund  
is invested in\*

\*Only covering funds within the scalable enterprise portfolio

## Strategic ambitions

Norfund has defined the following ambitions for scalable enterprises for the strategy period 2023-2026:

- **Create 80,000 jobs through direct investments and funds,** whereof 10,000 jobs created in direct investments in agribusiness and manufacturing
- **19 billion NOK revenue increase,** where 3 billion revenues created in direct investments in agribusiness and manufacturing

## Investments and results in 2024

By the end of 2024, Scalable Enterprises accounted for 27.4% of Norfund's total

portfolio with a total of 37 direct investments and 70 fund investments.

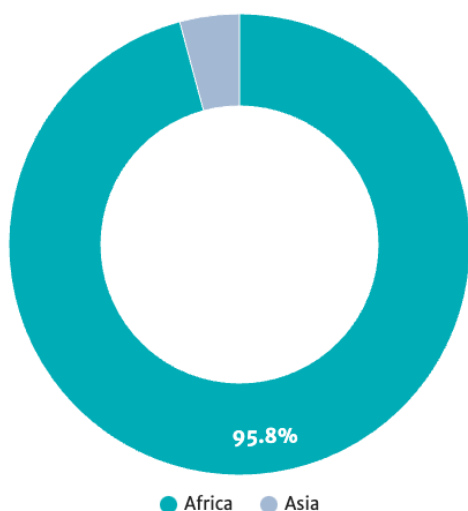
**1566** MNOK committed in 2024

**11823** MNOK committed in total SE portfolio

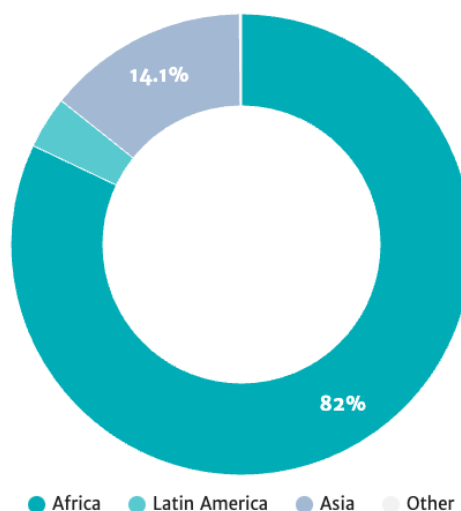
## Investments per region

Sub-Saharan Africa is the only region where we make direct investments in agribusiness and manufacturing. Our staff in the regional offices in South Africa, Kenya and Ghana are an integrated part of the team working on these investments, contributing across the investment process.

Investments per region in 2024



Total portfolio per region



## Highlights of 2024

**4** new investee companies

**4** new fund investments

**6** follow-on investments

### Irvine

In September 2024, Norfund announced an 18 million USD equity investment in the chicken producer Irvine's. Irvine's is a well-established actor in the industry with over 60 years of experience. The investment is done to finance Irvine's expansion of chicken and chicken feed in Kenya and Tanzania.

Chicken and eggs are an available and relatively affordable source of protein. A fast-growing population increases the demand in many African countries. Irvine's hatches and sells chicken and feed to smallholder farmers, which accounts for 70% of the chicken production on the African countries. They also provide technical assistance and training to smallholder farmers, of which 70% are women.



*Photo credit: Irvine*

The investment will finance a modern grandparent farm and a feed mill in Tanzania, as well as a hatchery in Kenya. It will increase production, be closer to the market and reduce reliance on imports. The expansion is estimated to create 200 direct jobs in addition to increased income for farmers. The new feed mill will procure maize and soybeans from local farmers, providing further income and strengthening regional agricultural value chains.

## **Kim-Fay**

In September 2024, Norfund announced a 5.5 million debt investment in Kim-Fay East Africa to support the construction of a new recycling facility.

Kim-Fay is today heavily reliant on importing virgin paper, which they process and sell in their East African markets. With the new recycling facility, expected to be completed in 2025, the company will use recycled wastepaper sourced from Kenya in the production of products. This is a significant step in the direction of a circular economy whilst reducing both import dependency and environmental impact.

The company aims to create around 300 permanent jobs in connection

with the recycling facility. About 100 will be located at the facility, while the rest of the jobs will be generated through the collection and transport of wastepaper and other support functions.

One of the goals of Kim-Fay's expansion is to make important household products such as toilet paper, baby wipes and diapers affordable to lower-income groups. The [demand for hygiene products is rapidly increasing](#), driven by a growing middle class in the region.

## **Excelsior Vietnam Fund II**

In December 2024 Norfund committed 15 million USD to Excelsior Vietnam Fund II. Norfund was an investor in the predecessor fund which has performed remarkably well, investing in small and medium sized businesses in Vietnam. We conducted a thorough due diligence survey which confirmed the good job the manager has been doing with their investee companies focusing on growth opportunities for the selected companies. Moreover, key people in the organization have further developed their abilities and we believe they are in an even stronger position to deliver positive change in the companies they invest in with accompanying good financial results.

## **TNB Aura II**

In December 2024 Norfund committed 10 million USD to South-East Asian venture fund TNB Aura II, which also was a re-up of our investment in their predecessor fund. The manager focusses its activities in Vietnam, Indonesia and the Philippines, and have developed a model where they combine a top-down approach where they study the business opportunities which are most likely to be adopted in "their" markets with a bottom-up approach focusing on founder quality. Their approach has served them and us well in their previous fund, and we believe a renewed commitment in the team will help new businesses to flourish in the relevant markets.



## Scalable Enterprises portfolio

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
African Forestry Impact Platform (AFIP)	Regional	2023	Forestry and logging	Funds	38%	Singapore	764.7
Development Partners International III	Regional	2019	Investment funds	Funds	5%	Guernsey	402.9
AgDevCo	Regional	2022	Agriculture, forestry and fishing	Equity	8%	United Kingdom	395.6
Afgri	South Africa	2024	Crop and animal production, hunting and related service activities	Loans	0%	South Africa	360.7
AfricInvest Fund IV	Regional	2020	Investment funds	Funds	7%	Mauritius	309.6
Vantage Mezzanine Fund IV - USD	Regional	2021	Sector-agnostic fund	Funds	13%	South Africa	260.9
Helios IV	Regional	2021	Investment funds	Funds	8%	Guernsey	253.3
Navis CLMV	Regional	2020	Investment funds	Funds	17%	Cayman Islands	252.1
Meridiam Africa Fund II	Regional	2020	Investment funds	Funds	4%	France	227.0
Alterra Africa Accelerator Fund	Regional	2021	Investment funds	Funds	16%	Mauritius	225.3
ECP Africa Fund IV	Regional	2022	Investment funds	Funds	6%	Mauritius	223.2
Adenia Capital V	Regional	2018	Investment funds	Funds	5%	Mauritius	223.0
Phatisa Food Fund 2	Regional	2021	Agriculture, forestry and fishing	Funds	14%	Mauritius	211.3
Irvine Limited	Mauritius	2024	Crop and animal production, hunting and related service activities	Equity	35%	Mauritius	200.0

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
Verod Capital Growth Fund III	Regional	2019	Investment funds	Funds	11%	Mauritius	194.1
Nouvelle Mici Embaci (NME)	Ivory Coast	2023	Manufacture of paper and paper products	Equity	26%	Ivory Coast	173.4
FIPA II	Regional	2016	Investment funds	Funds	38%	Luxembourg	170.9
Excelsior Vietnam II	Vietnam	2024	Sector-agnostic fund	Funds	15%	Singapore	170.3
Navis Asia Credit Fund	Regional	2024	Sector-agnostic fund	Funds	11%	Singapore	170.3
European Financing Partners SA	Global	2006	Investment funds	Loans Equity	8%	None	168.9
African Rivers Fund IV	Regional	2023	Sector-agnostic fund	Funds	?	Mauritius	167.7
Vietnam Investments Fund IV	Vietnam	2021	Investment funds	Funds	18%	Cayman Islands	165.6
KV Asia Fund II	Regional	2020	Investment funds	Funds	7%	Cayman Islands	164.7
CASEIF IV	Regional	2022	Agribusiness fund	Funds	26%	Canada	159.7
Openspace Ventures III	Regional	2018	Investment funds	Investment funds	8%	Cayman Islands	153.0
Hela Investment Holdings	Regional	2022	Manufacture of textiles	Loans	0%	Mauritius	151.7
Cepheus Growth Capital Fund	Ethiopia	2018	Investment funds	Funds	20%	Mauritius	148.7
Balaji EPZ Limited	Kenya	2023	Manufacture of textiles	Loans	0%	Kenya	145.8
African Rivers Fund III	Regional	2021	Sector-agnostic fund	Funds	19%	Mauritius	143.3
Openspace Venture Fund IV	Regional	2024	Sector-agnostic fund	Funds	8%	Cayman Islands	141.4
Agri-Vie II	Regional	2017	Investment funds	Funds	11%	Mauritius	139.5
OH Ecosystems	Nigeria	2023	Crop and animal production, hunting and related service activities	Loans	0%	Delaware	136.2

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
FES Limited	Regional	2020	Crop and animal production, hunting and related service activities	Loans Equity	23%	Mauritius	127.9
Nawiri Group Ltd.	Regional	2013	Other tourism activities	Loans Equity	32%	Mauritius	127.9
GroFin SGB Fund Limited Partnership	Regional	2015	Investment funds	Funds	19%	Mauritius	125.6
Kagera Sugar Limited	Tanzania	2020	Crop and animal production, hunting and related service activities	Loans	0%	Tanzania	124.1
Fanisi Capital Fund II	Regional	2017	Investment funds	Funds	43%	Mauritius	123.7
Miniplast Limited	Ghana	2023	Manufacture of rubber and plastics products	Loans	0%	Ghana	119.2
Lilongwe Dairy (2001) Limited	Malawi	2020	Crop and animal production, hunting and related service activities	Equity	25%	Malawi	117.1
Seba Foods	Zambia	2021	Manufacture of beverages	Loans	0%	Zambia	113.5
TNB Aura Fund III	Regional	2024	Sector-agnostic fund	Funds	12%	Singapore	113.5
Excelsior Vietnam	Vietnam	2020	Manufacture of beverages	Funds	19%	Singapore	113.5
Novastar Ventures Africa Fund III	Regional	2023	Sector-agnostic fund	Funds		United Kingdom	113.4
SAMANU	Ethiopia	2022	Manufacture of food products	Equity	8%	Mauritius	113.3
AFMF: ASEAN Frontier Markets Fund	Regional	2021	Investment funds	Funds	20%	Singapore	112.1
Norrskén22 Fund	Regional	2023	Sector-agnostic fund	Funds	5%	Sweden	111.2
Valency International Trading SARL	Ivory Coast	2022	Agriculture, forestry and fishing	Loans	0%	Singapore	110.5

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
ANB	South Africa	2023	Crop and animal production, hunting and related service activities	Equity	0%	South Africa	107.9
Ascent Rift Valley Fund II	Regional	2020	Investment funds	Funds	9%	Mauritius	106.6
Marginpar Group	Regional	2018	Crop and animal production, hunting and related service activities	Loans Equity	26%	Mauritius	101.4
Mvuvi	Regional	2024	Fishing and aquaculture	Equity	44%	Mauritius	99.3
Cambodia Laos Myanmar Development Fund II	Regional	2015	Investment funds	Funds	16%	Singapore	98.3
Terramar	Regional	2022	Wholesale trade, except of motor vehicles and motorcycles	Equity	45%	Mauritius	95.0
MOF II	Myanmar	2018	Investment funds	Funds	14%	Cayman Islands	90.3
Novastar Ventures East Africa Fund	Regional	2013	Investment funds	Funds	13%	Mauritius	90.3
Sundry Foods	Nigeria	2019	Manufacture of food products	Equity	16%	Nigeria	83.4
Neofresh	Regional	2017	Crop and animal production, hunting and related service activities	Loans Equity	33%	Mauritius	80.8
TNB Aura Fund II	Regional	2022	Investment funds	Funds	11%	Singapore	75.0
CASEIF III	Regional	2014	Agribusiness fund	Funds	24%	Canada	74.6
Continental Blue Investment (CBI) Ltd.	Ghana	2022	Manufacture of other non-metallic mineral products	Equity	10%	Ghana	73.8
Ascent Rift Valley Fund Ltd	Regional	2013	Investment funds	Funds	13%	Mauritius	71.7

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
Spear Africa Holding II	Regional	2017	Investment funds	Funds	19%	Mauritius	70.7
Redsun Raisins and Nuts	South Africa	2022	Manufacture of food products	Equity	23%	South Africa	70.0
Novastar Ventures Africa Fund II	Regional	2020	Investment funds	Funds	7%	Mauritius	69.3
Vertical Agro (Sunripe & Serengeti Fresh)	Regional	2014	Crop and animal production, hunting and related service activities	Loans	0%	Mauritius	69.0
Neoma Africa Fund	Regional	2008	Investment funds	Funds	11%	Mauritius	67.8
Kinyeti Capital Ltd	South Sudan	2012	Other financial services	Equity	49%	South Sudan	67.5
CORECO	Regional	2012	Other financial services	Funds	22%	Delaware	67.4
Synercore Holdings Proprietary Limited	South Africa	2022	Manufacture of food products	Loans Equity	39%	South Africa	62.9
Kim Fay	Kenya	2024	Manufacture of paper and paper products	Loans	0%	Kenya	62.4
EcoEnterprises Partners III, LP	Regional	2018	Agribusiness fund	Funds	5%	Ireland	59.4
Vantage Mezzanine Fund IV - ZAR	Regional	2021	Investment funds	Funds	6%	South Africa	53.7
Fundo de Investimento Privado-Angol	Angola	2009	Investment funds	Funds	26%	Luxembourg	53.4
Freight in Time	Regional	2015	Transportation and storage	Equity	24%	Mauritius	53.1
CarDekho SEA	Indonesia	2023	Fintech	Equity	3%	Indonesia	51.1
BPI Africa LLC	Regional	2015	Investment funds	Funds	17%	Mauritius	51.0
Frontier Fund	Bangladesh	2010	Investment funds	Funds	11%	Cayman Islands	50.9
Africa Health Fund (Aureos)	Regional	2011	Investment funds	Funds	10%	South Africa	44.8

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
Lona Group	South Africa	2022	Crop and animal production, hunting and related service activities	Equity	17%	Mauritius	43.8
Aureos South Asia Fund (Holdings)	Regional	2006	Investment funds	Funds	24%	Mauritius	42.1
GroFin Africa Fund	Regional	2008	Investment funds	Funds	0%	Mauritius	39.8
Oasis Africa Fund	Regional	2017	Investment funds	Funds	10%	Ghana	39.0
African Century Infrastructure Services Ltd.	Regional	2014	Other service activities	Loans Equity	20%	Mauritius	38.0
Nyama World Malawi Ltd	Malawi	2017	Crop and animal production, hunting and related service activities	Loans	0%	Malawi	37.5
Solon Capital Holdings	Regional	2020	Investment funds	Funds	30%	Mauritius	35.8
Nordic Horn of Africa Opportunities Fund	Somalia	2018	Investment funds	Funds	11%	Canada	35.5
ACI Motors Ltd	Bangladesh	2021	Manufacture of motor vehicles, trailers and semi-trailers	Equity	3%	Netherlands	35.4
Lake Harvest Group	Regional	2013	Fishing and aquaculture	Loans	0%	Mauritius	33.5
Frontier Fund II	Mozambique	2016	Investment funds	Funds	10%	Cayman Islands	30.8
African Century Real Estates Ltd.	Myanmar	2015	Construction of buildings	Equity	21%	Mauritius	29.5
Frontiir Co. Ltd.	Regional	2019	Information service activities	Equity	2%	British Virgin Islands	26.9
Afrinord Hotel Investments	Regional	2005	Hotels	Loans Equity	20%	Denmark	21.9
Vantage Mezzanine Fund II	Regional	2011	Investment funds	Funds	5%	South Africa	21.6

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
Voxtra East Africa Agribusiness Ini	Regional	2011	Agriculture, forestry and fishing	Funds	30%	Norway	20.6
Neoma South-East Asia Fund II	Regional	2010	Investment funds	Funds	2%	Canada	20.4
Agri-Vie	Regional	2010	Agriculture, forestry and fishing	Funds	9%	South Africa	20.2
APIDC Biotech Fund	India	2005	Investment funds	Funds	8%	Mauritius	16.0
Antler East Africa Fund I	Regional	2020	Investment funds	Funds	11%	Cayman Islands	16.0
Associated Foods Zimbabwe (AFZ)	Zimbabwe	2016	Manufacture of food products	Loans	0%	Zimbabwe	15.9
Aureos Southern Africa Fund	Regional	2003	Investment funds	Funds	25%	Mauritius	7.5
Africado Ltd.	Tanzania	2009	Agriculture, forestry and fishing	Equity	33%	Mauritius	4.5
Aureos East Africa Fund	Regional	2003	Investment funds	Funds	20%	Mauritius	3.9
CASEIF II	Regional	2007	Agribusiness fund	Funds	14%	Bahamas	3.7
Katapult Africa	Regional	2022	Investment funds	Funds	17%	Rwanda	2.5
Aureos West Africa Fund	Regional	2003	Investment funds	Funds	26%	Mauritius	1.9
Angola Capital Partners LLC	Angola	2009	Investment funds	Equity	48%	Delaware	1.4
Evolution One Fund	Regional	2009	Energy	Funds	7%	South Africa	1.2
Lafise Investment Management	Bahamas	1999	Financial institutions fund	Equity	20%	Bahamas	0.02

# Scalable Enterprises - Direct investments and funds

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
African Forestry Impact Platform (AFIP)	Regional	2023	Forestry and logging	Funds	38%	Singapore	764.7
Development Partners International III	Regional	2019	Investment funds	Funds	5%	Guernsey	402.9
AgDevCo	Regional	2022	Agriculture, forestry and fishing	Equity	8%	United Kingdom	395.6
Afgri	South Africa	2024	Crop and animal production, hunting and related service activities	Loans	0%	South Africa	360.7
AfricInvest Fund IV	Regional	2020	Investment funds	Funds	7%	Mauritius	309.6
Vantage Mezzanine Fund IV - USD	Regional	2021	Sector-agnostic fund	Funds	13%	South Africa	260.9
Helios IV	Regional	2021	Investment funds	Funds	8%	Guernsey	253.3
Navis CLMV	Regional	2020	Investment funds	Funds	17%	Cayman Islands	252.1
Meridiam Africa Fund II	Regional	2020	Investment funds	Funds	4%	France	227.0
Alterra Africa Accelerator Fund	Regional	2021	Investment funds	Funds	16%	Mauritius	225.3
ECP Africa Fund IV	Regional	2022	Investment funds	Funds	6%	Mauritius	223.2
Adenia Capital V	Regional	2018	Investment funds	Funds	5%	Mauritius	223.0
Phatisa Food Fund 2	Regional	2021	Agriculture, forestry and fishing	Funds	14%	Mauritius	211.3



Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
Irvine Limited	Mauritius	2024	Crop and animal production, hunting and related service activities	Equity	35%	Mauritius	200.0
Verod Capital Growth Fund III	Regional	2019	Investment funds	Funds	11%	Mauritius	194.1
Nouvelle Mici Embaci (NME)	Ivory Coast	2023	Manufacture of paper and paper products	Equity	26%	Ivory Coast	173.4
FIPA II	Regional	2016	Investment funds	Funds	38%	Luxembourg	170.9
Excelsior Vietnam II	Vietnam	2024	Sector-agnostic fund	Funds	15%	Singapore	170.3
Navis Asia Credit Fund	Regional	2024	Sector-agnostic fund	Funds	11%	Singapore	170.3
European Financing Partners SA	Global	2006	Investment funds	Loans Equity	8%	None	168.9
African Rivers Fund IV	Regional	2023	Sector-agnostic fund	Funds	?	Mauritius	167.7
Vietnam Investments Fund IV	Vietnam	2021	Investment funds	Funds	18%	Cayman Islands	165.6
KV Asia Fund II	Regional	2020	Investment funds	Funds	7%	Cayman Islands	164.7
CASEIF IV	Regional	2022	Agribusiness fund	Funds	26%	Canada	159.7
Openspace Ventures III	Regional	2018	Investment funds	Investment funds	8%	Cayman Islands	153.0
Hela Investment Holdings	Regional	2022	Manufacture of textiles	Loans	0%	Mauritius	151.7
Cepheus Growth Capital Fund	Ethiopia	2018	Investment funds	Funds	20%	Mauritius	148.7
Balaji EPZ Limited	Kenya	2023	Manufacture of textiles	Loans	0%	Kenya	145.8
African Rivers Fund III	Regional	2021	Sector-agnostic fund	Funds	19%	Mauritius	143.3
Openspace Venture Fund IV	Regional	2024	Sector-agnostic fund	Funds	8%	Cayman Islands	141.4

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
Agri-Vie II	Regional	2017	Investment funds	Funds	11%	Mauritius	139.5
OH Ecosystems	Nigeria	2023	Crop and animal production, hunting and related service activities	Loans	0%	Delaware	136.2
FES Limited	Regional	2020	Crop and animal production, hunting and related service activities	Loans Equity	23%	Mauritius	127.9
Nawiri Group Ltd.	Regional	2013	Other tourism activities	Loans Equity	32%	Mauritius	127.9
GroFin SGB Fund Limited Partnership	Regional	2015	Investment funds	Funds	19%	Mauritius	125.6
Kagera Sugar Limited	Tanzania	2020	Crop and animal production, hunting and related service activities	Loans	0%	Tanzania	124.1
Fanisi Capital Fund II	Regional	2017	Investment funds	Funds	43%	Mauritius	123.7
Miniplast Limited	Ghana	2023	Manufacture of rubber and plastics products	Loans	0%	Ghana	119.2
Lilongwe Dairy (2001) Limited	Malawi	2020	Crop and animal production, hunting and related service activities	Equity	25%	Malawi	117.1
Seba Foods	Zambia	2021	Manufacture of beverages	Loans	0%	Zambia	113.5
TNB Aura Fund III	Regional	2024	Sector-agnostic fund	Funds	12%	Singapore	113.5
Excelsior Vietnam	Vietnam	2020	Manufacture of beverages	Funds	19%	Singapore	113.5
Novastar Ventures Africa Fund III	Regional	2023	Sector-agnostic fund	Funds		United Kingdom	113.4
SAMANU	Ethiopia	2022	Manufacture of food products	Equity	8%	Mauritius	113.3

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
AFMF: ASEAN Frontier Markets Fund	Regional	2021	Investment funds	Funds	20%	Singapore	112.1
Norrskens22 Fund	Regional	2023	Sector-agnostic fund	Funds	5%	Sweden	111.2
Valency International Trading SARL	Ivory Coast	2022	Agriculture, forestry and fishing	Loans	0%	Singapore	110.5
ANB	South Africa	2023	Crop and animal production, hunting and related service activities	Equity	0%	South Africa	107.9
Ascent Rift Valley Fund II	Regional	2020	Investment funds	Funds	9%	Mauritius	106.6
Marginpar Group	Regional	2018	Crop and animal production, hunting and related service activities	Loans Equity	26%	Mauritius	101.4
Mvuvi	Regional	2024	Fishing and aquaculture	Equity	44%	Mauritius	99.3
Cambodia Laos Myanmar Development Fund II	Regional	2015	Investment funds	Funds	16%	Singapore	98.3
Terramar	Regional	2022	Wholesale trade, except of motor vehicles and motorcycles	Equity	45%	Mauritius	95.0
MOF II	Myanmar	2018	Investment funds	Funds	14%	Cayman Islands	90.3
Novastar Ventures East Africa Fund	Regional	2013	Investment funds	Funds	13%	Mauritius	90.3
Sundry Foods	Nigeria	2019	Manufacture of food products	Equity	16%	Nigeria	83.4
Neofresh	Regional	2017	Crop and animal production, hunting and related service activities	Loans Equity	33%	Mauritius	80.8
TNB Aura Fund II	Regional	2022	Investment funds	Funds	11%	Singapore	75.0

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
CASEIF III	Regional	2014	Agribusiness fund	Funds	24%	Canada	74.6
Continental Blue Investment (CBI) Ltd.	Ghana	2022	Manufacture of other non-metallic mineral products	Equity	10%	Ghana	73.8
Ascent Rift Valley Fund Ltd	Regional	2013	Investment funds	Funds	13%	Mauritius	71.7
Spear Africa Holding II	Regional	2017	Investment funds	Funds	19%	Mauritius	70.7
Redsun Raisins and Nuts	South Africa	2022	Manufacture of food products	Equity	23%	South Africa	70.0
Novastar Ventures Africa Fund II	Regional	2020	Investment funds	Funds	7%	Mauritius	69.3
Vertical Agro (Sunripe & Serengeti Fresh)	Regional	2014	Crop and animal production, hunting and related service activities	Loans	0%	Mauritius	69.0
Neoma Africa Fund	Regional	2008	Investment funds	Funds	11%	Mauritius	67.8
Kinyeti Capital Ltd	South Sudan	2012	Other financial services	Equity	49%	South Sudan	67.5
CORECO	Regional	2012	Other financial services	Funds	22%	Delaware	67.4
Synercore Holdings Proprietary Limited	South Africa	2022	Manufacture of food products	Loans Equity	39%	South Africa	62.9
Kim Fay	Kenya	2024	Manufacture of paper and paper products	Loans	0%	Kenya	62.4
EcoEnterprises Partners III, LP	Regional	2018	Agribusiness fund	Funds	5%	Ireland	59.4
Vantage Mezzanine Fund IV - ZAR	Regional	2021	Investment funds	Funds	6%	South Africa	53.7
Fundo de Investimento Privado-Angol	Angola	2009	Investment funds	Funds	26%	Luxembourg	53.4
Freight in Time	Regional	2015	Transportation and storage	Equity	24%	Mauritius	53.1
CarDekho SEA	Indonesia	2023	Fintech	Equity	3%	Indonesia	51.1

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
BPI Africa LLC	Regional	2015	Investment funds	Funds	17%	Mauritius	51.0
Frontier Fund	Bangladesh	2010	Investment funds	Funds	11%	Cayman Islands	50.9
Africa Health Fund (Aureos)	Regional	2011	Investment funds	Funds	10%	South Africa	44.8
Lona Group	South Africa	2022	Crop and animal production, hunting and related service activities	Equity	17%	Mauritius	43.8
Aureos South Asia Fund (Holdings)	Regional	2006	Investment funds	Funds	24%	Mauritius	42.1
GroFin Africa Fund	Regional	2008	Investment funds	Funds	0%	Mauritius	39.8
Oasis Africa Fund	Regional	2017	Investment funds	Funds	10%	Ghana	39.0
African Century Infrastructure Services Ltd.	Regional	2014	Other service activities	Loans Equity	20%	Mauritius	38.0
Nyama World Malawi Ltd	Malawi	2017	Crop and animal production, hunting and related service activities	Loans	0%	Malawi	37.5
Solon Capital Holdings	Regional	2020	Investment funds	Funds	30%	Mauritius	35.8
Nordic Horn of Africa Opportunities Fund	Somalia	2018	Investment funds	Funds	11%	Canada	35.5
ACI Motors Ltd	Bangladesh	2021	Manufacture of motor vehicles, trailers and semi-trailers	Equity	3%	Netherlands	35.4
Lake Harvest Group	Regional	2013	Fishing and aquaculture	Loans	0%	Mauritius	33.5
Frontier Fund II	Mozambique	2016	Investment funds	Funds	10%	Cayman Islands	30.8
African Century Real Estates Ltd.	Myanmar	2015	Construction of buildings	Equity	21%	Mauritius	29.5

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
Frontiir Co. Ltd.	Regional	2019	Information service activities	Equity	2%	British Virgin Islands	26.9
Afrinord Hotel Investments	Regional	2005	Hotels	Loans Equity	20%	Denmark	21.9
Vantage Mezzanine Fund II	Regional	2011	Investment funds	Funds	5%	South Africa	21.6
Voxtra East Africa Agribusiness Ini	Regional	2011	Agriculture, forestry and fishing	Funds	30%	Norway	20.6
Neoma South-East Asia Fund II	Regional	2010	Investment funds	Funds	2%	Canada	20.4
Agri-Vie	Regional	2010	Agriculture, forestry and fishing	Funds	9%	South Africa	20.2
APIDC Biotech Fund	India	2005	Investment funds	Funds	8%	Mauritius	16.0
Antler East Africa Fund I	Regional	2020	Investment funds	Funds	11%	Cayman Islands	16.0
Associated Foods Zimbabwe (AFZ)	Zimbabwe	2016	Manufacture of food products	Loans	0%	Zimbabwe	15.9
Aureos Southern Africa Fund	Regional	2003	Investment funds	Funds	25%	Mauritius	7.5
Africado Ltd.	Tanzania	2009	Agriculture, forestry and fishing	Equity	33%	Mauritius	4.5
Aureos East Africa Fund	Regional	2003	Investment funds	Funds	20%	Mauritius	3.9
CASEIF II	Regional	2007	Agribusiness fund	Funds	14%	Bahamas	3.7
Katapult Africa	Regional	2022	Investment funds	Funds	17%	Rwanda	2.5
Aureos West Africa Fund	Regional	2003	Investment funds	Funds	26%	Mauritius	1.9
Angola Capital Partners LLC	Angola	2009	Investment funds	Equity	48%	Delaware	1.4
Evolution One Fund	Regional	2009	Energy	Funds	7%	South Africa	1.2

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
Lafise Investment Management	Bahamas	1999	Financial institutions fund	Equity	20%	Bahamas	0.02

# Green Infrastructure

## Development Mandate

**Green Infrastructure is Norfund's newest investment area. The goal is to develop projects and companies by investing with partners to improve water, wastewater and waste management. These are challenging investment areas, but vital parts of the infrastructure in our target countries.**

### Key achievements in 2024

**234** MNOK committed

**10000** tons annual waste recycling enabled

**6** investments in portfolio

### Strategic ambitions

Norfund has defined the following ambitions for Green Infrastructure in the 2023-2026 strategy period:

- **Enable 50 million m3 water and wastewater treatment capacity**



- **Enable 20,000 tons of waste treatment capacity**

## Investments and results in 2024

By year end, the Green Infrastructure portfolio amounted to 429 million NOK spread across six investments.

**234 MNOK** committed in 2024

**429 MNOK** committed in total GI portfolio

## Highlights of 2024

In Green Infrastructure, six commitments have been made since the inception in 2020; From before TransAfrica Water Systems, The Water Access Acceleration fund, Infracore Mid-market Infrastructure fund and Wecyclers were in the portfolio. During 2024 the Veolia-Norfund Platform and The Urban Resilience Fund have been added.

### Veolia-Norfund Platform

Norfund has entered into a development partnership with Veolia and announced it to the market in August 2024. The partnership is aiming at developing assets for industries in Africa to treat their effluents and reduce their energy footprint. The type of assets will include water treatment and reuse to waste-to-energy technologies. The project's value will range from EUR 5 to 50m. The partnership will bring both expertise and financing to the projects. The objective is to create a platform that owns the assets, and Veolia would provide EPC services and O&M to the projects.

The partners have both committed EUR 150k to this development venture and

hired one dedicated developer based in Cape Town. The primary geography focus is Southern and Western Africa.

Six months into the development phase, the pipeline has grown significantly demonstrating that the market is responding well to the platform offering. The next six months will now be focused on project development execution with the objective of bringing at least two sizeable projects to financial close by the end of the development period.

## **TURF**

The Urban Resilience Fund B (TURF B) is a significant investment initiative focused on urban infrastructure projects across Africa. Managed by Meridiam S.A.S., an established infrastructure manager with a global presence, TURF B aims to address the critical challenges posed by population growth, urbanization, and climate change in African cities. Norfund has committed EUR 20 million to TURF B in 2024.

TURF B plays an instrumental role in enhancing African urban infrastructure by adopting a long-term investment perspective. The initiative invests in the development of projects from the initial idea stage through to construction and ownership, partnering with local authorities and reputable financiers to ensure successful project execution. This approach not only helps in building essential infrastructure but also promotes public-private partnerships (PPPs) to solve public challenges.

The structure includes funded pockets of concessional and development capital, which provide subsidies for development costs and help mitigate risks associated with greenfield projects. TURF B's focus on high environmental, social, and governance (ESG) standards further underscores its commitment to sustainable development.

By supporting TURF B, Norfund contributes to the development of resilient and sustainable urban environments, ultimately improving the quality of life for millions of people across the continent.

### **TransAfrica Water Systems**

During its first year of operation, Green Infrastructure provided a loan of USD 2 million, of which USD 1.55m was disbursed, to TransAfrica Water Systems, a Kenyan water solutions company engaging in the production and distribution of equipment and services related to water pumping solutions, water treatment, wastewater management solutions, solar powered water borehole rigs and solar powered water heating systems. The company is one of the recognized distributors of world-renowned water and solar systems in East Africa.

The loan has accelerated access to clean and affordable water to households and institutions in East Africa, deepened the water sector, and facilitated jobs creation directly through the company's expansion and indirectly through improved economic activities, for example, use of water for irrigation. The company managed to expand its sales significantly following Norfund's financing and raised further equity financing.



*Photo credit: TransAfrica Water Systems*

Following challenging markets during 2023, the company has focused on stabilizing its finances. The Kenyan shilling depreciated against the USD, increasing the company's cost for loan interest and imports. Changed weather patterns with prolonged rain seasons decreased the need for pumped water.

The challenging environment continued in 2024 with volatile political environment and severely reduced government expenditure following a cancelled

government financing bill slowed down economic growth affecting the sector. The business has however seen an improved performance in the first two months of 2025.

## **Water Access Acceleration Fund**

As part of Green Infrastructure's strategy of investing in specialized funds within water and waste, a commitment of EUR 5 million was made to the Water Access Acceleration Fund (W2AF) in 2022, managed by the fund manager Incofin. Norfund's early contribution contributed to unlocking an additional EUR 30 million in commitments from IFU, DFC and others. The final close for the fund is expected to be in April 2025, and the total size to reach EUR 65m.

W2AF invests in innovative water businesses that provide affordable, safe drinking water to underserved populations. W2AF is the first private equity initiative in a sector that traditionally gets its financing from governments, donors and foundations. The fund aims to demonstrate the financial viability of the safe drinking water market worldwide. It rests on a unique blended finance structure - an approach to use part of the public financing from governmental agencies to lower the risk for private investors to come in.

W2AF aims to provide safe drinking to 30 million people, mainly in Africa and Asia. It has so far 2 portfolio companies. In 2023, W2AF committed EUR 7.5m in Rite Water, an Indian company specializing in potable drinking water and quality improvement. It has 6 117 water plants under management and has served 7.4m people in the low-income category.

In 2024, W2AF made its second investment, committing EUR 1.9m to Spouts International, a manufacturer and distributor of ceramic water filters in East Africa. The company has reached close to a million people in the low-income category.

In 2025 the fund will accelerate its deployment phase with a target commitment of EUR 15m across 4 investments.

## **Infra Impact Mid-Market Infrastructure Fund**

In 2023 we completed an investment of ZAR 150 million into Infra Impact

Investment Managers' Mid-Market Infrastructure Fund. This fund, with a total fund size of over ZAR 2000 million, aims to provide growth capital for mid-market infrastructure businesses in Southern Africa. These businesses own real assets that are essential in providing vital services, particularly in the water and waste sectors.

Infra Impact boasts a team of local specialist investors, who have expert knowledge and experience in navigating the unique challenges faced by the infrastructure segment in South Africa. With a staggering ZAR 1.7 trillion funding shortfall, there is immense potential for value creation and positive impact, provided good projects can be developed.

The primary objectives of this fund are to create 2,200 jobs and contribute to the supply of one billion liters of water, serving the needs of 88 million people. Additionally, the fund aims to divert 3.7 million tons of waste from landfills, promoting a sustainable approach to waste management.

During the 2024 calendar year, Infra Impact successfully closed seven transformative deals in their targeted-sectors: Dolphin Coast Landfill Management (Waste), Oricol (Waste), Lightstruck (Telecommunications Fibre), Too-Much WiFi (Telecommunications fixed and wireless broadband), Bright Light Capital (Renewable Energy), Sustainable Heating 9 Fine Chemicals (Waste) and HyperionRE (Renewable-Energy). These transactions, totaling nearly ZAR 1 billion, exemplify Infra Impact's unwavering commitment to driving impact and shaping a more sustainable future.

### ***Fund Investment 7: Lightstruck***

Lightstruck Holdings was established in 2019 to develop, design, own and operate high-speed open access last mile fibre optic networks in South Africa. Infra Impact has a 33% ownership of the company and has in addition provided a shareholder loan and mezzanine loan for the expansion of its business in Namibia, an acquisition of a fibre network operator of the Century City Precinct and other surrounding areas and for working capital.

### ***Fund Investment 8: Oricol Environmental Services***

Oricol Environmental Services is a waste-to-product waste management business

with a specific focus on diverting waste from landfill sites. Infra Impact acquired 67% of the ordinary shares from existing and outgoing shareholders.

Dolpin Coast Landfill Management is a hazardous waste landfill facility located in Kwazulu-Natal. Infracore acquired 20% of the ordinary shares of DCLM and provided a shareholder loan of ZAR 29 million.

## WeCyclers

A EUR 2 million commitment was made during 2023 to the Nigerian plastic recycling company Wecyclers, using Norfund's Frontier Facility. In September 2024 the company had managed to fulfil all its contractual obligations and the first disbursement was conducted. The company is since then working on constructing their first industrial processing plant. As part of Norfund's requirements, the co-financing from the industrial company Serioplast was secured during 2024, strengthening both the project's outlook and critical non-financial technical and operational support.

In addition, Norfund's financing helped unlocking an outcome based bond from Unilever and Bridges Outcome foundation for the financing of 26 franchisee collection points. These have been deployed during 2024, increasing the collection of waste to an all-time high for Wecyclers.





*Photo credit: WeCyclers*



## Green Infrastructure Portfolio

Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
The Urban Resilience Fund (TURF)	Regional	2024	Infrastructure fund	Funds	14%	Luxembourg	235.6
InfralImpact Mid-Market Infrastructure Fund 1	South Africa	2022	Waste/water fund	Funds	7%	South Africa	87.3
Water Access Accelerator Fund	Global	2022	Waste/water fund	Funds	14%	France	58.3
WeCyclers	Regional	2024	Recycling	Convertible Loan	0%	Nigeria	23.6
Transafrica Water Systems Limited	Regional	2021	Water supply, sewerage, waste management and remediation activities	Loans	0%	Kenya	22.7

# Green Infrastructure Portfolio

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Water Access Accelerator Fund	Global	2022	Waste/water fund	Funds	14%	France	58.3
WeCyclers	Regional	2024	Recycling	Convertible Loan	0%	Nigeria	23.6
Transafrica Water Systems Limited	Regional	2021	Water supply, sewerage, waste management and remediation activities	Loans	0%	Kenya	22.7

# Frontier Facility

**The Frontier Facility (formerly known as Project Development and Risk Mitigation facility) is managed as a separate facility and has a specific purpose set by the Ministry of Foreign Affairs.**

## **The facility serves two purposes:**

- Enabling early phase project development within Norfund's investment areas
- Risk mitigation for commercial investors that wish to invest in Norfund funded projects, throughout the project cycle

The Frontier Facility is used for projects with a higher level of risk than those in Norfund's core portfolio, and for our most demanding markets – in particular fragile states and Least Developed Countries. These projects are therefore managed as a separate facility and are not included in Norfund's overall portfolio valuation.

The year 2024 has been marked by an active portfolio of 10 projects, reaching a total commitment of 186 MNOK. A follow-on investment in Arnergy was committed during the year. Arnergy is a Nigerian founded provider of solar systems that builds solar home systems for the residential and commercial sectors. The follow-on investment will position Arnergy for further success. Another investment that was signed was an investment in [fertilizer based on green hydrogen in Uganda](#), together with the partner Westgass. Strong industrial partners have set joint targets for the annual production of 200 000 tons of locally produced fertilizer, which will provide increased income and food security, without the greenhouse gas emissions usually involved in such production.

Over 50% is invested by the Renewable Energy department, the other half of the portfolio is equally spread by Norfund's other investment departments. Out of the total committed portfolio, 46% of the portfolio is allocated towards fragile states. Nigeria is the country with highest activity, receiving 40% of the total commitments, and is mainly due to the investments in Arnergy and Wecyclers. Chad, Burkina Faso and Mozambique are among other fragile states that are included.

During 2024, Norfund conducted an internal review of the portfolio from 2019-2023 assessing its deliveries on the goals and priorities defined for the Frontier Facility. The findings from the report suggest that the Frontier Facility has been an important tool for Norfund in project development and risk mitigation. The facility has delivered good results, in spite of being capital constrained. In short, the report found that the facility has invested in early-phase project development within Norfund's prioritized investment areas. One project has reached a successful financial close, and several are expected. Furthermore, the facility has reduced risk for commercial investors who invest in Norfund-funded projects. The ability that Frontier Facility provides to be able to take first-loss positions and issue currency guarantees to reduce risk has been important. All risk mitigation projects have contributed to the mobilization of commercial actors. The total volume of mobilized commercial capital is significant given the size of Frontier Facility.

[Read about Frontier Facility at our website](#)

## Frontier Facility portfolio

Investment	Sector	Country/region	Instrument	Investment year	Committed (MNOK)
Abler Nordic Fund IV - NMI FLS valuta guarantee	Financial Inclusion	Global	Foreign Exchange Guarantee	2021	20.0
Antler East Africa Fund I	Funds	Africa	Equity	2020	16.0
Arnergy	Renewable Energy	Nigeria	Equity	2019 and 2024	48.3
FEI - Facility for Energy Inclusion	Renewable Energy	Africa	Equity	2019	32.1
Katapult Africa	Funds	Africa	Equity	2022	2.5
Lobu Dolum HPP	Renewable Energy	Indonesia	Convertible Loan	2021	11.3
Malthe Winje Maresi	Renewable Energy	Kenya	Equity	2019	5.3
Westgass Green Fertilizers	Agribusiness & Manufacturing	Uganda	Convertible Loan	2024	22.7
Veolia Norfund Africa Platform	Green Infrastructure	Regional	Equity	2024	1.7
WeCyclers	Green Infrastructure	Nigeria	Convertible Loan	2023	23.6

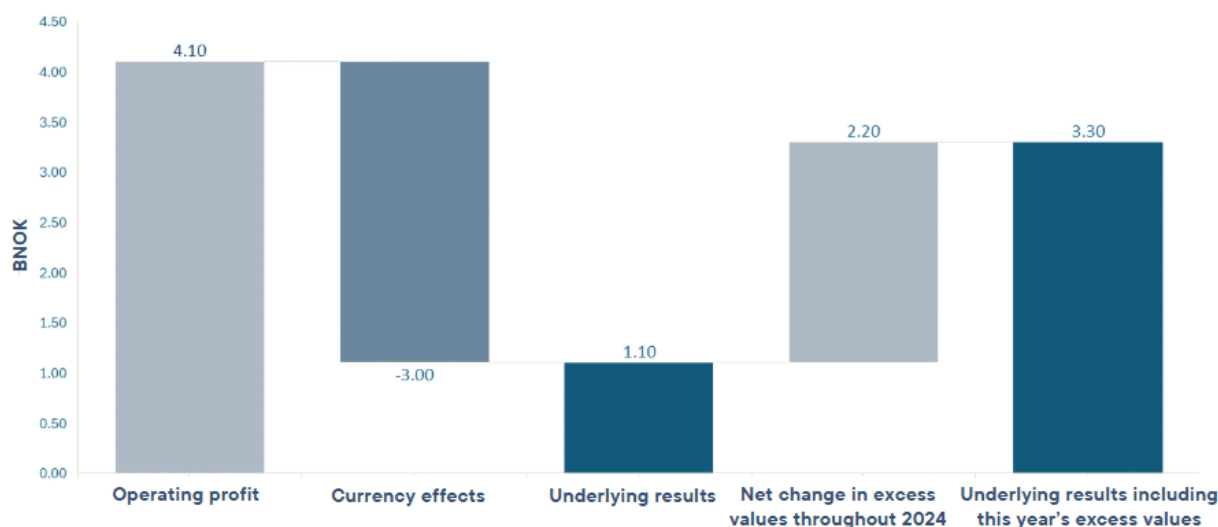
# Financial results

Norfund ended 2024 with an operating revenue of NOK 2,1 billion and a profit after tax of NOK 4,1 billion. The result was significantly impacted by currency effects due to a weaker Norwegian krone (NOK) against Norfund's primary currency, the US dollar (USD). Currency effects in the profit amounted to NOK 3 billion, compared with NOK 0,5 billion in 2023.

Excluding currency effects, the result for 2024 is NOK 1,1 billion, a reduction of NOK 0,3 billion compared to 2023. The negative change in underlying results is mainly driven by higher write-downs and lower realized gains and losses, somewhat offset by increased income from dividends and interest.

Norfund's principle of recording investments at the lower of historical cost and fair value entails that the portfolio can have unrealized effects that are not recorded. If Norfund had recorded the investments at fair value, the 2024 value increase would have been an additional NOK 2.2 billion, giving an annual result of NOK 3.3 billion.

[Read about the financial results of the Climate Investment Fund](#)



*The illustration shows the relationship between Norfund's annual result, the underlying result without currency effects from the portfolio and the effect of the results if positive value changes in the portfolio were taken into account.*

## Operations in 2024

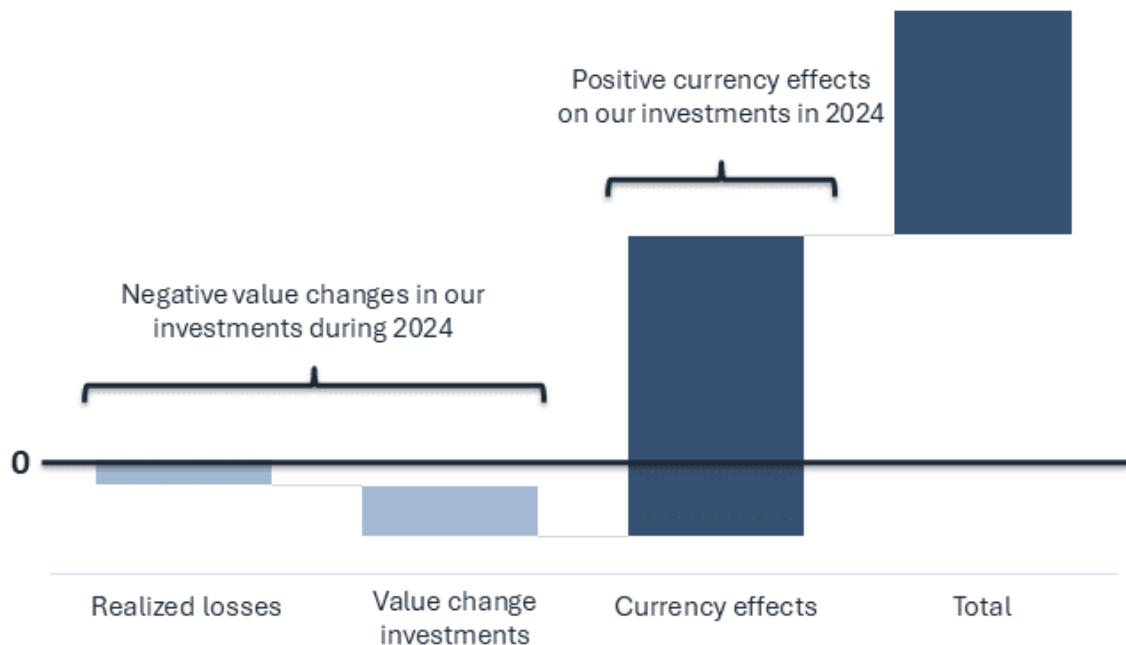
Total revenues increased by 7% i 2024, to NOK 2,086 million. The increase comes from both interest income and dividends from investments, offset by less realized gains from exits of investments.

Norfund's interest income stems from investments through loans and liquidity placements, where the latter includes a bond portfolio in foreign currency. The increase is mainly explained by an extension in the loan portfolio by 17 percent from NOK 8,147 million in 2023 to NOK 9,537 million in 2024. In addition, a weakened Norwegian krone against the US dollar by 11.6 percent compared to 2023 increases the values in NOK per year end 2024.

Realized gains from the portfolio amounted to NOK 109 million, of which NOK 45 million are realized positive currency effects.

On the cost side, the 2024 numbers are highly impacted by a positive value change\* for investments and receivables at year end. Including a negative effect from realized losses of NOK 226 million, the total effect from realized losses and value changes from the portfolio was still positive with NOK 1,929 million, compared to NOK 167 million in 2023.

The main driver of these effects is currency. The underlying value changes excluding currency effects were negative NOK 454 million, compared to negative NOK 227 million in 2023. Total currency effects related to value changes in 2024 were positive NOK 2,609 million, compared to positive NOK 514 million in 2023.



\*Value changes consist of impairments and reversals of impairments, in addition to currency effects related to investments in loans, shares, funds, liquidity placements and receivables.

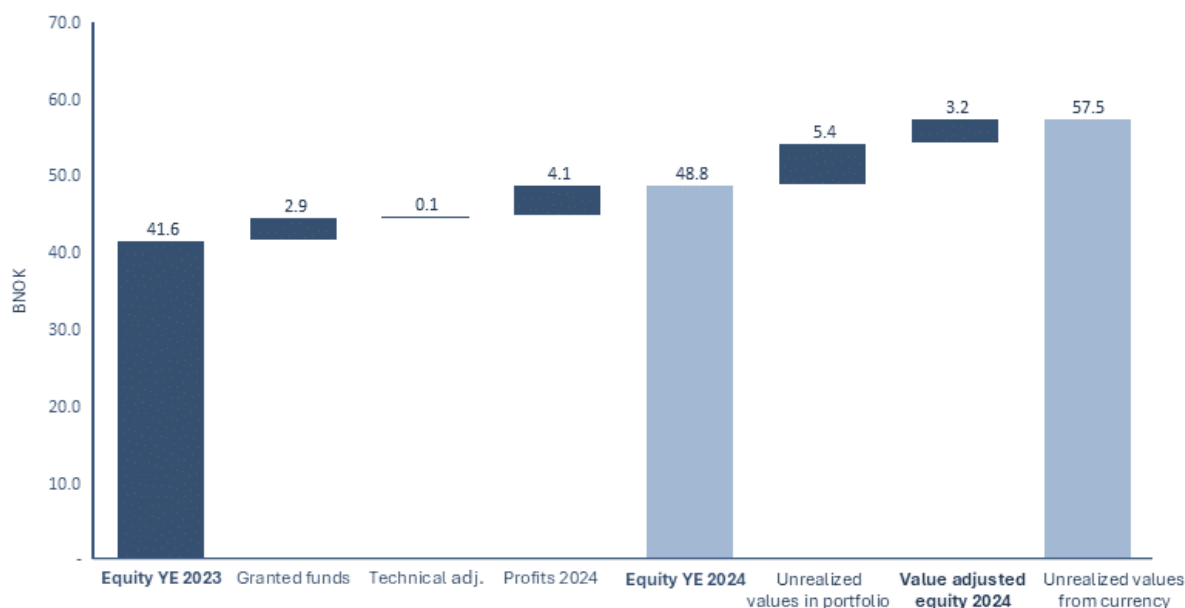
Other operational costs increased by 15%, driven equally by personnel and other costs. Norfund's operating result in 2024 ended at NOK 3,586 million, compared to NOK 1,748 million in 2023.

Norfund's financial results amounted to NOK 514 million, compared to NOK 148 million in 2023. This stems from interest rents and currency effects on the company's bank deposits.

## Norfund's equity

Norfund's total balance as of the end of 2024 was NOK 49,119 million. The balance increased by NOK 7,077 million from 31.12.2023, of which the earned result added to equity amounted to NOK 4,099 million and the year's capital contribution from the state budget amounted to NOK 2,928 million. The value-adjusted equity based on estimated market values for Norfund's portfolio was NOK 57,460 million as of 31.12.2024.





\*Adjusted for unrealized gains in the portfolio.

## Internal rate of return (IRR)

In 2024 Norfund had an Internal Rate of Return (IRR) for the development mandate calculated in investment currency of 8.3%, compared to 1.8 % in 2023. Calculated in NOK, Norfund obtained an IRR of 19.7 % during 2024, compared to 4.1 % in 2023.

As there are significant annual variations, the return on our investment is better reflected in IRR calculations since inception. As of year-end 2024, the IRR since inception for Norfund's development mandate, calculated in investment currency, was 5.1 % (compared to 4.8% in 2023). Calculated in NOK, the IRR since inception was 8.6 % (compared to 7.8% in 2023).

**8.3 %** IRR for 2024 (investment currency)

**5.1 %** IRR since inception (investment currency)

[Find the income statement and other financial accounts here](#)

## Internal Rate of Return (IRR) in investment currency

	Since inception	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Renewable Energy	6.1	7.8	-3	11.3	0	2.8	7.4	7.1	19.5	2.6	2	-9	-4	12
Financial Inclusion	6.5	14.6	6.6	0.2	10.2	-2.2	7.1	3.3	5.8	7.3	12	6	4	9
Scalable Enterprises Direct	-1.1	-0.6	3.8	6.9	6.6	-9.8	3.3	-5	4.1	-5.2	-4	-10	-4	-10
Scalable Enterprises Funds	0.2	0.1	-0.6	1.8	5.6	-12.2	-7.4	-14.4	-4	-0.4	0	-3	12	9
Green Infrastructure	-7.0	-12.2	-1.4	12.2	8.7									
Total	5.1	8.3	1.8	5.1	5.2	-0.1	6.3	4.6	14	1.6	3.5	-6	-1	8

# Investing in the transition to net zero

## Climate Mandate

The Climate Investment Fund is Norway's most important tool in accelerating the global energy transition by investing in renewable energy in developing countries with large emissions from coal and other fossil power production.

To help developing countries build their economies on the backbone of renewable energy, the Climate Investment Fund (CIM) will invest 10 billion NOK between 2022-2027 in renewable energy and enabling technologies.

[Instructions for the Climate Investment Fund \(in Norwegian\)](#)

## Ambitions

We have set climate impact ambitions for the 2022-26 strategy period and track annual progress. As of end 2024, we have overdelivered on all three ambitions, as illustrated in the table above.

Investment area	Ambition (2022-2026 strategy period)	Achievement by end of 2024
Climate investment mandate	14 million tCO <sub>2</sub> e avoided emissions	17.6 million
	9 GW new capacity financed	7.9 GW

Note: Calculated using the harmonized IFI approach: "GHG Accounting for Grid Connected Renewable Energy projects" (2019). Expected annual avoided emissions once operational, and not attributed to Norfund.



*Photo credit: Erco Energia*

## Strategy

The objective of the Climate Investment Fund is to contribute to reducing or avoiding emissions of greenhouse gases by investing in renewable energy in developing countries with extensive emissions from coal power and other fossil fuel-based power production. Within our mandate, we need to prioritize. Our core countries have therefore been selected based on three criteria: climate impact, additionality and feasibility.

## Geography

The Climate Investment Fund prioritizes 8 core countries, selected based on their potential for climate impact, additionality and feasibility of investments: India, Vietnam, Philippines, Cambodia, Indonesia, Sri Lanka, Bangladesh and South Africa. We allow exposure limits of up to 25% of the total allocation of 10 billion NOK for large countries such as India and South Africa.

## Sectors

We invest in both large scale grid connected renewables such as wind and solar farms and smaller projects selling directly to commercial and industrial customers such as rooftop solar. We also invest in technologies that enable more renewable energy generation, such as storage and transmission

## Instruments

The Climate Investment Fund may invest in equity, debt, funds and other instruments (including guarantees), and targets an overall portfolio share of 70% equity and 30% debt. The fund shall always adopt a minority position, targeting equity stakes from 20% upwards to 35%, but accept up to 49% with strategic partners in line with Norfund's statutes. The Climate Investment Fund aims to allocate 5-10% of the funds - directly and through platforms - into early phase development.

## Partners and platforms

The Climate Investment Fund, in line with Norfund's overarching strategy, aims to establish new as well as strengthen existing platforms and partnerships.

This strategy of sharing risk can enable industrial investors to realize more projects or enter new markets, multiplying the impact of Norfund's capital, and leading to sustainable business ventures.

## Exits

Under the Climate Investment Fund we have an ambition to seek exit of mature or de-risked investments to recycle capital and multiply the climate impact we can have per dollar committed by the fund.

[Read about avoided emissions here](#)

[Read about energy access and supply here](#)

# Investments 2024

## Climate Mandate

**2024 marked the second full year of operations for the Climate Investment Fund. During the year, four new investments were made. In addition, five follow-on investments supporting the growth of existing Climate Investment Fund portfolio companies were also made. In total, new commitments of NOK 1.7 billion were made, taking the total Climate Investment Fund portfolio to NOK 5.6 billion. The investments made in 2024 are expected to contribute to avoid 2.9 million tons of CO<sub>2</sub>e emissions when the projects are operational.**

## Highlights of 2024

### EnerGrid

A new IEA report warns that up to 15% of global solar and wind power production may remain unused by 2030 without increased investment in grids and storage. India is among the countries where the need for such investments is particularly pressing. According to recent estimates from India's Central Electricity Authority (CEA), the country will require 170,000 kilometers of transmission lines and 47 GW of energy storage capacity (BESS) over the next eight years to integrate increased renewable energy production.

To address this challenge, The Climate Investment Fund together with BII and IndiGrid, an Indian Infrastructure Investment Trust ("InvIT") that is one of the largest owner and operator of transmission projects in India, have set up a new platform, EnerGrid, which will develop power grid and battery storage projects. The partners are committing up to USD 300 million of equity investments which is expected to enable EnerGrid to develop projects valued at approximately USD 1.2 billion over the coming years. Of this the Climate Investment Fund is contributing USD 50 million and mobilizing a further USD 50 million from KLP via the jointly owned investment vehicle KNI India AS. The agreed structure is such that once projects are constructed, the projects will be acquired from EnerGrid by IndiGrid

at a pre-agreed value and the capital can be recycled into new projects.

## Candi

Candi Solar was founded in 2018 by three former colleagues, creating a distributed energy business by providing flexible contract structures for solar power focusing on the underserved small and medium sized businesses (SMEs) clients who is struggling to access attractive financing due to their credit ratings. Distributed energy solutions are an important part of the energy transition in emerging markets and the Climate Investment Fund is supporting this by investing USD 20 million as part of a larger investment round of USD 38 million of growth capital for the company. Kyuden International and STOA account for the rest of the amount. The company is operating in South Africa and India.

## Xurya

In 2024, the Climate Investment Fund made its first direct investment into Indonesia by investing 25 million USD in Xurya, a company that offers rooftop solar rental to commercial and industrial companies. By renting out the solar PVs, the businesses can overcome the high installation costs of adopting renewable energy, making it easier to switch from fossil to renewable energy supply. The investment was part of a USD 55 million fund raise with investors such as British International Investment (BII), Swedfund, Climate Capital and AC Ventures participated. This is the first investment is under the Just Energy Transition (JETP) where Norway has pledged up to USD 250 million of equity investments via the Climate Investment Fund.

## Pele

Pele Green Energy Group is a South African Black Economic Empowerment (BEE) infrastructure company, founded by five young entrepreneurs in 2009. The group develops, owns, builds, and operates renewable energy projects in South Africa. As of today, they have 980 MW in operation, 670 MW under construction, and a further pipeline of more than 5 GW under development. Many of the Climate Investment Fund's investments are follow-on investments in existing investees and the fund made its first invested in Pele Green Energy in 2023. The first investment of approximately 400 million NOK has contributed to the construction

of a portfolio of large solar and wind power plants. The company now needs more capital to finance further growth, which is planned within projects that deliver energy directly to businesses (C&I), investments in battery storage, and government tenders for larger renewable projects. As in the previous investment, the Climate Investment Fund is partnering with Nedbank, one of South Africa's largest banks, to invest a total of ca 320 million NOK to scale up the company's investments in renewable energy of which the Climate Investment Fund is investing ca 160 million NOK.



Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
SAEL	India	2022	Biomass	Equity	N/A	India	1156.9
Fourth Partner Energy	India	2023	Solar power	Loans Equity	N/A	India	696.7
Indigrid	India	2024	Renewable-enabling Transmission infrastructure	Equity	13%	India	612.0
Pele Green Energy	South Africa	2023	Other/hybrid renewables	Loans Equity	N/A	South Africa	557.5
Enel Coral	India	2022	Wind power	Loans Equity	25%	India	453.0
H1 Kenhardt	South Africa	2022	Solar power	Loans	0%	South Africa	443.0
Enel Thar Solar	India	2022	Solar power	Loans Equity	25%	India	288.3
Xurya	Indonesia	2024	Solar power	Equity	17%	Singapore	279.9
Candi Solar	Global	2024	Solar power	Equity	18.5%	Switzerland	213.9
H1 Capital	South Africa	2021	Other/hybrid renewables	Equity	25%	South Africa	212.7
H1 EDF NFBII	South Africa	2022	Wind power	Loans	0%	South Africa	187.9
Greenpower SL	Sri Lanka	2023	Solar power	Equity	30%	France	135.3
Gadag Transmission	India	2023	Renewable-enabling Transmission infrastructure	Loans Equity	25%	India	124.9
SEACEF II	Regional	2023	Renewable energy fund	Funds	8%	Singapore	112.3
Koppal Narendra	India	2022	Renewable-enabling Transmission infrastructure	Equity	25%	India	71.2
Orbital Energy	Sri Lanka	2024	Solar power	Equity	30%	Singapore	43.0

# Financial results

**In 2024, the Climate Investment Fund gained revenues of NOK 66 million, primarily interest income. The operating results ended at NOK 56 million. The Fund has rounded its third year, and by the end of 2024, a total of NOK 5.59 billion have been committed.**

On the cost side, the 2024 numbers are impacted by a positive value change for investments and receivables at year end of NOK 34 million, compared to negative NOK 14 million in 2023. The remaining costs for the climate investment fund are mainly related to management fees based on the fund's portfolio share of Norfund's total portfolio.

## The Climate Investment Fund's equity

The fund's total balance as of the end of 2024 was NOK 6 billion. The balance increased by NOK 2,056 million from 31.12.2023, of which the earned result added to equity amounted to NOK 56 million. The remaining increase came from this year's capital contribution from the state budget and allocation from Norfund, both amounting to NOK 1 billion each.

## Internal rate of return (IRR)

In 2024, the Climate Investment Fund (climate mandate) delivered an estimated return measured by Internal Rate of Return (IRR) of 9.3 % in investment currency and 18.2 % in NOK.

As there are significant annual variations, the return on our investment is better reflected in IRR calculations since inception. Since inception, the portfolio has had an IRR of 14.4 % in investment currency and 19.0 % in NOK. The return figures should be viewed in light of the fact that the fund is relatively new with still few investments and no realizations.

**9.3 %** IRR for 2024 in investment currency (18.2%)

in NOK)	
14.4 %	IRR since inception in investment currency (19% in NOK)

At the end of 2024, the committed portfolio totaled NOK 37.6 billion.

## Financial statements

Income Statement			
(Figures in 1000s of NOK)	Note	2024	2023
Interest income	2	55.484	0
Dividends received	2	8.363	7.682
Realized gains	3	0	4.872
Other operating income		2.087	0
<b>Total operating income</b>		<b>65.935</b>	<b>12.554</b>
Operating expenses			
Value changes investments and receivables		34.179	-14.024
Realised losses		0	0
<b>Total realized losses and value change</b>		<b>34.179</b>	<b>-14.024</b>
Payroll expenses		-100	-15
Management costs	4	-29.983	-16.792
Other operating expenses		-13.578	-8.859
<b>Total operating expenses</b>		<b>-43.661</b>	<b>-25.666</b>
<b>Operating results</b>		<b>56.454</b>	<b>-27.137</b>
Other financial income	3	2	20
Other financial expenses		-126	-1.364
<b>Net financial items</b>		<b>-124</b>	<b>-1.345</b>
<b>Profit before tax</b>		<b>56.329</b>	<b>-28.481</b>
Taxes		0	0
<b>Profit for the year</b>		<b>56.329</b>	<b>-28.481</b>
Allocations			
Transferred to / from surplus fund	5	56.329	-28.481
<b>Total allocations</b>		<b>56.329</b>	<b>-28.481</b>

Balance Sheet			
(Figures in 1000s of NOK)	Note	2024	2023
ASSETS			
Total receivables		487	259
Investments			
Investments in equities and funds	6	2 728 430	1 694 299
Loans to investment projects	6	778 184	392 194
Total investments		3 506 613	2 086 494
Bank deposits		2 516 547	1 879 927
Total current assets		6 023 647	3 966 680
Total assets		6 023 647	3 966 680
EQUITY AND LIABILITIES			
Equity			
Called and fully paid capital			
Primary capital	5	2 250 000	1 500 000
Reserve capital		750 000	500 000
Total called and fully paid capital		3 000 000	2 000 000
Retained earnings			
Surplus fund	5	3 023 009	1 966 680
Total retained earnings		3 023 009	1 966 680
Total equity		6 023 009	3 966 680
Liabilities			
Other current liabilities		637	0
Total liabilities		637	0
Total equity and liabilities		6 023 647	3 966 680

## Note 1

The financial statements for the Climate Investment Fund (KIF) follow the same accounting principles as Norfund's annual financial statements.

## Note 2

Dividends received from Norfund's investment in H1 Capital South Africa amounts

to TNOK 8363. Interest income of NOK 55 484 is primarily related to Norfund's investment in H1 Kenhardt.

## Note 3

In 2024, Norfund has decided to reclassify currency effects on all investments from financial to operating results. The table below shows the figures for 2023 that have been restated in accordance with the changed reclassification. The reclassified amount is shown in the table under the columns "Restated Operating Result 2023" and "Restated Financial Result 2023"

<i>Amounts in thousands NOK</i>	2024	2023
Other financial income	2	20
Other financial expenses	-126	-1,364
<b>Net financial items</b>	<b>-124</b>	<b>-1,345</b>

<i>Amounts in thousands NOK</i>	Original 2023	Reclassified 2023	Restated Financial Result 2023
Other financial income	4,892	-4,872	20
Other financial expenses	-1,364	0	-1,364
<b>Net financial items (reclassified)</b>	<b>3,528</b>	<b>-4,872</b>	<b>-1,345</b>

<i>Amounts in thousands NOK</i>	Original 2023	Reclassified 2023	Restated Operating Result 2023
Realized gains	0	4,872	4,872
<b>Net operating items (reclassified)</b>	<b>0</b>	<b>4,872</b>	<b>4,872</b>

## Note 4

The management fee is calculated based on the Climate Investment Fund's (KIF) portfolio share of Norfund's total portfolio, and Norfund's total costs. The portfolio share is based on the historical book value of the investments. The management fee is allocated quarterly, and at the end of 2024, KIF accounted for 10.4% of Norfund's total investments. For further details, please refer to the discussion in the board's report under the chapter on organization and efficient operations.

## Note 5

<b>Equity</b> (amounts in thousands NOK)	<b>KIF primary capital</b>	<b>KIF reserve capital</b>	<b>NF surplus fund</b>	<b>Total equity</b>
Equity per 31.12.2023	1,500,000	500,000	1,966,680	3,966,680
Transfer from the Ministry of Foreign Affairs	750,000	250,000	0	1,000,000
Earmarking of Norfund's surplus fund	0	0	1,000,000	1,000,000
Profit for the year	0	0	56,329	56,329
<b>Equity per 31.12.2024</b>	<b>2,250,000</b>	<b>750,000</b>	<b>3,023,009</b>	<b>6,023,009</b>

## Note 6

The Climate Investment Fund (KIF) has the following investments with remaining commitments and book value at the end of 2024. Further information can be found in the Climate Investment Fund's activity report.

<b>Equity</b> (amounts in thousands NOK)	<b>Remaining commitment</b>	<b>Book value</b>
KNi INDIA AS	318,772	516,135
H1 Capital	0	212,745
SAEL	172,827	984,042
Pele Green Energy	0	156,312
Greenpower (tidl. Volta)	0	10,699
Fourth Partner Energy Limited	0	431,519
SEACEF	86,709	22,000
Xura	141,918	138,050
Candi Solar	0	213,942
Orbital Energy	0	42,984
Andre prosjekter	554,659	0
<b>Total</b>	<b>1,274,884</b>	<b>2,728,430</b>

<b>Loans</b> (amounts in thousands NOK)	<b>Remaining commitment</b>	<b>Book value</b>
H1 Kenhardt	41,492	401,534
Fourth Partner Energy Limited	0	265,260
Pele Green Energy	367,508	9,534
Greenpower (tidl. Volta)	22,707	101,856
Andre prosjekter	420,325	0
<b>Total</b>	<b>852,032</b>	<b>778,184</b>

[Independent auditors report 2024 \(for the full financial accounts, not only the Climate Investment Mandate\)](#)

[Download](#)

# Ukraine Mandate

Russia's full-scale invasion of Ukraine has led to immense destruction and loss, creating an urgent need for private investment to rebuild infrastructure and revive economic activity. In September 2024, the Norwegian government tasked Norfund with investing in Ukraine through the Nansen Support Programme, with the aim of contributing to the country's long-term recovery and resilience.

## About

The Ukraine Investment Fund was established in 2024 and received its first capital injection of NOK 250 million. Drawing on Norfund's experience investing in high-risk and frontier markets, the Fund focuses on commercially viable projects that support job creation, promote economic stability, and rebuild critical infrastructure. By mobilizing private capital into sectors essential for recovery, the Fund addresses market gaps and helps lay the foundation for sustainable growth.

## Strategy

The Fund deploys capital through debt, equity, and quasi-equity instruments, with investment sizes typically ranging from USD 5 to 30 million.

Its investments concentrate on four priority areas:

- **Renewable Energy:** Supporting the reconstruction and expansion of Ukraine's energy sector through investments in renewable power generation and distributed energy solutions.
- **Financial Inclusion:** Strengthening financial institutions to improve



access to affordable finance for SMEs, entrepreneurs, and underserved populations.

- **Scalable Enterprises:** Investing in private equity funds, agribusinesses and manufacturing to drive industrial development and employment.
- **Green Infrastructure:** Financing sustainable waste management, water supply, and wastewater treatment to rebuild essential public services.

All investments follow Norfund's principles of commercial soundness, development impact, and responsible business practices, and are developed in collaboration with Norfund's sector teams and local partners to enhance quality and manage risks.

## Progress

Since launch, the Ukraine Investment Fund has progress:

- Presented three investment proposals to Norfund's investment committee.
- Built a pipeline of potential investments far exceeding the fund's available capital, across target sectors.
- Established a dedicated team with on-the-ground and sector expertise.

- Built networks with on-the-ground partners, international co-investors, and stakeholders.
- Formalized partnerships with local institutions to support deal sourcing, due diligence, and monitoring.

## Board of Directors' report

**In 2024, Norfund delivered a total return of 8.4 percent in local currency and 19.6 percent in NOK. By the end of the year, the committed portfolio amounted to NOK 43.2 billion, with NOK 7.7 billion committed to new investments during the year. The companies in Norfund's portfolio employed a total of 712,000 people, with 41,400 new jobs created throughout the year. By the end of 2024, the Climate Investment Fund had financed 7.9 GW of renewable capacity, which will avoid 17.6 million tons of CO<sub>2</sub>e annually when the power plants are operational.**

2024 was a year of great uncertainty. Inflation and rising debt costs have affected wallets and state finances. In many of Norfund's markets, economic growth is hampered by conflict, uncertainty, climate change, and power shortages.

In October, the [World Bank](#) stated that the goal of eradicating extreme poverty by 2030 is out of reach. Over the past five years, there has been virtually no progress due to several shocks to the global economy, such as the COVID-19 pandemic, high inflation, and increasing conflict and vulnerability. The Bank warns that the period 2020-2030 is likely to be a lost decade in the fight against poverty, which is entrenched in developing countries with weak economic growth.

Entering the year, inflation remained high in many countries, and central banks around the world kept interest rates up. Since then, inflation has significantly reduced in most Western countries, and interest rates are on their way down. In their [World Economic Outlook](#) from October 2024, the IMF estimates inflation for developing countries as a group to be around 4.2 percent, which is nearly double that in the eurozone. Countries in Sub-Saharan Africa continue to have high inflation, with an average of 12.2 percent. The World Bank warns in its [International Debt Report 2024](#) that the cost of servicing public debt in the poorest countries (IDA countries) has risen to the highest level since 2002,

estimated at 1.2 percent of GDP.

The global economy had stable but historically weak growth in 2024, estimated at around 3.2 percent by the IMF. The [IMF](#) estimates that the economy in developing countries grew by 4.2 percent in 2024. However, growth is very unevenly distributed. In Asia, large developing countries such as India, Indonesia, and the Philippines all had strong growth, while in Africa, the large economies of Nigeria and South Africa both grew slower than the global growth of 3.2 percent. The [World Bank](#) points out that growth in most developing countries is not sufficient to catch up on the lost progress since 2020, especially for the least developed countries and countries in conflict.

A strong dollar, macroeconomic instability, and increasing debt burdens increased the risk for investors in many of Norfund's markets. A strong US dollar made loans more expensive and weakened local currencies. A rising debt burden made it challenging to maintain growth and attract foreign investments. [UNCTAD](#) points out that investments in sectors related to achieving the Sustainable Development Goals fell by as much as 11 percent in 2024, and that investments in food systems, infrastructure, and water and sanitation in 2024 remained at a lower level compared with 2015 when the goals were adopted.

In a challenging 2024, there was also positive progress. Central banks and governments have, in most of Norfund's markets, succeeded in controlling galloping inflation. Several countries implemented reforms aimed at increasing private investments, such as in Ethiopia, where authorities have taken steps to open up to international investments to increase companies' access to capital. For many African countries, the entrepreneurial spirits of a growing young population a promising source of economic growth and attention far beyond the African continent. One area where this is already happening is in music, where Afrobeats, with artists like Burna Boy and Ayra Starr, have gained global attention through streaming platforms and social media. The [African CEO Forum](#) estimates that creative industries in Africa can create up to 20 million jobs and contribute export revenues equivalent to 4 percent of Africa's GDP by 2030.

Around 3 billion people had the opportunity to go to the polls in 2024, more than ever before. For many countries, the elections have brought about new vitality

and rejuvenation. In Senegal, Bassirou Diomaye Faye was elected president, becoming the youngest elected leader in Africa, while in Sri Lanka, old political elites that have led the country into economic chaos were ousted in favor of an outsider. There have also been cases of elections leading to increasing national tensions and polarization, such as in Mozambique, where [BMI Research](#) estimates that the economy shrank by as much as 4.9 percent due to unrest following the election in October.

An increasingly larger part of global aid is being diverted away from long-term development and poverty alleviation in favor of dealing with the consequences of war and conflict and combating climate change. This means that relatively fewer funds are available for aid to job creation and poverty alleviation. The development is further reinforced by aid freezes in the USA and the announcement of new cuts in aid budgets in several European countries.

The EU's [Copernicus program](#) reports that 2024 was the first year with sustained temperatures 1.5 degrees Celsius above pre-industrial levels. According to researchers, this means it is very likely that the Paris Agreement's ambition to limit warming to 1.5 degrees Celsius will be breached. At [COP29](#) in Baku, a new climate financing goal of 300 billion USD was adopted to combat climate change. The goal is to triple climate finance, and corresponds to 150 percent of the total aid from OECD countries in 2023, and will be dependent on mobilizing substantial private capital in order to achieve the goal.

Transfers from the national budget to Norfund's development mandate have been stable in nominal terms (NOK) for several years, and in the period 2019-2024. Norfund's share of the aid budget has thus decreased from 5.2 percent to 3.1 percent (excluding transfers to the Climate Investment Fund). The weakening of the NOK exchange rate against the USD from 2019 to 2024 has further weakened the value of transfers to Norfund by about 20 percent measured in Norfund's investment currency.

Despite a challenging backdrop, Norfund increased its total investments for the two mandates to 7.7 billion kroner in 2024, up from 6.5 billion kroner in 2023. In 2024, Norfund received 1.7 billion kroner over the state budget for the development mandate and 1 billion kroner for the Climate Investment Fund, as

well as 250 million kroner for the newly established Investment Fund for Ukraine. A higher commitment level is possible thanks to available capital from the sale of SN Power (completed in 2021), a recycling of capital through the sale of investments and loan repayments.

## About Norfund

### Norfund's mandates and strategy

Norfund was established in 1997 as Norway's most important tool for promoting investments in developing countries. The fund's purpose is to contribute with equity and other risk capital, as well as provide loans and guarantees for the development of sustainable business activities in developing countries. The aim is to establish viable and profitable businesses that would not otherwise be initiated due to high risk.

Norfund is a responsible owner that adapts its ownership to the sector, instrument, and risk. For some investments (e.g., equity investments with a significant minority share), the fund will have an active role, while for others (e.g., loans to banks), it is natural to be less active. However, Norfund is always a responsible owner that sets high ethical standards. Norfund aims to sell its stake when the fund is no longer necessary for the investment, so that the capital can be recycled and put to work in new investments.

Since 2022, Norfund, has also been responsible for managing the Climate Investment Fund, which builds on Norfund's long experience with investments in renewable energy. In December 2024, Norfund was also tasked with managing the Investment Fund for Ukraine as a separate mandate.

For the **development mandate**, Norfund aims to create jobs and improve living conditions by investing in businesses that contribute to sustainable development. Norfund has four investment areas: Financial Inclusion, Renewable Energy, Green Infrastructure, and Scalable Enterprises. Each of the four investment areas has ambitions that directly and measurably contribute to achieving the UN's Sustainable Development Goals. Under the development mandate, Norfund prioritizes investments in countries with limited access to capital, particularly the least developed countries (LDCs) and Sub-Saharan

Africa, in addition to equity as the preferred instrument. The Ministry of Foreign Affairs decided in 2022 that approximately 60 percent of capital contributions from the state budget over time should be invested in renewable energy.

For the **climate mandate** (Climate Investment Fund), the goal is to promote the transition to net-zero emissions in emerging markets. Under the climate mandate, Norfund mainly invests in the production and development of renewable energy, as well as areas closely related to this. Norfund prioritizes equity investments for this mandate as well. The climate mandate is primarily aimed at middle-income countries where the opportunities to reduce or avoid greenhouse gas emissions are significant.

The **Ukraine mandate** (Investment Fund for Ukraine) was established in December 2024 and aims to contribute to the development of sustainable business activities and job creation in Ukraine. The fund will support investments that would not otherwise be carried out due to the high risk in Ukraine. The fund will contribute to mobilizing private capital by having private investors invest alongside the fund or be inspired by the fund. Since its inception, Norfund has been working to identify potential investments, and the ambition is to commit the first investments during 2025.

## Financing

Norfund is financed through annual capital contributions from the state, as well as profits from investment activities. In 2024, capital contributions from the state amounted to 1,678 million kroner under the development mandate (including 25 million kroner allocated to the [Frontier Facility](#), 1,000 million kroner under the climate mandate, and 250 million kroner for the Ukraine mandate (allocated in December 2024). In addition to capital contributions, Norfund received 10 million under the "[Business Support](#)" grant scheme.



Returns in the form of interest and dividends from investments, loan repayments, and the realization of previous investments constitute an increasing share of the fund's available investment capital, allowing Norfund to invest far more than the capital provided over the state budget and thus contribute to even greater impact on development and climate.

## **Additionality**

Most countries where Norfund invests are perceived as less attractive to international investors because the risk is considered too high. Norfund's expertise, willingness, and ability to manage risk are therefore important for providing capital to these countries and succeeding with investments. Norfund aims to be additional in all investments. The fund is financially additional by providing capital that businesses would otherwise find difficult to access due to capital scarcity and high risk. Norfund is value-additional by providing value beyond capital by being an active owner, strengthening the sustainability of the business, and contributing to business improvements. Norfund is a minority investor and thus also helps to mobilize capital from other investors both in Norway and internationally. Norfund's expected additionality is assessed before each investment and reported to the OECD's Development Committee and on Norfund's website.

The OECD requires that all investments made by development finance institutions must be additional. In 2024, Norfund underwent an "ODA eligibility assessment" conducted by the secretariat of the OECD's Development Assistance Committee. Norfund achieved a full score in this assessment, which means that our systems and reports comply with all requirements.

## **External evaluation of renewable energy investments**

In 2024, Norfund was subject to an [external evaluation](#) conducted by KPMG Norway on behalf of the Department for Evaluation of Norwegian Development Cooperation. The evaluation covered investments in renewable energy under Norfund's development mandate from 2015-2023, and under the Climate Investment Fund from 2022-2023.

The report shows that Norfund's investments have contributed to increased

electricity production, better access to renewable energy, and avoided greenhouse gas emissions in developing countries. In the years covered by the evaluation, Norfund has contributed to financing more than 11 GW of new renewable capacity and to over 7 million households gaining access to electricity. An important finding is also that Norfund's requirements for profitability and economic sustainability in investments, along with efficient operations in its own organization, are important contributions to the good results.

Norfund will in 2025 assess how the recommendations in the evaluation report are best followed up and keep the Ministry of Foreign Affairs informed through the regular ownership dialogue.

## Norfund's total portfolio in 2024

In 2024, the portfolio (development mandate and climate mandate) delivered a return measured by IRR (internal rate of return) of 8.4 percent in local currency and 19.6 percent in NOK. The Norwegian krone weakened by 10.7 percent against the USD during the year, which is reflected in the IRR figures in Norwegian kroner. Since its inception, the portfolio has an IRR of 5.2 percent in local currency and 8.7 percent measured in Norwegian kroner.

As of 31.12.2024, Norfund's committed portfolio totaled 43.2 billion kroner. During 2024, the fund committed 7.7 billion kroner. The results for the Development Mandate and Climate Mandate are described in more detail below.

### Development Mandate - portfolio in 2024

In 2024, the development mandate delivered a return measured by IRR of 8.3 percent measured in investment currency and 19.7 percent measured in NOK. Since its inception, the portfolio has had an IRR of 5.1 percent measured in investment currency and 8.6 percent measured in NOK. At the end of 2024, the committed portfolio was 37.6 billion kroner.

Norfund committed 6 billion kroner under the development mandate in 2024, distributed across 23 new and 19 follow-up investments. The commitments for the year were broadly distributed among the investment areas, with 2.6 billion kroner to Financial Inclusion, 1.6 billion kroner to Renewable Energy, and 1.6 billion to Growth-Oriented Businesses. Green Infrastructure committed 234 million kroner.

The committed portfolio in LDCs (least developed countries) accounted for 34 percent of the portfolio at the end of 2024, while Sub-Saharan Africa accounted for 64 percent. Equity accounted for 73 percent of the portfolio at year-end. The target for renewable energy ended at 68

percent at the end of 2023. Norfund's portfolio is thus in line with the targets set by the board that the portfolio should have at least 33 percent in LDCs and 50 percent in Sub-Saharan Africa, 70 percent in equity, as well as the statutory target that approximately 60 percent of capital contributions to Norfund over time should be invested in renewable energy .

Norfund prioritizes investment areas where there is an opportunity to contribute to significant development effects. Each investment area has a theory of change that shows how Norfund's capital and expertise contribute to development effects and the achievement of the UN's Sustainable Development Goals. For the development mandate, these are SDG 1 (No Poverty), 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), and 9 (Industry, Innovation, and Infrastructure).

Norfund annually collects data on development effects from portfolio companies (both direct investments and indirectly through platforms and funds). At the end of 2024, there were a total of 712,000 jobs in the companies Norfund is invested in, of which 699,000 jobs were in companies under the development mandate. About three-quarters of these jobs are permanent. A full 64 percent of the jobs are in Africa, and 27 percent are in LDCs.

To be able to say something about development over time, data from companies that have reported for two consecutive years are analyzed. Net (the balance between lost and new jobs), 41,400 jobs were created in companies Norfund is invested in. Of these, 39,800 jobs were created in companies under the development mandate.

Payment of taxes and fees is an important contribution to the countries Norfund invests in. In 2024, companies in the development mandate's portfolio paid a total of 41.2 billion kroner in taxes and fees, of which 30 billion in Africa. Furthermore, 64 billion in wages were paid in the companies Norfund is invested in, also mainly in Africa.

Quantified ambitions have been set for each investment area that

reflect accumulated organic growth (i.e., development in the companies after Norfund became an investor) on sector-relevant parameters. The ambitions are set for the entire strategy period (2023-2026) and not for individual years.

Halfway through the strategy period, investments in Renewable Energy under the development mandate are approaching the goal of increased financed capacity but are significantly below the target for households that have gained access to electricity. In Financial Inclusion, investments are well on their way to reaching the goal of an increased customer base but are still some way off the goal of increasing outstanding loan volume. Direct investments in Growth-Oriented Businesses have already met both goals for the strategy period, while indirect investments through funds are well-positioned to reach the goal of increased company revenues but are somewhat behind the expected level for job creation. The data reported is not attributed, meaning it shows the total effect of the portfolio companies and does not take into account Norfund's ownership share. More detailed information about Norfund's development effects is available in the annual report.

### **Frontier Facility - portfolio in 2024**

Frontier Facility is a facility managed by Norfund for project development and risk mitigation and is intended to take higher risks compared to Norfund's ordinary mandates. The facility receives earmarked funds over the state budget. Through the scheme, Norfund contributes to project development and risk mitigation at an early stage. The portfolio consists of ten projects, with a total commitment of 183 million kroner.

In 2024, Frontier Facility published its first status report, which evaluated goal achievement from 2019 to 2023 on the indicators provided by the Ministry of Foreign Affairs. The results from the status report show that Frontier Facility has had good goal achievement and mobilized private capital by initiating investments that would not otherwise have happened, as well as reducing risk for private actors in

challenging markets. The facility has invested in early-stage project development and risk mitigation measures within Norfund's investment areas.

### **Climate Investment Fund - portfolio in 2024**

In 2024, the Climate Investment Fund (climate mandate) delivered a calculated return measured by IRR of 9.3 percent in investment currency and 18.2 percent in NOK. Since its inception, the portfolio has had an IRR of 14.4 percent in investment currency and 19.0 percent in NOK. The return figures must be seen in light of the fact that the fund is relatively new with still few investments and no realizations.

At the end of 2024, the committed portfolio was 5.6 billion kroner. In 2024, the fund made its first investment in Indonesia through the company Xurya, which provides renewable energy solutions directly to businesses. Norfund also launched a new platform for investments in power grids in India together with IndiGrid and British BII. There is a great need for investments in transmission in India to handle the growth in renewable variable power such as wind and solar power. The majority of the fund is invested in India and South Africa, and work is therefore underway to expand the portfolio geographically.

Also, for the climate mandate, Norfund's investments directly contribute to the UN's Sustainable Development Goals. These are SDG 13 (Climate Action), 7 (Affordable and Clean Energy), and 8 (Decent Work and Economic Growth). For 2024, Norfund's new commitments contributed to financing 1,250 MW of renewable energy and to estimated ex-ante avoided greenhouse gas emissions of 2.9 million tons annually. This is lower than previous years due to several investments in transmission, which do not count towards the ambitions.

The Climate Investment Fund is on track to exceed the goals set for the fund's first strategy period (2022-2026) of 9 GW of renewable energy financed and 14 million tons of avoided greenhouse gas emissions annually. At the end of 2024, the fund has contributed to financing 7.9

GW of renewable capacity, which will contribute to avoiding 17.6 million tons of CO<sub>2</sub>e annually when the power plants are operational.

In 2024, the greenfield projects that KIF has helped finance produced 3,421 GWh, resulting in 3.4 million tons of avoided CO<sub>2</sub>e emissions. Capacity under construction or already installed is increasing rapidly from year to year and was 4,643 MW at the end of 2024.

### **Investment Fund for Ukraine - portfolio in 2024**

Norfund was assigned the task of managing the new Investment Fund for Ukraine in December 2024, and no investments were made in the fund in 2024. Norfund has been working to build a pipeline of potential investments. The fund aims to make its first investments in 2025.

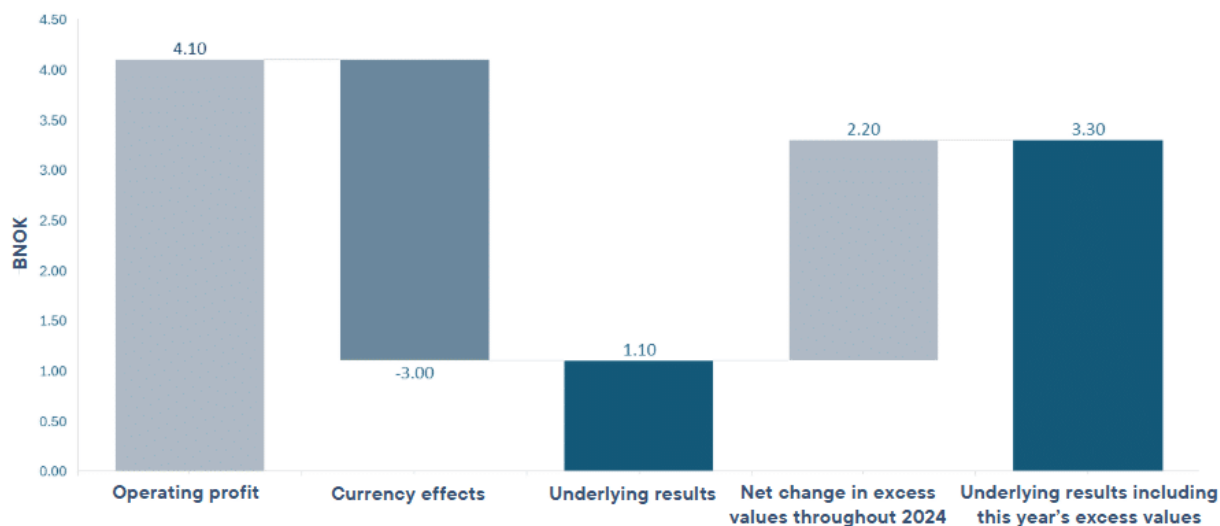
## **Statement on the annual accounts**

Norfund ended the year with operating revenues of 2,086 million kroner and a positive result after tax of 4,099 million kroner. The result is significantly affected by currency effects due to a weaker Norwegian krone against our primary currency USD. Currency effects in the result amounted to 2,995 million kroner, compared to 472 million kroner in 2023. The currency effects are mainly due to value adjustments of our investment portfolio and our liquidity placements in foreign currency, as well as effects from realized gains and losses.

The historically weak krone gives investments and cash holdings a higher value measured in NOK and shows the strong impact exchange rate fluctuations have on revenues and annual accounts. This effect will be reversed if we have a corresponding strengthening of the Norwegian krone. Nevertheless, for the Board, it is the IRR (return) in investment currency that is the relevant metric as this more accurately reflects Norfund's underlying results.

Excluding exchange rate effects, the result for 2024 is 1,104 million NOK, a reduction of 320 million NOK compared to 2023. Result effects for each year come directly from revenues and costs, as well as from value changes in existing

investments and the realization of investments. The negative change in underlying results in 2024 (compared to 2023) is mainly driven by increased write-downs, as well as lower realized gains and losses, somewhat offset by increased income from dividends and interest.



*This illustration shows how Norfund's underlying annual results would look if unrealized value increases on investments were included.*

Interest income from operations has increased from 1,080 million NOK in 2023 to 1,356 million NOK in 2024. Interest income consists of interest income from the loan portfolio and liquidity placements, which include a bond portfolio in foreign currency. The growth in interest income can mainly be explained by an increase in the loan portfolio by 17 percent during the year from 8,147 million NOK to 9,537 million NOK, as well as a weakened Norwegian krone against the US dollar by 11.6 percent compared to 2023. The accounts show realized gains from the portfolio totaling 109 million NOK, of which 45 million NOK are realized positive exchange rate effects. Realized underlying gains excluding exchange rate effects are mainly from Arrend (43 million NOK) and Basecamp (15 million NOK). Furthermore, the company received 578 million NOK in dividends, with the most significant being Agua Imara (179 million NOK), Arise B.V. (140 million NOK), and Klinchenberg (115 million NOK).

Salary costs have increased by 13 percent compared to 2023, to 246 million NOK. Both investment and staff functions were further strengthened throughout the year. This also leads to increases in other cost areas, but overall, within



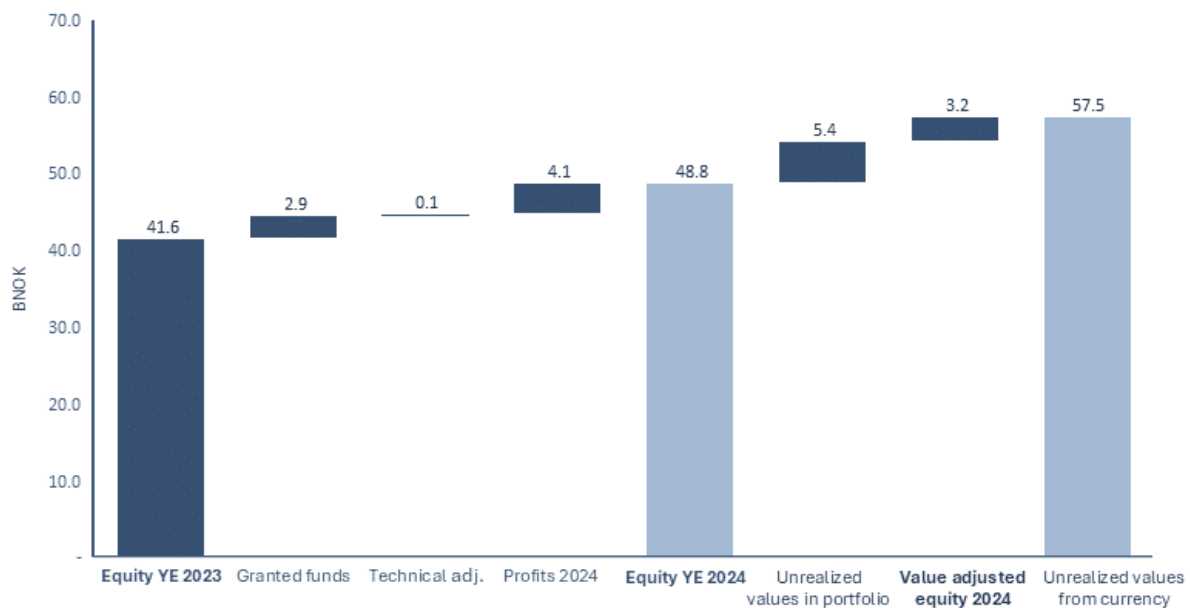
expectations. Operating costs measured as a percentage of committed portfolio remain stable at 1 percent, consistent with the goal that these should be below the average for comparable development finance institutions.

Realised loss and value changes for investments and receivables in 2024 ended at positive 1,929 million NOK compared to positive 167 million NOK in 2023. This consists of realised losses including exchange rate effects of negative 226 million NOK in 2024 and value changes totalling positive 2,155 million NOK.

Value changes consist of write-downs, reversals of write-downs, and exchange rate effects related to investments in loans, shares, and funds, liquidity placements, and receivables in the annual accounts. Total exchange rate effects related to value changes in 2024 were positive 2,609 million NOK compared to positive 514 million NOK in 2023.

Total write-downs for investments and receivables in 2024 excluding exchange rate effects were negative 454 million NOK compared to negative 227 million NOK in 2023. The write-downs are partly due to some companies in the portfolio being burdened by volatile commodity prices and delays in global value chains, among other things as a result of conflicts in the Middle East and the war in Ukraine. The same applies to the situation in Myanmar where conditions continue to be challenging, and some larger value reductions are made here. There is also a risk related to currency in Africa in general and Mozambique in particular through limited access to USD, which poses a challenge when it comes to loan repayments.

Norfund's total balance as of the end of 2024 was 49,119 million NOK. The balance increased by 7,077 million NOK from 31.12.2023, of which earned result added to equity amounted to 4,099 million NOK and the year's capital contribution from the state budget amounted to 2,928 million NOK. Adjusted equity based on estimated market values for Norfund's portfolio was as of 31.12.2024 at 57,460 million NOK.



*This illustration shows Norfund's adjusted equity, where unrealized value increases on our investments are added.*

At the end of 2024, Norfund had outstanding, unpaid commitments totaling 9,606 million NOK. The cash balance was at the same time 6,457 million NOK in addition to liquidity placements of 8,357 million NOK. Of the liquidity holdings, 2,000 million NOK is earmarked for the Climate Investment Fund, which will be invested in the period 2025-26. As a result of a growing capital base, it was decided in 2024 to strengthen liquidity management. This was done through increased staffing and the decision to establish a separate treasury mandate. The board considers liquidity to be good and confirms that the prerequisites for continued operations are in place. In the board's opinion, the annual accounts for 2024 provide a true and fair view of Norfund's financial position.

## Organization, environment, and responsible business tax

### Corporate governance

The general assembly is Norfund's highest authority. Governance is exercised through general meeting decisions, including the establishment and amendment of Norfund's articles of association. In 2024, an extraordinary general meeting was held in connection with the establishment of the Investment Fund for Ukraine and the determination of compensation for the newly established compensation committee. The Ministry of Foreign Affairs receives quarterly reports, and regular contact meetings are held throughout the year.

Norfund's board is elected by the general assembly. Two members are elected by and among the fund's employees. The board consists of nine members. The Risk and Audit Committee (RRU) consists of the committee chair and two members elected from the board's members. In 2024, the board established a Compensation Committee consisting of three members. In 2024, the board had a total of seven board meetings and six meetings in the RRU. Norfund has taken out liability insurance with AIG that covers the board's members and externally appointed board members in portfolio companies.

Norfund has a framework of governance documents that covers everything from the Norfund Act, the articles of association, and overarching frameworks adopted by the board to administration-adopted guidelines for important subject areas and routines and procedures for carrying out and following up on investment activities. The structure and guidelines are regularly updated and adapted to Norfund's operations. The Investment Committee reviews investment proposals and contributes to quality assurance. In 2024, the committee consisted of nine people, three of whom are external. The Credit Committee reviews and approves loans to financial institutions and consists of five members, (including one external member). Both

committees review individual investments between USD 4 million and USD 20 million, and the investments are approved by the managing director. Both committees must also give their recommendation on investments over USD 20 million, but these are approved by the board. Smaller investment decisions are also raised with the board when necessary, for example, if there are elements with particularly high risk or reputational sensitivity. Investments up to USD 4 million are reviewed and approved by the administration.

### **Data, risk management, and internal control**

Taking risks is at the core of Norfund's mandate. What risks Norfund has and how these are managed are described in Norfund's risk appetite statement, adopted by the board. The statement describes two risk categories. The first concerns where and in what Norfund invests (such as markets, instruments, and currency risk). These risks are managed through Norfund's market insight, local presence, and portfolio diversification. The second category is risk related to how the company selects investment partners and how Norfund carries out investments and operates the organization (e.g. partner and corruption risk, environmental and social conditions, and HSE). The risks can be minimised by designing and implementing appropriate systems and regular training, contractual terms, internal control, and compliance.

The Enterprise Risk Management framework is a tool used by management and the board to identify, understand, and manage key operational risks. The administration's proposal for the top ten risk areas is discussed with the risk and audit committee before being presented to the board. Proposals for areas for external internal audit are compared with the risk overview, and the committee gives a recommendation that is reviewed and decided by the board.

Norfund monitors portfolio exposure and country risk exposure. The board has set risk thresholds for exposure to individual countries and groups of countries, which are followed. In 2024, this particularly applied to the climate mandate, which has significant exposure to India

and South Africa.

Norfund has zero tolerance for corruption and financial irregularities and has established systems to prevent, detect, report, and handle misconduct cases. In 2024, 15 "Business Integrity Incidents" were reported, of which 12 incidents concerned allegations of financial misconduct in the portfolio. The cases are followed up in accordance with established procedures. One of the cases was of such a nature that it was reported further to the Ministry of Foreign Affairs.

### **Organization and efficient operations**

Norfund has seen significant growth in recent years in terms of increased investment volume, a growing portfolio, and more employees. The external evaluation of Norfund's investments in renewable energy conducted in 2024 found that Norfund operates very efficiently compared to other European development finance institutions. For 2024, Norfund's operating costs amount to 1 percent of the committed portfolio, in line with the goal that this should be below the average for comparable institutions within development finance. The board regularly evaluates resources and cost levels to ensure a robust organization adapted to Norfund's mandate and risk profile.

Increased complexity as a result of the organisation's growth is a risk. Norfund works systematically with culture to ensure that the organisation develops in a way that allows Norfund's mission to be carried out in the best possible way. The board regularly evaluates resources and cost levels to ensure a robust organization adapted to Norfund's mandate and risk profile.

At the end of 2024, Norfund had 157 employees, of whom 149 are permanent positions, and with 30 nationalities represented. About two-thirds of the company's employees work directly with investments, while one-third are attached to staff functions. In addition to the office in Oslo, Norfund has five regional offices in our markets. Strong regional offices with experienced teams working closely on the company's

markets are crucial for the success of Norfund's investment strategy.

In 2024, recruitment of new permanent positions primarily strengthened the staff areas and the investment area of Renewable Energy. About 30 percent of the new hires in 2024 belong to one of the regional offices in line with the ambition that the organisation's growth should happen in our markets.

The gender balance is good with 51 percent female and 49 percent male employees. Within both the company's top management and the extended management group, the proportion of women is 43 percent. In 2024, 27 new employees started, including 8 on temporary contracts. Measured in permanent positions, Norfund's turnover in 2024 was 4.1 percent.

Norfund had a sick leave rate of 3 percent in 2024, which is the threshold value Norfund internally has set for sick leave. The board does not find it necessary to implement special measures related to the working environment.

Norfund annually maps salary levels with a particular focus on gender-related salary differences according to the principle of equal pay for equal work. The findings indicate that there is no systematic difference in salary between genders, as can be read more about in the activity and reporting obligation. Norfund should be competitive, but not a leader in terms of salary. Guidelines for executive pay, the executive pay report, and the explanation of work on gender equality and work against discrimination (ARP) are available on Norfund's website.

## Responsible business

Corporate social responsibility is a starting point for Norfund's operations both for its own operations and portfolio companies. The cross-cutting considerations in Norwegian development policy - human rights, gender equality, anti-corruption, climate, and the environment - are all included in this work. Norfund is a responsible owner that contributes to companies' value creation. In 2024, the board adopted an updated E&S sustainability policy for our work in the area of environment and social conditions (E&S), climate, and gender equality.

Norfund works systematically with environmental and social conditions through the investment process. IFC's (International Finance Corporation) standards for environmental and social conditions are used in this work and are adapted to investments in developing countries. By using these standards, Norfund meets the expectations of responsible business in the government white paper on ownership policy, [Meld. St. 6 \(2022-2023\)](#). Norfund's work is in line with the state's expectation to carry out due diligence in accordance with recognized methods.

A statement on Norfund's due diligence in accordance with the requirements of the Transparency Act is [available on Norfund's website](#).

Norfund has significantly strengthened its work on climate in 2024 and adopted a strategy for climate transition and the shift to net zero. The ambitions and measures reflect that climate can affect each company's ability to succeed, owners' expectations, and that Norfund is an investor in developing countries with different challenges and opportunities than those found in more developed markets. Norfund aligns all new investments with the Paris Agreement over time, assesses climate risk for all new investments, and reports on climate risk according to the TCFD framework.

Regarding emissions from the portfolio (Scope 3, category 15), Norfund works with portfolio companies to increase competence and reporting ability, thereby improving the quality of emissions data. This will eventually contribute to more companies being able to map and reduce their own emissions and enable reporting on emissions in the portfolio.

Norfund also has emissions from its own operations. Norfund is certified as an

Environmental Lighthouse and uses this framework to improve internal environmental work. Direct greenhouse gas emissions from Norfund's operations were 1140 tonnes in 2024, with the majority originating from air travel.

Good working conditions are a requirement for all businesses in Norfund's portfolio. Norfund monitors health, environment, and safety (HSE) in all investments with a particular focus on training and compliance with HSE routines. Reporting of serious incidents, accidents, and deaths is a requirement in investment agreements. In 2024, Norfund regrettably experienced 8 work-related deaths in companies where Norfund is directly invested. Such incidents are reported to the board and in special cases also further to the Ministry of Foreign Affairs. Norfund follows up on such deaths to ensure they are investigated, safety routines are adjusted if necessary, and that the bereaved receive the compensation they are entitled to.

Norfund has clear guidelines for responsible tax comparable to other European development finance institutions. Overall, the use of third countries is relatively high, partly due to significant investments in regional funds and structures where the use of third countries is considered necessary. With assessments of both structure and domicile against Norfund's tax guidelines, the use of third countries is considered justifiable.

Norfund has a grant scheme financed by the Ministry of Foreign Affairs. The scheme has existed since 2000 but has had significantly reduced funding in recent years. Norfund received 11 million NOK in 2024, down from 32 million NOK in 2021. The purpose of the scheme is to strengthen the development effects of investments. Norfund supports, for example, capacity building and training in climate adaptation and emissions reduction, gender equality measures, and measures to strengthen how companies work with E&S. In 2024, 21 new projects received grants, and 15.8 million NOK went to this portfolio, which consisted of 59 active projects.

In 2024, work continued to strengthen gender equality in individual investments, through tailored programmes for the individual company, as well as through the Female Future programme and The Boardroom Africa, both of which offer leadership development. In collaboration with other development finance



institutions, Norfund has rolled out a training programme to combat gender-based violence and harassment (GBVH). Much of this work depends on funding through the grant scheme, which has limited funds. In addition, Norfund participates in 2X Global, an international collaboration on gender equality.

Norfund has regular dialogue and cooperation with civil society organizations and other partners. In 2024, Norfund had thematic meetings on climate, E&S, and gender equality, in addition to the annual dialogue meeting with all interested parties around the launch of the business report in June. Civil society is also a target group at the annual Norfund conference, which has themes of dilemmas and challenges in Norfund's work.

## Looking ahead

The increased geopolitical tensions have marked the beginning of 2025, and international rules-based cooperation is under a historical pressure. There is great uncertainty about the role the US, which has historically been by far the largest aid actor, will play going forward, while aid budgets in many European countries are being cut in favour of military build-up. For the remaining aid, there is an increasing expectation that it will serve national self-interests as much as it will help fight poverty and climate change. Going forward, there will be increased pressure to clearly document the effect and results of aid, as well as to use scarce aid funds in a way that triggers other, particularly private financing sources.

In a world where the law of the strongest prevails, we can assume that weaker actors are at risk of losing. Norfund expects that our markets and investments will feel the geopolitical backdrop in 2025 in new ways. Most estimates indicate that increasing tensions and trade wars will negatively impact Norfund's markets. The [IMF](#) estimates global economic growth of 3.3 percent in 2025, just up from the estimated growth in 2024. Projections for emerging economies are about one percentage point higher, but with significant differences between

countries and regions. Asia has the most positive outlook, driven by strong expected growth in large economies (6.5 percent growth in India). In Latin America and the Caribbean, the outlook is much worse, with an estimated growth of 2.2 percent. Growth in Sub-Saharan Africa is estimated at 4.2 percent, which is also the estimated average for emerging economies. However, it is worth noting that the two largest economies in Sub-Saharan Africa, Nigeria and South Africa, are both expected to grow much slower.

The financing gap to achieve the sustainable development goals continues to grow, and the [OECD](#) estimates the gap to be USD 6400 billion by 2030 if the world continues on its current course. In July, world leaders will meet for a new "Financing for Development" conference in Seville, Spain, to discuss how to bridge the gap. Private sector investments must play a key role if we are to succeed, both because aid and public financial flows are far from enough to cover the investment needs, but also to contribute to solutions and tax revenues that can help bridge the gap.

2025 is the year the UN's climate panel has estimated that greenhouse gas emissions must peak if the world is to keep the global temperature increase within the targets of the Paris Agreement of 1.5-2°C. There are significant investment needs if we are to succeed in reducing emissions and transitioning in line with the targets, and we will be dependent on mobilising private actors to reach the climate financing goal from COP29 of USD 300 billion.

Common to the financing gap for the Sustainable Development Goals and the climate financing goal are the high expectations for mobilising private capital. To succeed with the ambitions, it is necessary to scale up measures with documented effect, such as private sector investments. Such investments are still less than 2 percent of total aid from OECD countries. Norfund's most important contribution will be to continue to be a responsible, long-term investor and take risks where others cannot or will not.

A challenging global landscape creates difficulties for Norfund but also shows the need for a patient and counter-cyclical investor like us. When capital flows out of developing countries, Norfund's role becomes even more important. High unemployment in many markets requires viable, profitable businesses that can create jobs and a healthy financial sector that can finance these. And these jobs must be created within the limits of what nature and climate can tolerate.

In 2025, Norfund has an ambition to commit NOK 10 billion and have a total portfolio of approximately NOK 50.4 billion by the end of the year. Norfund can invest far more than the NOK 2.9 billion that has been allocated to Norfund over the aid budget, as profitable investments allow the capital to be recycled. However, it is expected that this capacity will be reduced going forward as the funds from the sale of SN Power are fully invested, and continued capital inflow becomes even more important.

Norfund cannot succeed alone. Therefore, cooperation with partners – portfolio companies, co-investors, owners, and other stakeholders – is crucial. The board is grateful for the trust Norfund received in 2024 and will do its best to deliver also in 2025.

The board considers Norfund well-equipped to deliver on the strategy and goals that have been set and thanks the management and employees for important work in a challenging year. Diversity and strong presence in our regions contribute to us being well-prepared for the future. Norfund will continue to be an important player in order to succeed with ambitious policies for development and climate, and to contribute to create jobs and improve living conditions, and supporting the transition to net-zero emissions in developing countries.

**Oslo, 26 March 2025**

Olaug Johanne Svarva

Jan Tellef Thorleifsson

Martin Skancke

Jarle Kjell Roth

Pablo Alberto Barrera Lopez

Åslaug Marie Haga

Anne Jorun Aas

Brit Kristin Sæbø Rugland

Karoline Teien Blystad

Vegard Benterud

*Board Chair*

*CEO*

*Board member*

*Board member*

*Board member*

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# Norfund

## Annual Report 2024

***Disclaimer***

*Norfund submits its official Annual Report in Norwegian.  
This document is an English translation only - not an official and signed document.*

## Income statement

<i>Amounts in thousands NOK</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
Interest income	2,8,9	1,355,503	1,080,424
Dividends received	2	578,105	370,154
Realized gains	2,3,8	108,784	467,731
Other operating income	2	43,916	37,120
<b>Total operating income</b>		<b>2,086,308</b>	<b>1,955,429</b>
<b>Operating expenses</b>			
Value changes investments and receivables	2,4,8	2,155,084	287,840
Realized losses	2,3,4	-226,131	-121,313
<b>Total realized losses and value change</b>		<b>1,928,954</b>	<b>166,527</b>
Payroll expenses	2,5	-246,094	-218,575
Depreciation fixed assets	2,6	-5,247	-2,745
Other operating expenses	2,7,8	-178,190	-152,742
<b>Total operating expenses</b>		<b>-429,531</b>	<b>-374,063</b>
<b>Operating results</b>		<b>3,585,731</b>	<b>1,747,892</b>
Other interest income		335,121	245,830
Other financial income		255,413	75,833
Other financial expenses		-76,818	-173,195
<b>Net financial items</b>	<b>2,8</b>	<b>513,716</b>	<b>148,468</b>
<b>Profit before tax</b>		<b>4,099,447</b>	<b>1,896,360</b>
Taxes	2,9	-712	-474
<b>Profit for the year</b>		<b>4,098,735</b>	<b>1,895,886</b>
<b>Allocations</b>			
Transferred to/from surplus fund	10	4,088,817	1,895,886
Transferred to/from reserve capital	10	9,918	0
<b>Total allocations</b>		<b>4,098,735</b>	<b>1,895,886</b>

## Balance sheet

Amounts in thousands NOK	Note	2024	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Equipment and vehicles, fittings and fixtures, etc.	6	15,470	16,623
<b>Total fixed assets</b>		<b>15,470</b>	<b>16,623</b>
<b>Financial fixed assets</b>			
Pension plan assets	5	28,431	26,620
<b>Total financial fixed assets</b>		<b>28,431</b>	<b>26,620</b>
<b>Total non-current assets</b>		<b>43,900</b>	<b>43,243</b>
<b>Current assets</b>			
<b>Receivables</b>			
Other receivables	11	2,736,212	2,362,800
<b>Total receivables</b>		<b>2,736,212</b>	<b>2,362,800</b>
<b>Investments</b>			
Loans to investment projects	2,12	9,537,386	8,146,847
Investments in equities and funds	2,12	21,987,220	18,428,121
Liquidity placements	13	8,356,880	8,081,447
<b>Total investments</b>		<b>39,881,486</b>	<b>34,656,415</b>
<b>Bank deposits, cash and cash equivalents</b>			
Bank deposits, cash and cash equivalents	14	6,457,254	4,979,289
<b>Total bank deposits</b>		<b>6,457,254</b>	<b>4,979,289</b>
<b>Total current assets</b>		<b>49,074,952</b>	<b>41,998,504</b>
<b>Total assets</b>		<b>49,118,852</b>	<b>42,041,747</b>

## Balance sheet

Amounts in thousands NOK	Note	2024	2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Called and fully paid capital</b>			
Primary capital		21,908,581	19,793,717
Reserve capital		7,801,445	6,840,790
<b>Total called and fully paid capital</b>	10	<b>29,710,026</b>	<b>26,634,507</b>
<b>Retained earnings</b>			
Surplus fund	10	19,116,097	15,014,835
<b>Total retained earnings</b>		<b>19,116,097</b>	<b>15,014,835</b>
<b>Total equity</b>		<b>48,826,124</b>	<b>41,649,341</b>
<b>Liabilities</b>			
<b>Provision for obligations</b>			
Pension obligations	5	47,541	58,935
<b>Total provision for liabilities</b>		<b>47,541</b>	<b>58,935</b>
<b>Current liabilities</b>			
Accounts payable		17,296	15,269
Taxes	9	420	298
Unpaid government charges and special taxes		17,869	18,156
Grants from the Ministry of Foreign Affairs	15	47,197	175,505
Other current liabilities	16	162,405	124,243
<b>Total current liabilities</b>		<b>245,187</b>	<b>333,471</b>
<b>Total liabilities</b>		<b>292,728</b>	<b>392,406</b>
<b>Total equity and liabilities</b>		<b>49,118,852</b>	<b>42,041,747</b>

Oslo, 26.mars 2025

### Disclaimer

Norfund submits its official Annual Report in Norwegian.  
This document is an English translation only - not an official and signed document.



## Cash flow statement

(Figures in 1000s of NOK)

Cash flows from operations	Note	2024	2023
Profit before tax		4,099,447	1,896,360
Taxes paid		-589	-177
Ordinary depreciation	2,6	5,247	2,745
Gain/loss (-) on sales		125,964	-467,210
Reversal of write-downs (-) / write-down investment projects		585,494	460,316
Differences in expensed pensions and receipts/disbursements, pension plan		-758	2,429
Effect of exchange rate changes		-2,239,847	-305,924
Disbursements for purchase of fixed assets	2,6	-4,520	-14,218
Change in other accruals		-417,955	-107,304
Net disbursements of grant capital	15	-15,782	-22,650
Net cash flow from operations		2,136,700	1,444,367
<b>Cash flows from investment activities</b>			
Proceeds of sales/reflows from shares/holdings		459,105	812,790
Disbursements – acquisition of shares/interests in other enterprises		-3,628,407	-4,088,352
Disbursements – investment loans		-2,906,955	-3,360,092
Receipts - repayment of principal, investment loans		1,912,632	1,607,258
Changes liquidity placements	13	566,738	356,052
Net cash flow from investments		-3,596,887	-4,672,343
<b>Cash flows from financing activities</b>			
Receipts - grant resources carried as current liabilities	15	10,000	29,500
Increase in/repayment of equity	10	2,928,152	2,678,152
Net cash flow from financing activities		2,938,152	2,707,652
Net change in cash and cash equivalents		1,477,965	-520,324
Bank deposits, cash and cash equivalents at 01.01		4,979,289	5,499,614
Bank deposits, cash and cash equivalents at 31.12	14	6,457,254	4,979,289
Liquidity placements 31.12	13	8,356,880	8,081,447
Total liquidity (bank and liquidity placements) 31.12		14,814,134	13,060,735

### Accounting principles

The cash flow statement is compiled using the indirect method. Cash and cash equivalents consist of cash and bank deposits. In addition Norfund has other liquidity placements which consist of fixed term deposits (1 to 6 months), loans to banks of surplus liquidity and a bond portfolio.

## General information

Norfund is the Norwegian Investment Fund for Developing Countries. Its head office is located at Klingenberggata 4 in Oslo.

Norfund's purpose is to create jobs, improve living conditions and support the transition to net zero climate gas emissions by investing in enterprises that promote sustainable development. Norfund's overarching mandate is defined in the Norfund Act of 1997. The Act stipulates that Norfund's purpose is to contribute equity and other risk capital, extend loans and provide guarantees for the development of sustainable business and industry in developing countries. The aim is to establish viable, profitable activities that would not otherwise be initiated because of the high risk involved.

Norfund may also perform other management tasks assigned to it by the Norwegian Ministry of Foreign Affairs (the Foreign Office – FO); see Section 1 fourth paragraph of the Norfund Act. Norfund is allocated resources for its activities through grants from the state. Resources are additionally allocated through surplus capital. Norfund is to invest in its own name in appropriate financial instruments such as equity, loans, guarantees etc.

As of 2024, Norfund has two additional mandates:

With effect from 2022, Norfund manages the Climate Investment Fund for Renewable Energy in Developing Countries (the CIF) on behalf of the Foreign Office, pursuant to instructions for management. Norfund's object is to contribute to reducing or avoiding greenhouse gas emissions by investing in renewable energy in developing countries. Independent accounts are also prepared for the CIF.

On behalf of the Foreign Office, Norfund also manages the Investment Fund for Ukraine (since 2024). The object of this fund is to contribute to the development of sustainable business and industry and job creation in Ukraine.

Norfund additionally enhances development effects through the Frontier Facility (FF) scheme. The scheme was established in 2019 through an agreement with the Foreign Office on project development and risk capital. The scheme is intended to enable Norfund to make risk capital available to the most demanding markets, particularly in vulnerable states and the least developed countries (LDCs), where access to early phase risk capital is limited.

Balance sheet and profit and loss items associated with the CIF and FF are presented separately in the notes where relevant. Transactions concerning the CIF and FF are largely subject to the same accounting principles as Norfund generally. The Foreign Office has earmarked reserve capital that is to be used for the FF. Interest, fees, return and unused resources that revert to Norfund are to be used to top up the scheme. Profit and loss items associated with the scheme are recorded directly against Norfund's reserve capital and are not shown as part of the surplus fund.

## Note 1 – Accounting policies

This note describes accounting principles, fundamental estimates and discretionary assessments that apply to the financial statements as a whole. Other accounting principles, fundamental estimates and discretionary assessments are described in the respective tables and notes.

### **1. Basis for preparation**

In accordance with Section 25 of the Norfund Act, Norfund's financial statements are presented in compliance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles.

The investment portfolio is valued at the lower of cost of acquisition and fair value on balance sheet date. This is because the purpose with the investments is to dispose of all or part of each investment, normally after 3–10 years. Norfund has investments that are acquired solely for temporary ownership and held pending sale. For this reason, and pursuant to the first sentence, first paragraph, of Section 3-8 of the Accounting Act, consolidated accounts are not prepared. The provision states that subsidiaries acquired for temporary ownership and held pending sale shall be omitted from consolidation.

The income statement is presented in the manner that provides the most relevant information concerning financial earnings.

The financial statements are prepared with the closing of accounts as of 31 December. They are presented in Norwegian kroner and unless stated otherwise, rounded to the nearest thousand. Rounding differences may occur.

### **2. Changes in accounting principles, including new and amended standards and interpretations during the period**

The accounting principles employed are consistent with those employed in the previous financial year. No new or amended standards or interpretations that took effect for the financial year beginning 1 January 2024 have materially affected the financial statements.

Adopted standards, changes in existing standards and interpretations issued and taking effect from 2024 or later are expected to be immaterial or not relevant for financial reporting at the time of implementation.

### **3. Financial assets and liabilities - Recognition and exclusion - General**

Financial assets and liabilities are recognized on the balance sheet when Norfund becomes a party to the contractual terms of the instrument. Financial assets are excluded when the contractual rights to the cash flows expire, or when the financial assets and the majority of risk factors and of advantages associated with ownership of the assets are transferred. See notes 12 and 13 for investments in loans, equities, funds and liquidity placements.

Financial assets are excluded when they are terminated, i.e. when the obligations specified in the contracts have been fulfilled, cancelled or expired. Acquisition or disposal of a financial asset pursuant to a contract with settlement in line with normal market conditions is recorded at the time of making the agreement.

#### **4. Financial assets and liabilities - Classification and measurement - General**

Financial assets are classified on the basis of the business model underlying the management of the assets, and on the characteristics of the contractual cash flows.

Norfund's investment portfolio is managed in accordance with the investment mandate laid down by the Foreign Office and investment strategies laid down by Norfund's executive management. These mandates and strategies, including risk management strategies, mean that all financial assets are managed and followed up on the basis of fair value.

Norfund's financial assets, in the form of equity investments and bonds, are measured as the lower of historical cost or fair value, in accordance with the provisions of the Norwegian Accounting Act. Other financial assets, in the form of loans, are carried at amortized cost. Amortized cost involves carrying balance sheet items according to originally agreed cash flows, adjusted for write-downs. Amortized cost will not always yield values that are consistent with the market's evaluation of the same financial instruments. This may be due to different perceptions of market conditions, risk factors and return requirements.

#### **5. Investment companies**

Investments through subsidiaries or associated companies are established exclusively as part of the management of Norfund's mandates. A company is controlled when Norfund is exposed to, or has rights to, variable return on its loan to the company, and has the possibility of influencing this return through its power over the company.

Subsidiaries that are acquired solely for temporary ownership and held pending sale are omitted from consolidation; see the first sentence, first paragraph, of section 3-8 of the Accounting Act.

A discretionary assessment has been conducted of whether Norfund is to be regarded as an investment company in an accounting sense. This is not intended as an evaluation of Norfund's legal position. The conclusion of an overall assessment is that Norfund fulfils the criteria in the definition. The assessment is based on the following factors:

- a) Norfund receives funds from the Norwegian state, which is a related party and its sole owner, and delivers professional investment services in the form of management to the Norwegian state,
- b) Norfund is obligated by the Norwegian state to invest solely for the development of sustainable commercial activities in developing countries,
- c) Norfund measures and evaluates return on portfolio investment on the basis of fair value (although the lower value principle forms the basis for accounting treatment,
- d) Norfund does not have an explicit strategy that stipulates a specific date for exiting the individual investment, but investments are assessed continuously and acquisition and disposal evaluations carried out.

##### **5.1 Equity investments in subsidiaries and other companies are treated as current assets.**

Norfund treats its equity investments in other companies as current assets. In other words, the equity method is not used, even though Norfund's holdings provide it with considerable influence. This is because the purpose with the investments is to dispose of all or part of each investment, normally after 3–10 years. According to generally accepted accounting practice, such investments are temporary by their very nature and should therefore be included under current assets.

## **6. Related parties**

Norfund is a separate legal entity which is wholly owned by the Norwegian state through the Foreign Office. See general information. All transactions take place on market terms.

For information on transactions with governing bodies and senior executives, see Note 5 Personnel and pension costs.

Norfund's related parties also include companies in which Norfund has direct investments. Norfund has some transactions of an administrative nature with the following companies of this type: Norfinance AS, KNI India AS and KLP Norfund Investments AS. All transactions are according to separate agreements and pricing is based on the arm's length principle.

## **7. Estimates and uncertainty**

Determining estimates and probabilities entails using judgement based on experience and best estimate of future developments. Given Norfund's investment strategy and geographical investment areas, there is a high degree of uncertainty associated with expectations regarding future developments. Specific areas that include extensive estimation and judgement are valuation of equity investments and loans, write-down on equity investments and provision for losses on loans to investment projects.

## Note 2 - Investment area information

Norfund's operations fall into five investment areas: Funds, Financial Inclusion, Renewable Energy, Green Infrastructure and Agribusiness and Manufacturing. The Climate Investment Fund is additionally presented in a separate column. The table below provides an overview of the results in each area. The costs of shared functions have largely been allocated according to the number of employees, and are recorded as part of other operating expenses.

(Figures in 1000s of NOK)	Norfund total	Development mandate						Climate Investment Fund
		Funds	Financial Inclusion	Renewable Energy	Green Infrastructure	Agribusiness & Manufacturing	Administration etc.***	
<b>Operating income</b>								
Interest income	1,355,503	430	532,986	179,131	1,153	120,654	465,664	55,484
Dividends received	578,105	7,373	261,588	293,517	0	7,264	0	8,363
Realized gains	108,784	24,229	58,314	4,004	66	21,849	323	0
Other operating income	43,916	19	20,671	10,598	520	2,140	7,880	2,087
<b>Total operating income</b>	<b>2,086,308</b>	<b>32,051</b>	<b>873,559</b>	<b>487,250</b>	<b>1,740</b>	<b>151,907</b>	<b>473,867</b>	<b>65,935</b>
<b>Operating expenses</b>								
Value changes investments and receivables	2,155,084	-64,624	467,704	150,786	-6,670	236,559	1,337,150	34,179
Realized losses	-226,131	-6,814	-13,367	-15,582	0	-185,873	-4,495	0
<b>Total realized losses and value change</b>	<b>1,928,954</b>	<b>-71,438</b>	<b>454,337</b>	<b>135,204</b>	<b>-6,670</b>	<b>50,686</b>	<b>1,332,655</b>	<b>34,179</b>
Payroll expenses	-246,094	-10,513	-40,010	-52,652	-7,326	-38,358	-97,136	-100
Depreciation fixed assets	-5,247	0	0	0	0	0	-5,247	0
Other operating expenses*	-178,190	-4,962	-19,439	-36,296	-3,327	-18,854	-51,751	-43,561
<b>Total other operating expenses</b>	<b>-429,531</b>	<b>-15,476</b>	<b>-59,449</b>	<b>-88,948</b>	<b>-10,652</b>	<b>-57,211</b>	<b>-154,134</b>	<b>-43,661</b>
<b>Operating results</b>	<b>3,585,731</b>	<b>-54,863</b>	<b>1,268,447</b>	<b>533,506</b>	<b>-15,582</b>	<b>145,382</b>	<b>1,652,388</b>	<b>56,454</b>
Net financial items**	513,716	-60	11,958	207	0	-22,820	524,554	-124
<b>Profit before tax</b>	<b>4,099,447</b>	<b>-54,923</b>	<b>1,280,405</b>	<b>533,713</b>	<b>-15,582</b>	<b>122,562</b>	<b>2,176,942</b>	<b>56,329</b>
Taxes	-712	0	0	0	0	-113	-599	0
<b>Profit for the year</b>	<b>4,098,735</b>	<b>-54,923</b>	<b>1,280,405</b>	<b>533,713</b>	<b>-15,582</b>	<b>122,449</b>	<b>2,176,344</b>	<b>56,329</b>

\* Indirect costs have been allocated in proportion to the Climate Investment Fund's share of Norfund's total investments.

\*\*Financial items include exchange rate effects on bank deposits and current liabilities in forex.

\*\*\* The column Administration etc. also includes the liquidity portfolio, as administration is not attributed to a particular investment area.

<b>Exchange rate effects (in 1000s of NOK)</b>	<b>Norfund total</b>
Realized gains	44,622
Realized losses	165,140
Value changes overall investments	2,366,747
Valuation differences "Other receivables"	242,609
Net financial items	175,917
<b>Total currency effects</b>	<b>2,995,035</b>
<b>Profit for the year excluding currency effects</b>	<b>1,103,700</b>

### Balance sheet (investments and loans) net carrying values\*

(in 1000s of NOK)	Norfund total	Development mandate					Climate Investment Fund
		Funds	Financial Inclusion	Renewable Energy	Green Infrastructure	Agribusiness & Manufacturing	
Investments	33,632,592	4,392,234	11,696,563	10,050,267	107,998	3,870,261	3,515,269
Accumulated loan loss provision	-2,107,986	-738,611	-603,192	-417,209	-10,710	-329,607	-8,656
<b>Total investments per area</b>	<b>31,524,606</b>	<b>3,653,623</b>	<b>11,093,370</b>	<b>9,633,057</b>	<b>97,288</b>	<b>3,540,654</b>	<b>3,506,613</b>

\* Excludes liquidity placements

### Investment area information by geographical region:

(in 1000s of NOK)	Africa	Asia	America	Unspecified	Total
Loans to investments	3,922,956	1,179,263	3,375,597	281,386	8,759,202
Equity investments	12,183,761	2,564,335	1,264,461	3,246,233	19,258,790
Loans to investment in the Climate Investment Fund	411,067	367,116	0	0	778,184
Equity investment in the Climate Investment Fund	369,057	2,145,430	0	213,942	2,728,430
<b>Total balance sheet</b>	<b>16,886,842</b>	<b>6,256,145</b>	<b>4,640,058</b>	<b>3,741,561</b>	<b>31,524,606</b>
Interest income	505,142	105,674	346,640	398,047	1,355,503
Dividends received	329,168	11,296	58999.73643	178,641	578,105
Realized gains	40,222	5,942	59,123	3,497	108,784
Other operating income	17,483	6,977	12,130	7,325	43,916
<b>Total operating income</b>	<b>892,016</b>	<b>129,889</b>	<b>476,893</b>	<b>587,510</b>	<b>2,086,308</b>
Value changes investments and receivables	527,053	111,320	324,665	1,192,046	2,155,084
Realized losses	-196,021	-6,917	-18,991	-4,202	-226,131

### Note 3 - Exited investments

In 2024 Norfund exited from three funds and seven equity investments. These yielded the following internal rate of return (IRR\*):

IRR (NOK) during Norfund's time as owner:	%	Cost price NOK million	Comment
ARREND Central America	20.3%	23	Only partly exited in 2024, IRR calculated on the basis of total investment
Cambodia-Laos Development Fund	4.9%	7	
Basecamp Explorer	4.8%	36	
Scatec ASYV	-0.1%	4	
Agrivision	-7.0%	162	
AfriCap Microfinance Investment Co	-8.8%	9	
Lake Harvest Group	-13.3%	162	
Sunshine	-14.9%	15	
Kandeo Fund	-73.8%	4	
African Century Nampula	-83.4%	5	

\* IRR represents the annual return that yields net present value of cash flows from investments equal to zero. Cash flows consist of investments, repayments, allocations and fees on exiting.

### Note 4 - Realized losses and value changes

Value changes include the effect on earnings of updated valuations (write-down and reversal of previous write-downs) and currency effects associated with Norfund investments and receivables. Norfund's profit has been substantially affected by currency effects due to a weaker Norwegian krone against Norfund's primary currency, USD. In the table below, all currency effects associated with the various investments and other receivables are presented. Other receivables are mainly associated with vendor credit (see Note 11).

Value changes (in 1000s of NOK)	2024	2023
Total change in value investments	1,915,244	226,431
Total change in value other receivables	239,841	61,410
<b>Total value changes</b>	<b>2,155,084</b>	<b>287,840</b>
Value change investments excl. forex	-451,503	-225,373
Value change other receivables excl. forex	-2,768	-1,199
<b>Total change in value excl. forex</b>	<b>-454,271</b>	<b>-226,572</b>
Currency effects investments	2,366,747	451,803
Currency effects "Other receivables"	242,609	62,609
<b>Total change in value due to currency effects</b>	<b>2,609,356</b>	<b>514,412</b>
<b>Realized losses (in 1000s of NOK)</b>	<b>2024</b>	<b>2023</b>
Realized loss on investments excl. forex	-391,271	-121,101
Realized currency effects	165,140	-213
<b>Total realized loss incl. forex</b>	<b>-226,131</b>	<b>-121,313</b>
<b>Total value changes and realized losses</b>	<b>1,928,954</b>	<b>166,527</b>

### Note 5 - Personnel and pension costs

#### Statement on the setting of salaries and other remuneration for senior employees

In setting salaries and other remuneration for senior employees, Norfund complies with "Government guidelines for executive salaries in companies in which the state has an ownership interest", laid down by the Norwegian Ministry of Trade, Industry and Fisheries on 12 December 2022. These form the basis for the preparation of the Board of Directors' statement for 2024.

#### Guidelines for Norfund on the setting of salaries and other remuneration in 2024

The following guidelines apply to the setting of salaries for senior Norfund employees up to the ordinary General Meeting in 2025:

The remuneration system is designed to attract and retain competent personnel. In setting salaries, emphasis is placed on the individual's contribution to fulfilling Norfund's mandate.

Norfund wishes to promote moderation in executive salaries. The aim in setting salaries is that senior Norfund employees should have pay conditions that are competitive, but not at the top end of the scale, to ensure that Norfund secures and retains sufficient expertise.

Norfund considers that other government funds such as the National Insurance Scheme Fund, EksFin (Export Finance Norway) and Investinor form relevant benchmarks.

#### Setting of salaries

The Board sets the salary of the managing director. The managing director sets the salaries of the corporate heads of department who report to him, after executive salary conditions have been endorsed by the Board. This group consists of senior employees. Norfund's pay conditions for senior employees consist of fixed salary, pension and insurance schemes and other benefits that cover newspapers, electronic communications etc. The fixed salary is subject to regulation in line with pay developments in the financial sector, represented by reference figures from Finance Norway, the results of the main settlement and for the companies Norfund has defined as its peers, and an assessment of the individual's performance and goal achievement. The managing director sets annual goals for the individual member of the management team and the Board sets goals for the managing director.

Senior employees have three months notice of termination. The CEO has an agreement for pay after termination of employment equivalent to 6 months' salary. This arrangement is in line with the guidelines for salary and other remuneration.

#### Pension and insurance conditions

Norfund has both a defined contribution plan and a defined benefit plan. In 2018 Norfund closed its defined benefit pension scheme to new employees, and the transition to the new scheme was voluntary for existing employees. Employees who have been taken on since then are only offered the defined contribution plan.

Norfund has both funded and unfunded pensions and payment obligations in the defined benefit pension plan. All essential funded and unfunded plans are included in the company's actuarial settlement. As at 31.12.2024 the defined benefit scheme has a total of 25 active members. The defined benefit scheme entitles the individual to defined future benefits and depends primarily on the number of years of service, pay level on reaching retirement age and the size of National Insurance benefits. Agreements entered into prior to 2018 exceed the current guidelines for senior executive salaries, as the previous scheme entailed a full service period of 30 years and pension payments of 70% of salaries up to 12 G. The pension scheme satisfies the requirements of the Act on Mandatory Occupational Pensions. In the unfunded scheme, rights are earned in excess of 12 G. This scheme was closed to new members in 2012. The scheme, which is funded from operations, consists of 66% of pay in excess of 12G with a retirement age of 67 and a full service period of 30 years in the calculation base. If the service period is calculated as being less than 30 years, the pension is reduced proportionately. On termination of employment or on reaching retirement age, employees receive a settlement for the value of the amount saved. As at 31.12.2024, the unfunded scheme has 3 active members.

In the defined contribution scheme, 7% of salary is set aside from pay from 0–7.0 G, and 20% from salaries of 7.1–12 G. The costs of both schemes are included in the calculation of pension expenses. As at 31.12.2024, 86 employees are covered by the defined contribution plan.

Senior Norfund employees are covered by insurance schemes that apply to all Norfund employees.

#### Wages, salaries and other payroll expenses

(in 1000s of NOK)	2024	2023
Wages and salaries	170,975	150,561
Employer's social security contribution	30,977	27,965
Pension expenses	24,357	23,008
Other benefits	19,785	17,042
<b>Total wages, salaries and other payroll expenses</b>	<b>246,094</b>	<b>218,575</b>

				Insurance and other payments		
Remuneration for the management team 2024	Title	Salary	Bonuses*	in kind	Pension	Total
Jan Tellef Thorleifsson	CEO	3,299,051	0	22,945	239,428	<b>3,561,425</b>
Ylva Lindberg	EVP Strategy & Analysis	2,149,706	0	31,511	245,502	<b>2,426,719</b>
Fride Andrea Hærem	EVP CFO	2,148,375	0	27,243	248,468	<b>2,424,086</b>
Thomas Fjeld Heltne	EVP Legal Department	2,147,534	0	26,629	236,106	<b>2,410,269</b>
Erik Sandersen	EVP Financial Institutions	2,360,432	0	33,383	538,973	<b>2,932,788</b>
Mark Davis	EVP Renewable Energy	2,458,796	0	33,383	1,263,324	<b>3,755,503</b>
Ellen C. Rasmussen	Scalable Enterprises	2,360,291	0	22,945	247,868	<b>2,631,104</b>

				Insurance and other payments		
Remuneration for the management team 2023	Title	Salary	Bonuses*	in kind	Pension	Total
Jan Tellef Thorleifsson	CEO	3,191,303	0	20,067	225,387	<b>3,436,757</b>
Ylva Lindberg	EVP Strategy & Analysis	2,019,038	0	87,867	230,055	<b>2,336,959</b>
Fride Andrea Hærem	EVP CFO	2,019,038	0	29,411	234,095	<b>2,282,544</b>
Thomas Fjeld Heltne	EVP Legal Department	2,019,038	0	22,403	221,709	<b>2,263,149</b>
Erik Sandersen	EVP Financial Institutions	2,122,312	0	63,450	517,607	<b>2,703,369</b>
Mark Davis	EVP Renewable Energy	2,309,012	0	46,347	1,317,000	<b>3,672,359</b>
Ellen C. Rasmussen	Scalable Enterprises	2,122,302	0	39,923	233,716	<b>2,395,940</b>

A separate Executive Pay Statement has been prepared which contains more details on pay for senior employees.

#### Remuneration to Norfund's Board of Directors

Norfund's Board of Directors consisted in 2024 of the Chair and eight Board members, two of whom were elected by the employees.

In 2024 the General Meeting set remuneration for the Chair at NOK 324 000 (NOK 308 000 in 2023), while remuneration for the Board members was fixed at NOK 162 000. Representatives elected by the employees do not receive compensation. In 2024 the General Meeting set remuneration for the chair of the Risk and Audit Committee at NOK 88 000 and for the members of the committee at NOK 76 000.

#### Bonuses

The company has no share or option schemes for its employees, and there are no plans for such schemes. Senior executives do not have a right to a bonus.

Of the other employees, 106 of a total of 138 employees with a right to a bonus received a bonus for 2024. The highest total bonus award in 2024 was NOK 100 000.

The bonus scheme accounted for 2.6% of Norfund's payroll expenses, a total of NOK 4 416 000. Bonuses are awarded to employees who have presented outstanding performances and behaviour, either individually or as a team.

#### Number of permanent employees

The company has 157 employees at the end of 2024 (144 in 2023), of whom 149 in permanent positions (134 in 2023). The number of full-time equivalents at year-end was 150 (139).

#### Pensions at regional offices

In addition to the pension plans for employees in Norway described above, local employees at Norfund's regional offices in South Africa, Ghana, Thailand, Kenya and Costa Rica have defined contribution pension plans.

Norfund therefore has no obligations other than what has been paid through the year. In 2024, NOK 5 796 000 (NOK 2 322 000 in 2023) was expensed in connection with these schemes.

#### Financial assumptions defined benefit pension

	2024	2023
Discount rate	3.90%	3.10%
Expected return on plan assets	3.90%	3.10%
Salary adjustment	4.00%	3.50%
Pension adjustment	3.75%	3.25%
Adjustment of the basic amount (G) in the National Insurance System	3.75%	3.25%
Turnover	9.00%	9.00%
Employer's social security contribution	19.10%	19.10%

#### Calculated net pension expenses

(in 1000s of NOK)	2024	2023
Net present value of pensions earned in the period	10,037	9,997
Capital cost of previously earned pensions	5,272	4,678
Expected return on plan assets	-3,828	-3,371
Administrative costs	93	92
Accrued employer's social security contribution <sup>1</sup>	2,211	2,177
<b>Net pension expenses for the year incl. employer's contribution</b>	<b>13,784</b>	<b>13,573</b>

<sup>1</sup> Employer's social security contribution is calculated on the amount paid in.



<b>Estimated pension obligations</b> (in 1000s of NOK)	<b>Funded</b>	<b>Unfunded</b>	<b>2024</b>
Estimated pension obligations	138,962	21,715	160,677
Estimated plan assets <sup>1</sup>	120,760	0	120,760
Net pension obligations 31.12.	18,202	21,715	39,917
Accrued employer's social security contribution <sup>2</sup>	3,477	4,148	7,624
<b>Net pension obligations 31.12.</b>	<b>21,679</b>	<b>25,863</b>	<b>47,541</b>

<sup>1</sup> Estimated plan assets consist of paid premiums invested in Nordea Life & Pension.

<sup>2</sup> Accrued employer's social security contribution is based on net pension liability.

<b>Reconciliation Opening balance – Closing balance</b> (in 1000s of NOK)	<b>2024</b>	<b>2023</b>
Carrying amount net pension obligations 01.01 incl. employer's social security contribution	58,935	59,951
Net pension expenses for the year incl. employers social security contribution	13,784	13,573
Actuarial gain/loss charged directly to equity	-12,452	2,419
Pensions paid, early retirement / unfunded, incl. employer's social security contribution	-2,701	-1,492
Payments into the pension plan etc., incl. employer's social security contribution	-10,025	-15,517
<b>Carrying value net pension obligations 31.12 incl. employer's social security contribution</b>	<b>47,541</b>	<b>58,935</b>

#### Investment of plan assets

<b>Nordea Life's asset mix*</b>	<b>30/09/24</b>	<b>30/09/23</b>
Property	11.2 %	12.5 %
Equities	11.9 %	11.5 %
Bonds at amortized cost	72.8 %	72.3 %
Short-term bonds/certificates	4.0 %	3.6 %
Other	0.1 %	0.1 %
<b>Total financial assets</b>	<b>100.0%</b>	<b>100.0%</b>

\* Known values as at calculation date

Norfund has made payments into a separate fund intended to meet future obligations related to the unfunded scheme, the carrying value of which was NOK 28.4 million at 31.12.2024.

#### Accounting principles

"Pay" covers all types of remuneration to own employees and is expensed as it is earned. Ordinary pay may be both fixed pay and hourly pay and is recorded as and when it is earned or disbursed. Holiday pay is earned on the basis of ordinary pay and is normally disbursed in the holiday months the following year. Bonuses are paid on the basis of criteria for the current year as explained above. Employer's social security contribution is calculated and expensed for all pay-related expenses and is normally paid in arrears every second month. Norfund also pays current social taxes as they are incurred for employees at regional offices.

Pension obligations are calculated on a straight-line earnings basis, taking into account assumptions regarding years of service, discount rate, future return on plan assets, future changes in pay, pensions and National Insurance benefits, and actuarial assumptions regarding mortality, voluntary retirement etc. The chosen principle is the IAS 19R option of Norwegian Accounting Standard 6 (NRS 6), with unamortized actuarial losses over equity.

Plan assets are stated at fair market value. Net pension obligation comprises gross pension obligation less the fair value of plan assets. Net pension obligations from underfunded pension plans are included on the balance sheet as a provision, while net plan assets in overfunded schemes are included as long-term interest-free receivables if it is likely that the overfunding can be utilized. Employer's social security contribution is based on net plan assets.

The effect of changes in pension plans with retroactive effect not conditional on future earnings is defined as an actuarial gain or loss and charged directly to the company's equity.

Net pension expenses, which consist of gross pension expenses less estimated return on plan assets, are classified as an ordinary operating expense and presented together with payroll expenses. Employer's social security contribution is calculated on contributions paid to the pension plans.

## Note 6 - Fixed assets

	<b>Equipment and vehicles, fittings and fixtures, etc.</b>	<b>Works of art</b>	<b>Total</b>
(in 1000s of NOK)			
Cost of acquisition at 01.01	40,503	1,463	41,966
+ acquisitions during the period	4,471	49	4,520
<b>Cost of acquisition 31.12</b>	<b>44,974</b>	<b>1,512</b>	<b>46,486</b>
Accumulated ordinary depreciation at 01.01	25,769	0	25,769
+ ordinary depreciation for the period	5,247	0	5,247
<b>Accumulated ordinary depreciation at 31.12</b>	<b>31,016</b>	<b>0</b>	<b>31,016</b>
<b>Carrying value for accounting purposes at 31.12.2024</b>	<b>13,957</b>	<b>1,512</b>	<b>15,470</b>

Depreciation period

3–5 years      Non-depreciable

#### Accounting principles

Fixed assets are recorded at historical cost reduced by commercial depreciation based on the estimated economic life of the asset in question.

## Note 7 - Other operating expenses

(in 1000s of NOK)	2024	2023
Seminars, conferences, upgrading of competencies	9,305	8,372
Travel expenses	23,748	24,799
External assistance, projects	73,121	53,590
External assistance, other	23,265	18,376
Rent, Oslo, including joint expenses	13,434	11,411
Rent regional offices	4,940	5,043
Other expenses	30,377	31,151
<b>Total operating expenses</b>	<b>178,190</b>	<b>152,742</b>

(in 1000s of NOK)	Original operating expenses 2023	Reclassified 2023	Recast operating expenses 2023
Provision for losses on receivables (reclassified to "Value changes investments and receivables")	1,199	-1,199	0
Other operating expenses from liquidity placements	0	6,044	6,044
Other operating expenses	146,698	0	146,698
<b>Total operating expenses</b>	<b>147,897</b>	<b>4,845</b>	<b>152,742</b>

In 2024 Norfund decided to reclassify the effects on results of liquidity placements from the financial to the operating results. These include service costs, defined in the table above as "Other operating expenses from liquidity placements". Norfund also decided to classify the provision for losses on receivables from operating expenses to "Value changes investments and receivables".

Primary rental contracts	Lease period	Annual rental costs
Premises Fridtjof Nansens Plass 4, Oslo	15.11.16 - 31.12.2026	7,144,632
Premises 4th floor Klingenbergsgaten 4	1.6.23 - 31.12.2027	3,045,292

In addition there are lesser rental agreements for the five regional offices.

Auditor's fee	2024	2023
(in 1000s of NOK)		
Statutory audit	1,641	1,373
Other services (including legal services)	928	541
<b>Total</b>	<b>2,569</b>	<b>1,914</b>

Auditor's fee is inclusive of VAT.

In addition, business partners of Deloitte AS in other countries delivered other services expensed in the amount of NOK 0.9 million (NOK 1.6 million. in 2023) excl. VAT.

## Note 8 - Net financial items

(in 1000s of NOK)	2024	2023
Other interest income	335,121	245,830
Other financial income	255,413	75,833
Other financial expenses	-76,818	-173,195
<b>Net financial items</b>	<b>513,716</b>	<b>148,468</b>

In 2024 Norfund decided to reclassify interest income earned from liquidity placements (Note 13) and vendor credit (Note 11) from the financial to the operating results.

The reclassification also includes currency effects, value changes, service costs and realized net gains/losses on other short-term placements and vendor credit.

The table above shows figures for 2023, which have been recast in accordance with the change in classification. Reclassified amounts appear on the table in the column "Recast net financial items 2023". Reclassified effects other than interest income (mentioned above) appear under financial income and expenses. Residual interest income classified under financial items relates to bank deposits in Note 14. Financial income and expenses are related to currency effects of bank deposits in foreign exchange. The reclassification has been made because the management of a liquidity portfolio of a substantial size will be regarded as operating effects in an investment company such as Norfund. Tax at source has also been reclassified as interest income, as described in Note 9.

(in 1000s of NOK)	Original 2023	Reclassified 2023	Adjusted tax 2023	Recast net financial items 2023
Other interest income	657,816	-411,986	0	245,830
Other financial income	558,820	-482,987	0	75,833
Other financial expenses	-143,264	-29,930	0	-173,195
<b>Net financial items (reclassified)</b>	<b>1,073,371</b>	<b>-924,903</b>	<b>0</b>	<b>148,468</b>

(in 1000s of NOK)	Original 2023	Reclassified 2023	Adjusted tax 2023	Recast other items 2023
Interest income	679,886	411,986	-11,448	1,080,424
Realized gains	467,210	521	0	467,731
Other operating expenses	-147,897	-4,845	0	-152,742
Value changes investments and receivables	0	517,241	0	517,241
<b>Net operating items (reclassified)</b>	<b>999,199</b>	<b>924,903</b>	<b>-11,448</b>	<b>1,912,654</b>

## Note 9 – Taxes

Norfund is exempt from tax in Norway; see Section 2-30 (1e) of the Norwegian Taxation Act. Tax expenses relate to tax on the activities of regional offices abroad (corporate income tax). As at 31.12.2024, NOK 0.4 million had been allocated for paying tax at regional offices.

(in 1000s of NOK)	2024	2023
Corporation tax abroad	712	474

In 2024 Norfund decided to reclassify tax at source on interest income from tax expenses to reduction of underlying income.

The figures for 2023 have been recast in accordance with the new classification. In both 2023 and 2024 tax at source was mainly paid on interest income, and carried as a reduction of interest income

(in 1000s of NOK)	Original taxes 2023	Reclassified as interest income 2023	Recast taxes 2023
Corporation tax abroad	11,922	-11,448	474

### Accounting principles

Norfund is exempt from tax liability for its activities in Norway, but is liable for tax in a number of foreign markets. Tax expense in the income statement comprises tax on income in our regional offices abroad which is not refunded through local tax legislation or agreements. Norfund also pays tax at source on interest from foreign investments. Tax at source on interest is deductible from interest income. This tax is largely recovered at source.

At the same time, tax at source, or deductions for refundable amounts, is recognized as interest income Other income tax, which is not recovered at source, is recognized in the income statement as a tax expense at the same time as the related income or gain. Current tax is recognized as a liability in the balance sheet under other current liabilities until it is settled.

## Note 10 - Equity

(in 1000s of NOK)	Primary capital	Reserve capital	Surplus fund	Total equity
Equity as at 31.12.2023	19,793,717	6,840,790	15,014,835	41,649,341
Capital supplied in 2024	2,114,864	813,288	0.0000	2,928,152
Correction previous years' earmarked reserve capital Frontier Facility	0	137,449	0.0000	137,449
Actuarial gains/losses, pensions	0	0	12,446	12,446
Net surplus for the year	0	9,918	4,088,817	4,098,735
<b>Equity at 31.12.2024</b>	<b>21,908,581</b>	<b>7,801,445</b>	<b>19,116,097</b>	<b>48,826,124</b>
<i>of which the Climate Investment Fund</i>	<i>2,250,000</i>	<i>750,000</i>	<i>3,023,009</i>	<i>6,023,009</i>
<i>of which Frontier Facility</i>	<i>0</i>	<i>245,568</i>	<i>0</i>	<i>245,568</i>
<i>of which Ukraine Fund</i>	<i>125,000</i>	<i>125,000</i>	<i>0</i>	<i>250,000</i>

Of the capital received in 2024, 75% was allocated to primary capital and 25% to reserve capital, NOK 1 billion of which belongs to Climate Fund investments. In December 2024 Norfund was assigned a mandate to invest in Ukraine through a separate Ukraine Fund. The Norwegian Government granted NOK 250 million to the mandate in 2024. Of the capital supplied to the Ukraine Fund, 50% was allocated to primary capital and 50% to reserve capital.

### Frontier Facility (FF)

In 2019 the Storting established a special scheme, the Frontier Facility (formerly the Norwegian Investment Fund for Developing Countries). The scheme enables Norfund to make risk capital available in the most demanding markets. This applies to especially vulnerable states and the least developed countries (LDCs), where access to risk capital is limited. Resources for the FF are transferred to Norfund as an earmarked portion of the reserve capital. The use of this earmarked portion is explained in the table below. Interest, fees, return and unused resources that revert to Norfund are to be used to top up the scheme.

In 2024, the Storting granted NOK 25 million to the scheme. The total received in the period 2019 to 2023 was NOK 210.6 million. At the end of 2024, NOK 52.4 million remained to be allocated, while NOK 124.1 million of allocated capital (committed and approved projects) had not yet been disbursed. The scheme was previously explained in Note 15, and entered as current debt to the Foreign Office. In 2024 it was moved in its entirety to equity. The overview below shows total resources received, invested and paid in.

(in 1000s of NOK)	Earmarked portion of reserve capital for FF	Investments (interest/charges (disbursements)	Receipts (interest/charges /return)	Outstanding amounts
Opening balance 31.12.23	210,649	-66,194	26,820	171,276
Movements 2024	25,000	-21,452	1,234	4,782
Other interest income	0	0	425	0
<b>Reserve capital 31.12.24</b>	<b>235,649</b>	<b>-87,646</b>	<b>28,479</b>	<b>176,483</b>

(in 1000s of NOK)	Profit/loss 2024
Other operating income	1,234
Other interest income	425
Realized gains	8,633
Exchange rate adjustment of loans	0
Value change portfolio	-373
<b>Net profit 31.12.24</b>	<b>9,918</b>

(in 1000s of NOK)	Reserve capital	Period / year
Earmarked grant recorded reclassified from debt to FO 2023	137,449	2019-2020
Earmarked grant recorded under reserve capital 2023	73,200	2021-2023
Earmarked grant FF 2024	25,000	2024
<b>Earmarked share of reserve capital FF 31.12.24</b>	<b>235,649</b>	

With effect from 2024 we have classified earmarked grants to FF as equity. We have reclassified NOK 137.5 million of earmarked grants from the period 2019 to 2020 from debt to FO (Note 15) to reserve capital. The net profit as at 31.12.24 was NOK 9.9 million of which NOK 8.6 million is related to the realized gains of previous years. The cash flow element of effects on results is taken into account in outstanding amounts.

## Note 11 - Other receivables

(in 1000s of NOK)	2024	2023
Accrued interest loans	182,645	146,545
Accrued interest liquidity placements and vendor credit	130,816	127,205
Vendor credit	2,360,281	2,042,448
Other assets	62,470	46,603
<b>Total other receivables</b>	<b>2,736,212</b>	<b>2,362,800</b>

Other receivables consist mainly of interest-bearing vendor credit and accrued interest.

Of vendor credit of NOK 2 360 million, NOK 2 271 (USD 200 million) is associated with Scatec, and is a result of the sale of SN Power. The vendor credit has an interest rate of 3.26% + SOFR up to January 2028. After this the rate increases to 30%. The vendor credit falls due in its entirety in January 2028, with a small repayment of USD 30 million in June 2025.

### Accounting principles

Other receivables are carried at the lower of acquisition cost or fair value. A loss allocation is made in the cases where fair value is lower than acquisition cost. Receivables in forex are valued at the exchange rate at the end of the financial year in accordance with Section 5-9 of the Norwegian Accounting Act. Currency effects associated with outstanding vendor credit appear in the accounts under "Value changes investments and receivables". Interest is recorded as and when it is estimated to be earned and appears as interest income in the income statement. In the event of known losses, recorded interest is reversed. When loans to development projects are classified as problem loans and written down, a decision is taken that interest should not continue to be recorded. When loans are written down, no interest is therefore taken to income.

## Note 12 - Investments

Loans to investment projects per investment area (in 1000s of NOK)	Historical cost	Accumulated write-downs	Carrying value
Financial Institutions	5,730,205	-80,189	5,650,016
Green Infrastructure	1,299	0	1,299
Renewable Energy	1,822,362	-159,753	1,662,609
Agribusiness and Manufacturing	1,442,190	-67,512	1,374,678
Funds	46,705	0	46,705
Climate Investment Fund	778,184	0	778,184
Frontier Facility	23,895	0	23,895
<b>Total loans</b>	<b>9,844,839</b>	<b>-307,453</b>	<b>9,537,386</b>

### Repayment of loans

In the course of 2024, 19 loans were repaid (16 in 2023) while three were converted into equity.

### Write-downs and known loan losses

A loan is assessed for possible non-performance when borrower has not made payments within 60 days of the due date. Examples of circumstances that indicate non-performance or losses are significant financial problems on the part of debtor, restrictions on foreign exchange transfers in countries in which debtor operates, debt settlement proceedings or winding up of a business. Key considerations when assessing whether the client will be able to repay the loan are for example the general market situation, company-specific factors, the risk of bankruptcy and associated collateral. See specification by age below. Depending on the assessed probability of repayment, the individual loan is wholly or partly written down. This applies to both outstanding principal and accumulated interest.

On balance sheet day, Norfund had 8 loans (10 in 2023) which were regarded as non-performing. The total amount of interest and payments due on these was NOK 152 million (NOK 188 million in 2023) and the total amount outstanding was NOK 221 million (NOK 255 million in 2023). Two loans were considered to be wholly or partly lost in 2024, with a total loss of NOK 2 million.

Days past due date	ounts due in NOK millions
0-60*	1
61-120	2
Over 121	149
<b>Total</b>	<b>152</b>

Equity investments in funds per investment area (in 1000s of NOK)	Historical cost	Accumulated write-downs	Carrying value
Financial Institutions	1,053,668	-63,766	989,902
Green Infrastructure	95,425	-10,701	84,725
Renewable Energy	447,771	-15,376	432,395
Agribusiness and Manufacturing	841,507	-176,533	664,974
Funds	4,286,144	-713,849	3,572,295
Climate Investment Fund	25,586	-3,586	22,000
Frontier Facility	27,302	-487	26,815
<b>Total invested in funds</b>	<b>6,777,403</b>	<b>-984,298</b>	<b>5,793,105</b>

Equity investments in shares per investment area (in 1000s of NOK)	Historical cost	Accumulated write-downs	Carrying value
Financial Institutions	4,941,005	-487,550	4,453,455
Renewable Energy	7,752,434	-259,880	7,492,555
Agribusiness and Manufacturing	1,644,869	-147,840	1,497,029
Funds	50,879	-24,608	26,271
Climate Investment Fund	2,711,499	-5,070	2,706,429
Frontier Facility	20,221	-1,845	18,376
<b>Total invested in equities</b>	<b>17,120,907</b>	<b>-926,793</b>	<b>16,194,114</b>
<b>Total invested in equities and funds</b>	<b>23,898,311</b>	<b>-1,911,091</b>	<b>21,987,220</b>

Pursuant to Norfund's Statute 12, Norfund's injection of capital into a portfolio company shall not exceed 35% of the company's total equity. Norfund's share of the equity may be higher in special cases, but nonetheless such that the Fund's total equity holding does not exceed 49% of the portfolio company's total equity.

Accumulated write-downs are expected, not yet realized, losses on investments based on the most recent valuation.

As at 31.12.24 Norfund had a total contractual outstanding investment commitment of NOK 9 606 million, based on the closing rate on the balance sheet date.

**Accounting principles****Loans to investment projects**

**Recognition and exclusion:** Financial assets and liabilities are recognized on the balance sheet when Norfund becomes a party to the contractual terms of the instrument. Financial assets are excluded when the contractual rights to the cash flows expire, or when the financial assets and the majority of risk factors and of advantages associated with ownership of the assets are transferred (Notes 2 and 12). Financial assets are excluded when they are terminated, i.e. when the obligations specified in the contracts have been fulfilled, cancelled or expired. Acquisition or disposal of a financial asset pursuant to a contract with settlement in line with normal market conditions is recorded at the time of making the agreement.

**Presentation and measurement (incl. write-downs):** Loans to investment projects form part of Norfund's investment portfolio. They are regarded as current assets and carried at amortized cost according to the straight-line allocation method. When estimating necessary write-down of loans, both the current and the anticipated future financial position of borrowers are considered. Valuations and write-downs, if relevant, are made for the individual loans. Group write-downs are not made on the company's loan portfolio. There will be uncertainty associated with valuation of loans and associated collateral. Write-downs for financial assets measured at amortized cost are recognized as a negative value change in the item "Value changes investments and receivables" in the operating results.

**Recognition of interest income and other operating income:** Interest income on loans is recognized as it is accrued. Measurement of interest income is based on contractual conditions. When loans to development projects are classified as problem loans, a decision is taken as to whether interest should continue to be recorded. When loans are written down, no interest is taken to income. In the event of known losses, recorded interest is reversed. Front-end fees invoiced when a loan is set up are recognized over the life of the loan. If the loan is redeemed, any residual of the fee recorded on the balance sheet is taken to income. Other operating income consists of front-end fees, directors' fees and other project income associated with the investment portfolio.

**Realized losses:** Losses on loans to investment projects as a result of insolvency, the winding-up of a company and the like, are recognized as known losses and presented under "Realized losses".

**Converting foreign exchange to NOK:** The exchange rate at the time of the transaction is used when keeping accounts of transactions in foreign currency. Assets and liabilities in foreign currency are translated into NOK at the exchange rate prevailing at the balance sheet date. In the income statement, the forex factor associated with realized losses is presented under "Realized losses" and the forex element of realized gains is presented under "Realized gains". The currency effects associated with value changes are presented under "Value investments and receivables" and classified as part of the operating results.

**Accounting principles****Investments in equities and funds**

**Recognition and exclusions:** Investments in equities and funds are recorded on the balance sheet when Norfund becomes a party to the contractual terms of the instrument. Financial assets are excluded when the contractual rights to the cash flows expire, or when the financial assets and the majority of risk factors and of advantages associated with ownership of the assets are transferred (Notes 2 and 12).

Presentation and measurement (incl. write-downs): Norfund's investments consist almost exclusively of non-listed equities or equities that are traded in non-liquid markets. Placing a value on these therefore implies very considerable uncertainty. Investments in equities and funds (equity investments in companies) are valued at the lower of historical cost or assumed fair value in Norwegian kroner (NOK) on the basis of a concrete evaluation of each investment. Norfund makes individual valuations of all its investments, and adjusts the value according to assumed fair value of the assets. Because of the nature and volume of the investment portfolio, the management calculates estimates, makes discretionary assessments and makes assumptions that affect the carrying values of the investments. Estimates of fair value are calculated continuously and are based on historical experience, known information and other factors that are regarded as probable and relevant on balance sheet date. No group write-downs are made on the company's equity investments.

When investments are exited wholly or in part, the gain/loss is calculated on the basis of the original cost in NOK compared with the exchange rate on the date of the exiting transaction. This means that gain or loss presented in the accounts will be a function of changes in exchange rates and the change in the value of the investment expressed in foreign currency. See also the section on conversion of foreign currency to NOK.

**Taking dividends to income:** Dividend is recognized on the date when the General Meeting of equivalent decision-making body formally declares a dividend. The item "Dividends" is presented as part of operating income. Operating income includes gain on sale of shares/ownership interests in other companies, interest on loans made to other companies, directors' fees and other project income.

Changes in the value of investments in funds are calculated for the individual fund as they arise. Disbursements from funds are regarded as repayment of investments or dividend based on the value added to the investments. The calculation is based on the last known valuation. When Norfund receives fund reflows, the share in excess of historic cost is entered against the fair value as dividend. The amount in excess of fair value is regarded as repayment of paid-in capital. If the valuation shows, for example, that Norfund has 20% value added of the historical cost paid, 20% of the reflow from the fund is taken to income as dividend. The remainder is entered against historic cost (equity investment).

**Realized gain / loss:** Realized gain / loss mainly consists of amounts realized when assets or commitments are excluded. In the event of exclusion, average cost of acquisition is assigned. Realized gain/loss includes transaction costs, which are charged against income as they accrue. Transaction costs are defined as all costs that are directly attributable to the transaction carried out. For investments in equities and bonds these consist of normal broker's commissions and stamp tax.

Gains on disposals of equities/ownership interests in other companies are recognized in the year in which the disposal takes place and presented under "Realized gains".

Known losses on equity investments as a result of insolvency, the winding up of a company and the like, and losses on sale of equities, are presented under "Realized losses".

**Converting foreign exchange to NOK:** The exchange rate at the time of the transaction is used when keeping accounts of transactions in foreign currency. In the income statement, the forex element associated with realized losses is presented under "Realized losses" and the forex element of realized gains is presented under "Realized gains". The currency effects associated with value changes are presented under "Value changes investments and receivables" and classified as part of the operating results.

Equity instruments are carried at historical cost in original currency and converted to NOK at the exchange rate on the transaction date. The currency effect is carried in the income statement as currency effects.

Unrealized losses on exchange will be recorded if the exchange rate is lower on balance sheet day than on the transaction date. Unrealized loss on exchange is recorded as unrealized currency effects in the income statement and as an adjustment to the value of the equity investment.

Unrealized losses on exchange will be recorded if the exchange rate on balance sheet day is higher than the exchange rate on the transaction date. Unrealized gain on exchange is recorded as an unrealized currency effect in the income statement and as an adjustment of the value of the equity investment with an upper limit of historic cost price according to the lowest value principle. If the upper limit is exceeded, unrealized gain on exchange is not recorded.

## Note 13 - Liquidity placements

Norfund's liquidity placements are largely associated with the management of excess liquidity. Various types of instrument are used in this management (time deposits, loans and bonds). The aim is to obtain the highest possible return on surplus liquidity pending investment within Norfund's mandate and at the same time ensure that the resources are liquid.

### Liquidity placements

(in 1000s of NOK)	2024	2023
Fixed-term deposits (1 to 6 months)	2,686,493	2,208,569
Lending to banks of surplus liquidity in our markets	1,884,034	1,380,564
Bonds	3,786,354	4,492,314
<b>Liquidity placements</b>	<b>8,356,880</b>	<b>8,081,447</b>

As a consequence of the exit from SN Power in 2021, substantial liquidity became available and was placed in temporary investments: Norfund has given loans to three banks with an average interest rate of 1.5% + SOFR and a term of 5 years, with linear repayment after the first year. Bank deposits in USD have also been made.

In addition, in July 2021 Allianz was commissioned to manage USD 500 million. The portfolio consists of highly liquid covered bonds and has a weighted credit rate of AA+. The average residual maturity of the portfolio is 2.1 years. The portfolio is largely invested in development banks, i.e. within the same line of business as Norfund itself. Up to 40% can be invested in other sectors, nonetheless, but the bonds must then meet the requirements of being green and sustainable or having a social impact. Norges Bank's Investment Management's exclusion list is also applied. From 2022 to 2024, Norfund transferred resources from redeemed bonds totalling USD 175 million from the portfolio to Norfund's ordinary operations account. At the beginning of the year, 41% of the portfolio was invested in euros (EUR) and 5% in sterling (GBP), but hedged against USD. At the end of 2024, all investments in GBP had been redeemed and the remaining portfolio invested in EUR (estimated share of fair value converted into USD).

Three-month rolling futures contracts have been used for currency hedging. As at year-end, 1 232 forward contracts had been entered in order to hedge 48% of the portfolio in EUR. This means that Allianz has hedged the whole portfolio against USD. The value of the portfolio was falling from 2021 to 2022 because of expectations of higher key interest rates. Since 2023 the value change has been positive. Norfund intends to hold the portfolio until maturity, so that the average annual return is estimated at 1.5% for the life of the portfolio.

The other table shows change in book value through redemption of bonds in the portfolio. There was a positive change (increase of NOK 180 million) in the value of the bond portfolio from 2023 to 2024.

	Instrument currency	Acquisition in instr. currency (historical cost)	Fair value in instr. currency	Value change instr. currency	Book value in NOK
<b>Bonds</b>					
Financial Institutions	EUR	62,785	59,896	-2,890	706,468
Financial Institutions	USD	18,705	17,687	-1,018	200,808
Manufacturing	EUR	3,194	3,082	-111	36,357
Manufacturing	USD	18,709	17,480	-1,229	198,458
Supply	EUR	16,019	14,733	-1,286	173,778
<b>Enterprises</b>		<b>119,412</b>	<b>112,878</b>	<b>-6,534</b>	<b>1,315,868</b>
Development finance institutions	EUR	21,930	21,039	-890	248,157
Development finance institutions	USD	10,022	9,900	-122	112,394
Local authorities	EUR	7,337	7,116	-220	83,937
Supranational authorities	EUR	49,384	46,816	-2,569	552,194
Supranational authorities	USD	123,808	119,431	-4,377	1,355,952
<b>Public authorities</b>		<b>212,481</b>	<b>204,302</b>	<b>-8,178</b>	<b>2,352,634</b>
<b>Total bonds</b>		<b>331,893</b>	<b>317,181</b>	<b>-14,712</b>	<b>3,668,502</b>
<b>Cash and accrued interest</b>					
Cash and accrued interest	EUR	1,678	1,678	0	19,790
Cash and accrued interest	GBP	10	10	0	144
Cash and accrued interest	USD	8,625	8,625	0	97,918
<b>Total cash and accrued interest</b>		<b>10,312</b>	<b>10,312</b>	<b>0</b>	<b>117,852</b>
<b>Total portfolio</b>		<b>342,205</b>	<b>327,493</b>	<b>-14,712</b>	<b>3,786,354</b>
Share of total portfolio	EUR	47%	47%	54%	48%
Share of total portfolio	GBP	0%	0%	0%	0%
Share of total portfolio	USD	53%	53%	46%	52%
<b>Total portfolio per currency in %</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(in 1000s of NOK)	Acquisition in NOK (historical cost)	Acquisition in instr. currency (historical cost)	(in 1000s of NOK)	Fair value in instr. currency	Acquisition in instr. currency (historical cost)	Loss of value instr. currency	Loss of value NOK
EUR	1,844,374	179,190	EUR	165,886	179,190	-13,304	-149,544
GBP	241,277	19,707	GBP	18,735	19,707	-971	-12,563
USD	2,234,166	252,593	USD	236,771	252,593	-15,822	-160,948
<b>Opening balance 31.12.23</b>	<b>4,319,817</b>	<b>451,490</b>	<b>Opening balance</b>	<b>421,392</b>	<b>451,490</b>	<b>-30,097</b>	<b>-323,055</b>
EUR	-191,891	-18,542	EUR	152,683	160,649	-7,966	-93,962
GBP	-241,277	-19,707	GBP	0	0	0	0
USD	-719,162	-81,349	USD	164,498	171,244	-6,746	-76,587
<b>Total repaid</b>	<b>-1,152,330</b>	<b>-119,597</b>	<b>Closing balance 31.12.24</b>	<b>317,181</b>	<b>331,893</b>	<b>-14,712</b>	<b>-170,549</b>
EUR	1,652,483	160,649	EUR			5,338	62,960
GBP	0	0	GBP			971	13,817
USD	1,515,004	171,244	USD			9,076	103,047
<b>Closing balance 31.12.2024</b>	<b>3,167,487</b>	<b>331,893</b>	<b>Value change</b>			<b>15,385</b>	<b>179,823</b>

**Accounting principles***Liquidity placements*

Liquidity placements consist of instruments (time deposits, liquidity loans and bonds) with a longer or shorter fixed term intended for temporary placement of surplus liquidity pending investment within Norfund's mandate. Liquidity placements include a bond portfolio hedged against USD consisting of securities denominated in EUR and GDP as well as USD. Futures contracts are used as a hedging instrument, with daily settlements that are not recorded on the balance sheet, but are recorded under operating results as they mature.

**Recognition and exclusion:** Liquidity placements are recognized in the balance sheet when Norfund becomes a party to the instrument's contractual conditions, as for other Norfund investments. Financial assets are excluded when the contractual rights to the cash flows expire, or when the financial assets and the majority of risk factors and of advantages associated with ownership of the assets are transferred (Notes 2 and 13).

**Presentation and measurement (including write-downs):**

- Liquidity placements in the form of bank deposits and liquidity loans are classified as current assets and valued for write-down in the original currency according to the lowest value principle; see Section 5-2 of the Accounting Act. Value changes are presented as part of the operating results under "Value changes investments and receivables".
- Liquidity placements in the form of investments in the bond portfolio are classified as current assets and valued for write-down purposes in the original currency according to the lowest value principle; see Section 5-2 of the Accounting Act. The portfolio consists of a number of different placements to reduce risk, and is regarded as an investment portfolio. Norfund uses the provisions on portfolio valuation here, and the financial assets are valued collectively. Value changes are presented as part of the operating results under "Value changes investments and receivables".

**Converting foreign exchange to NOK:** Exchange rate differences arise as a result of changes in exchange rates when transactions and balance sheet items in foreign currency are recorded.

- Pursuant to NRS 20.15 and Section 5-9 of the Accounting Act, liquidity placements in the form of bank deposits and liquidity loans are converted at the exchange rate on balance sheet day, i.e. the close of the financial year. Currency effects are presented as part of the operating results under "Value changes investments and receivables".

- The bond portfolio is valued as a monetary item in foreign currency and converted at the exchange rate at the end of the financial year; see Section 5-9 of the Accounting Act. **Taking of interest to income:** Return associated with liquidity placements is carried as interest income as and when it is paid in and earned.

**Realized gains / losses:** Losses on liquidity placements (excl. currency effects) as a result of insolvency, the winding-up of a company and the like, are recognized as known losses and presented under "Realized losses". Gains on redemption (excluding currency effects) of individual bonds are taken to income in the year in which the disposal takes place and presented under "Realized gains". Currency effects on realization, including associated futures contracts, are taken to income net under "Value investments and receivables".

**Note 14 - Bank deposits**

Norfund's bank deposits are grants used to fulfil Norfund's mandate and to administer operations. Bank deposits include ear-marked grants from UD to be used for investments within Norfund's various mandates. See note 1 for more information concerning accounting policies.

**Bank deposits, cash and cash equivalents**

(in 1000s of NOK)	2024	2023
Deposits in Norges Bank	3,749,482	3,817,751
Tax deductions	47,403	21,679
Deposits from other banks	2,660,368	1,139,859
<b>Total bank deposits</b>	<b>6,457,254</b>	<b>4,979,289</b>

**The following bank deposits are earmarked for:**

Business Support and other grant schemes (see Note 15)	42,847	175,505
Frontier Facility (see Note 10)	176,483	0
Climate Investment Fund	2,516,547	2,309,231

**Accounting principles**

Bank deposits are measured mainly at fair value on the income statement. Interest earned on the deposits at year-end is included in the balance sheet, and unrealized exchange rate gains/losses on this are carried as financial income/expenses. Interest income on liquidity reserves in Norges Bank and other banks is carried as financial income; see Note 8.

**Note 15 - Unused resources (Norfund's grant schemes)**

Norfund received NOK 10 million (NOK 15 million in 2023) of grants under the previously established Business Support scheme, which is to be used to enhance the development effects of Norfund's investments by improving businesses and through local community development. Support may, for example, be provided for training and transfer of expertise and equal opportunity programmes, workers' rights, improvement of internal control, corporate governance and leadership development. The resources are treated as current liabilities, and undisbursed amounts are included in Norfund's liquid assets. When project costs are covered from the resources, the liability is reduced by an equivalent amount. At the end of 2024, NOK 6.8 million remained to be allocated to projects, while NOK 36.0 million of allocated capital had not yet been disbursed.

In 2023, resources associated with the Frontier Facility scheme included some debt to the Foreign Office. In 2024 we reclassified resources earmarked for the scheme as reserve capital and investments.

The grant facility earmarked for Balkan projects has invested EUR 2.5 million in a fund in the region. The outstanding amount below is being used as a capital buffer for management of the fund.

(in 1000s of NOK)	<b>Business Support*</b>		<b>Balkan Trust Fund</b>		<b>Total</b>	
	2024	2023	2024	2023	2024	2023
<b>Receipts</b>						
Carried over from previous year	156,709	164,359	4,296	4,501	161,005	168,860
Corrected against reserve capital and investments Frontier Facility	-110,008	0	0	0	-110,008	0
Transferred from Foreign Office	10,000	15,000	0	0	10,000	15,000
<b>Total receipts</b>	<b>56,701</b>	<b>179,359</b>	<b>4,296</b>	<b>4,501</b>	<b>60,998</b>	<b>183,860</b>
<b>Income</b>	<b>1,928</b>	<b>0</b>	<b>254</b>	<b>162</b>	<b>2,182</b>	<b>162</b>
<b>Disbursements</b>						
<b>General costs</b>						
Fund management	0	0	-200	-108	-200	-108
General follow-up	0	0	0	-259	0	-259
<b>Intervention</b>						
Project development:	0	-259	0	0	0	-259
Amplify and support project development effects	-14,819	-20,453	0	0	-14,819	-20,453
Promote social responsibility	-963	-1,938	0	0	-963	-1,938
<b>Total disbursements</b>	<b>-15,782</b>	<b>-22,650</b>	<b>-200</b>	<b>-367</b>	<b>-15,982</b>	<b>-23,017</b>
Resources received from the Ministry of Climate and the Environment, transferred to Nordic Micro Finance Initiative AS in 2024.					0	14,500
<b>Non-disbursed resources</b>	<b>42,847</b>	<b>156,709</b>	<b>4,350</b>	<b>4,296</b>	<b>47,197</b>	<b>175,505</b>

\* In 2023 the amount also included a scheme associated with the Frontier Facility scheme.

## Note 16 - Current liabilities and guarantees

### Other current liabilities

Included in other current liabilities is an item of NOK 118.9 million to the Dutch bank FMO in connection with the acquisition of interests in the African Forestry Impact Fund held by Norfund at year-end.

### Guarantees

As part of its activities, Norfund has issued 6 guarantees totalling NOK 108 million. An annual assessment is made by the project manager of whether the guarantee is at risk of being invoked, and a proportional provision is made accordingly. As at 31.12.24, no allocation had accordingly been made for guarantee commitments.

### Other commitments

In connection with the exit from SN Power AS, there are some latent guarantee commitments which have been notified, but not invoked, by Scatec ASA. It is uncertain whether the claims will be invoked, and in the event, whether they are justified. As the probability is not high, and the size of the claim is uncertain, no allocation has been made in the accounts for this commitment.

Through its activities, Norfund is from time to time involved in discussions and ongoing processes with local tax authorities. These may concern both tax claims and reimbursement claims. No grounds have been found for making a provision in the accounts as a result of these processes.

## Note 17 - Risk management and use of financial instruments

Norfund has a mandate whereby investments made by the company are required to be additional, in that they provide access to capital and expertise to companies that would not otherwise have received such financing because of the high risk involved. Norfund's investments are evaluated through an extensive selection process that consists of checking against Norfund's mandate, and performing thorough risk assessments and analyses of legal, financial, commercial and ESG-related factors. The Investment Committee and/or the Board of Directors take the final decision regarding investment.

Efforts are made to diversify portfolio risk by achieving portfolio breadth in terms of countries, industries, business partners, instruments and time of making investments. Norfund exercises active ownership in the largest investments in its portfolio through representation on boards, investment committees or other governance bodies

Norfund is exposed to several different types of risk, including liquidity risk, credit risk, currency risk, interest-rate risk and other market risk, as well as political risk. The financial risk management has been established to identify and analyse these risks, and to establish appropriate risk limits and risk controls. Norfund regularly reviews the established risk management guidelines and the system that has been established to ensure that changes in markets are reflected in the risk limits.

The Board has adopted Norfund's zero tolerance policy, which is based on the risk Norfund is willing to take in order to deliver on its mandate. This includes country risk and political risk. The risk that efforts are actively made to minimise consists of those factors that Norfund can influence in how it chooses its investment partners and how the investment process and other operational processes in the activity are carried out. This includes the risk of corruption, for which risk-reducing measures have been established in the form of working systematically to prevent, detect and immediately respond to cases. Minimizing and managing risk associated with ESG and questions concerning the integrity of our business partners are based on best practice for development finance institutions (DFIs). Norfund's approach to risk is summarized in a Risk Appetite Statement adopted by the Board and published on Norfund's website.

### Market risk

Market risk is an umbrella term for the risk of losses occurring as a consequence of changes in conditions, exchange rates or prices that impact the earning ability of the companies in which we have invested. Norfund's mandate is to invest in developing countries, which entails higher risk, as the macroeconomic conditions and uncertainty are complex and mixed. Future returns depend among other things on the ability to manage and mitigate risk in all phases of an investment.

### Fixed income

Norfund's income is also substantially affected by fluctuations in the fixed income market, as 30% of the investment portfolio is in the form of loans, 57% of which have a floating interest rate, with SOFR + margin making up the largest proportion. In addition, Norfund has significant cash holdings and a bond portfolio (see Note 13) which accrue interest. Thus the interest rate level has a substantial direct effect on Norfund's operating and financial revenue.

### Credit risk

Norfund has a significant number of loans, and individual semi-annual reviews are conducted of the borrowers' financial standing, history and other relevant factors. If default on a loan is considered highly likely, it is written down. A loan is regarded as non-performing when a payment has not been made within 60 days of the due date. In the event of default, our total investment in the borrower is evaluated.

Norfund does not carry any general loss provisions for the loan portfolio, but makes specific provisions for each individual loan; see also Note 12.

### Liquidity risk

Liquidity risk is the risk of Norfund being unable to fulfil its commitments, which are therefore monitored closely in relation to available liquidity. To ensure strong financial freedom of manoeuvre, Norfund aims to maintain a real and solid liquidity reserve that must at least cover future committed investments plus a minimum amount. Liquidity is strengthened through annual allocations from the Owner, and through repayments from the investment portfolio in the form of interest, repayment of the principal, dividends and exits from companies. Norfund does not use debt instruments in its liquidity management.

The liquidity reserve consists of bank deposits, short-term fixed deposits in banks with terms of up to one year, liquidity loans, and a bond portfolio. Deposits in anything other than Norfund's relationship banks must be in accordance with the investment mandate laid down by the Board, which regulates amounts and time frames.

The Finance Department monitors Norfund's liquidity and adapts the investment of resources with a view to securing an appropriate return pending future investments.

### Currency risk

Norfund's operations are strongly exposed to currency risk, as allocations are made in NOK while investments largely take place in other currencies, USD being by far the largest. In consequence, costs associated with investments will also largely be in currencies other than NOK.

Norfund's base currency is NOK, so Norfund's future returns and gains/losses for accounting purposes will be strongly influenced by the exchange rate between NOK and other currencies. Investments are subject to a greater or lesser degree to fluctuations in the exchange rate between USD and the local currency in the individual country, which in turn may affect the results and values of investments in these companies in Norfund's balance sheet.

Three-month forward contracts are used to hedge the portion of the bond portfolio denominated in EUR and GBP against USD; see Note 13.

Norfund's liquid assets are mainly deposited in NOK-denominated, interest-bearing accounts in Norges Bank, while its USD-denominated liquid assets are mainly deposited in DNB and other liquidity placements.

### Exchange rates used in conversion

		31/12/24	31/12/23	Change during the year
US dollar	USD	11.353	10.172	11.6 %
South African rand	ZAR	0.601	0.552	8.8 %
Indian rupee	INR	0.133	0.122	8.4 %
Kenyan shilling	KES	0.088	0.065	36.3 %
Ugandan shilling	UGX	0.003	0.003	15.5 %
Mozambican metical	MZN	0.178	0.161	10.8 %
Bangladeshi taka	BDT	0.095	0.093	2.5 %
Ghana shilling	GHS	0.775	0.849	-8.7 %
Tanzania shilling	TZS	0.005	0.004	15.4 %
Euro	EUR	11.795	11.241	4.9 %



**Operational risk**

Operational risk is the risk of financial losses occurring as a consequence of errors in internal processes and systems, human error or as a consequence of external events such as criminality or natural disasters. Management of operational risk has become increasingly important in Norfund in recent years, as the company and the complexity of both organization and portfolio have grown.

The identification, management and control of operational risk is a management task, and is coordinated through Norfund's Enterprise Risk Management System. In accordance with this system, semi-annual reviews are conducted of the risk picture and action plans of all the company's risk-owners, with appurtenant reporting to the Board.

Norfund places emphasis on a culture of transparency and awareness, leadership, authorization hierarchies, clear descriptions of procedures and clearly defined areas of responsibility as elements of our framework for managing operational risk.

Norfund's risk exposure and the management thereof are followed up by the company's external internal auditor, and reports are submitted regularly to the Board and the Risk and Audit Committee..

**Note 18 – Events since balance-sheet date**

The geopolitical situation has changed considerably in recent years. The outlook, both global and for the Norwegian economy, is shrouded in uncertainty. There is increased risk of extensive trade barriers and the threat picture has intensified. This has a bearing on Norfund's area of responsibility and investment options.

Apart from this fundamentally turbulent world picture, there have been no major events since balance sheet date that affect the assessments forming the basis for our submission of the financial statements.

To the General Meeting of Norfund

## INDEPENDENT AUDITOR'S REPORT

### *Opinion*

We have audited the financial statements of Norfund (the Company), which comprise the balance sheet as at 31 December 2024, the income statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

### *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 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### *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 Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and 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 information in the Board of Directors' report nor the other information accompanying the financial statements.

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

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

### *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 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 a true and fair view.

We communicate with the Board of Directors 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, 26 March 2025  
Deloitte AS

**Roger Furholm**  
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.



Annual report

# Climate Investment Fund

2024





# Letter from the CEO

**Writing this in the early months of 2025 and looking back at 2024, I can't help but feel that although the past year had its hurdles, we are now facing an even rockier path.**

Several countries have reduced their aid budgets significantly, and investors are pulling back from their commitments to the energy transition. We are also seeing trade wars hampering growth. Facing these developments, our mission may grow more challenging, but not less important. We now need to channel our energy into real action, rather than succumbing to the situation.

I just got back from a trip to Ghana and Nigeria. The entrepreneurial creativity and drive across such diverse sectors as recycling of plastics, agri-processing, fintech and distributed energy keeps on impressing me. The resilience and optimism these entrepreneurs are demonstrating gives me hope and renews my drive as CEO of Norfund.

We remain steadfast in our mission – to create jobs and improve lives by investing in businesses that drive sustainable development. In 2024, we increased our investments by NOK 1.2 billion, reaching NOK 7.7 billion. This growth, driven by strong returns, allows us to invest nearly three times the amount we receive from the Norwegian government. Despite a global decline in direct investments in developing countries, Norfund's investments grew by 18%.

Our mandates—the Development Mandate and the Climate Mandate—guide everything we do. Under the Development Mandate, we continue prioritizing investments in the Least Developed Countries, with Sub-Saharan Africa remaining our focal point. Through the Climate Mandate we invested 1.7 billion focusing on projects in countries heavily reliant on fossil fuels, such as South Africa, Indonesia, and India. The impact in terms of avoided emissions and the positive financial returns gained increased attention over the past year, as stakeholders and media recognize the fund's unique effectiveness as a climate tool.

Additionally, we were entrusted with NOK 250 million by the Norwegian Government to invest in Ukraine, supporting reconstruction and economic

resilience through the Nansen program. This task exemplifies the trust placed in Norfund's experience in high-risk markets and our ability to mobilize private capital.

Investing in challenging markets is possible—and profitable. Our experience shows that private investors often overestimate risks. Norfund helps bridge this gap, mobilizing capital where it's needed the most.

Building on our 2024 results, we are prepared to scale and deepen our impact even further in 2025. By partnering with entrepreneurs and emerging businesses, we aim to create more jobs, reduce poverty, and contribute meaningfully to global climate goals.

It is an honor to lead this organization and to witness the tangible difference we are making in people's lives.

**Tellef Thorleifsson**

Chief Executive Officer

May, 2025

# How we make a difference

**Norfund is the Norwegian government's main instrument for private sector development and for accelerating the energy transition in developing and emerging markets. We invest in businesses that create jobs and drive the shift to renewable energy in high-emission countries—contributing to poverty reduction and avoiding emissions.**

Throughout 2024, we continued to invest in regions where access to capital was notably scarce. Our approach includes prioritizing equity investments, mobilizing and circulating capital for greater impact, and meeting high ESG standards.

We maximize developmental impact and additionality in our investments by focusing on selected sectors and countries, with the ambition of contributing to job creation and economic growth in these regions.

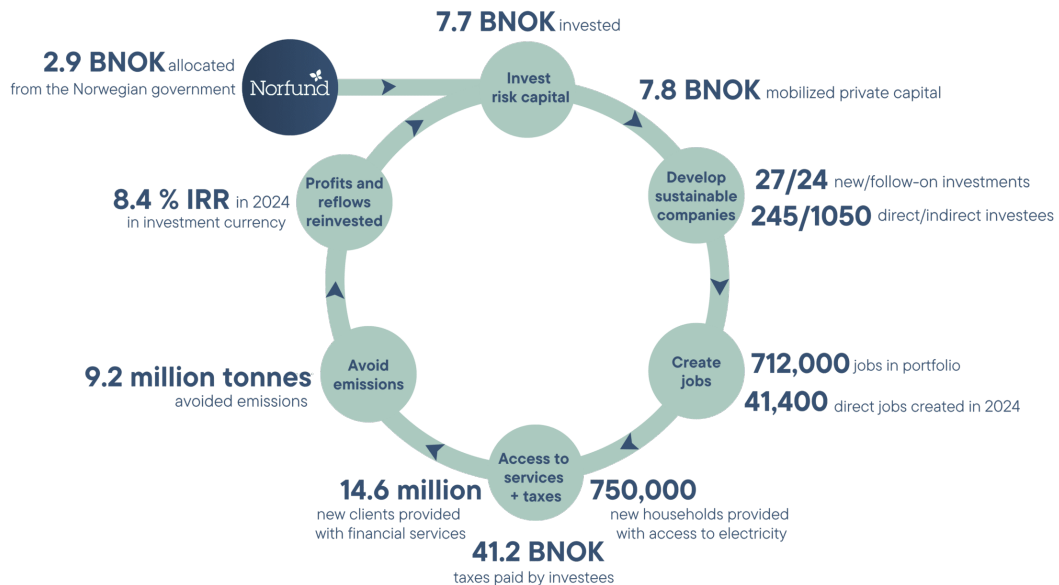
Norfund's strategies towards 2026 are focused on impactful investments in the investment areas Renewable Energy, Financial Inclusion, Scalable Enterprises and Green Infrastructure.

[More about additionality](#)

## The development wheel

Our operations and impacts for 2024 are illustrated in the wheel below.





The diagram illustrates our operations and impact last year, showcasing the efforts in job creation, climate mitigation, expanding energy accessibility, and advancing financial inclusion. Norfund has theories of change for each investment area, that build on literature and are outlining how we expect our inputs to lead to the desired impact. These theories were updated during 2024.

[Read about our Theories of Change here](#)

We exit investments once they no longer require additional support from us, so we can reinvest the proceeds in enterprises that have a greater need for risk capital and mobilise private capital into the markets where we operate. This ensures a continuous cycle of impact and sustainable development in the specified areas.

## Norfund's mandates

## Development Mandate

Create jobs and improve lives by investing in businesses that drive sustainable development



## Climate Mandate

Investing in the transition to net zero in emerging markets



## Ukraine Mandate

Contribute to development of sustainable businesses and job creation in Ukraine



## Norfund and the SDGs

The cross-cutting issues in Norway's development policy – human rights (SDG 8), anti-corruption (SDG 16), gender equality (SDG 5), climate and environment (SDG 13) – are assessed in all our investments.

For the development mandate, Norfund's mission is to create jobs and improve lives by investing in businesses that drive sustainable development, thereby contributing to SDG 1: No Poverty. Norfund's investments are concentrated in four investment areas that contribute directly to specific targets of the SDGs: Renewable Energy (SDG 7), Financial Inclusion (SDG 9), Scalable Enterprises (SDG 8) and Green Infrastructure (SDG 11). Additionality and capital mobilisation are key priorities and help to reduce inequalities between countries (SDG 10) and to mobilise funding to developing countries (SDG 17). Norfund is a responsible investor and assesses crosscutting issues such as gender equality (SDG 5) and climate and environment (SDG 13) in our investment process.

## A minority investor reliant on partners and co-investors

Norfund is always a minority investor, with ownership normally below 35 percent. It is important to support local ownership and encourage other investors to invest in developing countries.

We meticulously assess potential partners, considering factors such as their expertise, track record, societal roles, and reputation. Co-investing this way enables us to leverage additional capital and to provide the industrial and local knowledge needed for each investment. Equity is our preferred instrument, and we often take up board positions in our portfolio companies.

By mobilizing private capital Norfund can significantly amplify its impact. Getting the private sector on board is key to increasing capital flows to developing countries and bridging the SDG funding gap, as private commercial capital massively outweighs public funds. For this reason, Norfund actively seeks to pave the way for private investors by investing alongside us or after us or by being inspired by us. Norfund tracks and reports on official mobilized private capital on an annual basis according to the definitions outlined by the OECD and the MDBs

(Multilateral Development Banks).

## A responsible investor

Norfund takes different measures to execute our role as a responsible investor. From management of climate, environmental and social risk to influencing governance, improving gender equality and assisting our investees through our Business Support facility. You can read more about our role as a responsible investor in 2024 across these topics:

- Environmental and social risk management
- Governance and business integrity
- Climate and environment
- Gender equality
- Business Support

[More about Norfund's business integrity policy](#)

[How Norfund handles environmental and social risks](#)

[Norfund's approach to impact](#)

## Responsible tax policy

Payment of taxes is one of the important ways Norfund's portfolio companies contribute to sustainable development. Norfund's approach to tax-related issues and what we expect from our portfolio companies and co-investors are outlined in our [Responsible Tax Policy](#). They include requirements regarding transparency, that Norfund's investees shall pay taxes to the countries in which they operate and where the income occurs, and that third countries must only be used when

necessary to meet the Norfund's development priority of investing in high-risk markets and to protect the fund's capital.

## **Business Support**

Norfund's facility for technical assistance, Business Support, aims to enhance sustainability and development effects of our investments.

The Business Support strategy aligns with our overall strategies, and targets ESG risks and the four cross-cutting issues: human rights, anti-corruption, climate and environment, and gender equality.

[Visit the digital Business Support Annual Report for 2024](#)

## **Frontier Facility**

Projects that have a risk level higher than other investments in Norfund's core portfolio, and that are in Least Developed Countries and fragile states can be carried out using Frontier Facility. These investments are managed as a separate facility and are not included in our overall portfolio calculations.

[More about Frontier Facility](#)

# Organization and team

Norfund's mandate is to assist in building sustainable businesses and industries in developing countries. Our mandate is complex, and our most valuable resource to meet this mandate is our employees. We believe that with a relatively small organization built on local presence and competence spread across the globe, Norfund is a unique place to work both in terms of our mandate, as well as incorporating the Norfund culture - The Norfund Way.



*Norfund team at the Norfund Week 2024*

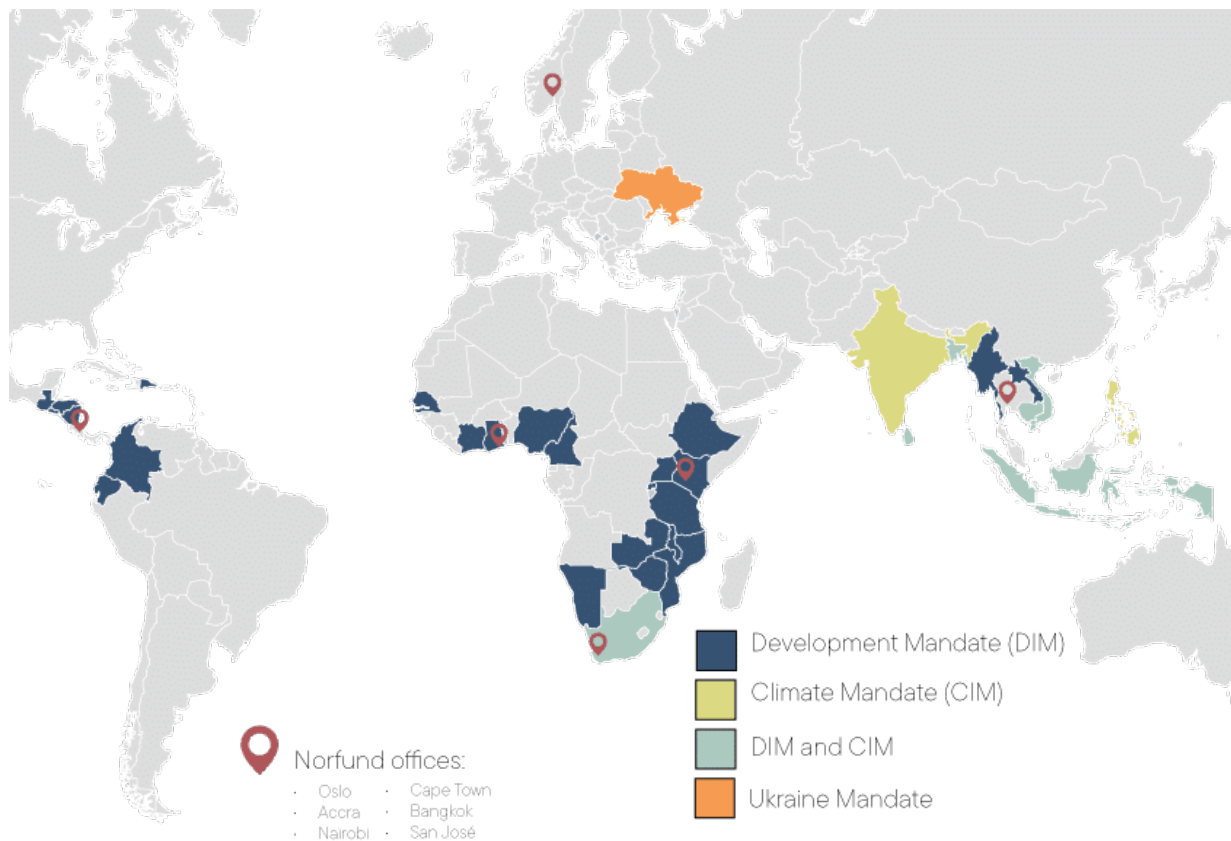
## Country presence

To ensure local proximity and knowledge Norfund has five regional offices located in Accra, Bangkok, Cape Town, Nairobi, and San José. The regional offices generate investments, monitor existing commitments, and provide all the sector-based departments with



support.

The Bangkok office manages Norfund's investments in Asia, focusing on financial services, funds, and renewable energy. Norfund has over 20 years of experience investing in East Africa with a regional office in Nairobi, focusing on scalable enterprises and financial inclusion. The office in San José handles Norfund's investments in Latin America, focusing on financial inclusion and renewable energy. The office has a particular focus on debt and equity investments and business support projects. The Southern African office is based in Cape Town, and oversees Norfund's investments in key Southern African countries, focusing on scalable enterprises and renewable energy. The Accra office manages Norfund's investments across West Africa, covering all our investment sectors. The headquarter is located in Oslo with the majority of employees.



## Norfund Team

By end of year 2024, Norfund had 149 permanent employees, and 11 employees either on a temporary contract or services for hire.

Out of our permanent employees there are 90 employed in the investment departments, and 59 corporate employees. 46 employees are working at one of our regional offices, while the rest work at the headquarter in Oslo.

More detailed information about the Norfund Team can be found in our annual report on Gender Equality and Inclusion.

## Board of Directors

Norfund's Board of Directors is appointed by the General Assembly. The General Assembly is constituted by the Norwegian Minister of International Development who governs the state's ownership in Norfund.

Norfund's Board of Directors ensures that the Fund operates in accordance with the Norfund Act of 1997 and the fund's statutes. The Board defines Norfund's strategy and approves individual investments exceeding specified thresholds. Other investment decisions are delegated to the CEO.

In 2024, the Board held 7 board meetings.





## Olaug Svarva

### Chair

Olaug Svarva was the CEO of the Government Pension Fund Norway (Folketrygdfondet) from 2006 to 2018. Today, Svarva is Chair of the Board in DNB and she has also served as board member of Investinor, Institute of International Finance (IIF), and The Norwegian memorial foundation for Alfred Nobel. From 2001 to 2006, she held positions as CEO & Investment Director at SpareBank 1 Aktiv Forvaltning and SpareBank 1 Livsforsikring. Svarva holds a Bachelor of Science in Business Administration and an MBA from the University of Denver. She is also authorized as a portfolio manager by the Norwegian Society of Financial Analysts. Appointed Chair of the Board of Norfund in June 2019.

## Anne Jorun Aas

**Director** (from June 2024)

Anne Jorun Aas is the CEO of Farmforce AS, an agritech SaaS company that digitize data from smallholder farming. She also serves on the board of Envipco, a reverse vending machine technology company. Previous positions include COO of Scatec, SVP of Scatec Solar, interim CEO of Kjeller Innovasjon and McKinsey. She has significant board experience from listed and private companies including serving as Board Chair of EnergiX, a large program in the Norwegian Research Council. She holds a PhD in nuclear chemistry from the University of Oslo and CERN, Geneva.



## Brit Rugland

**Director**

Brit Kristin Rugland was Director of Statoil Shipping and Maritime Technology and CFO of the Statoil Group. She led the establishment of Navion ASA. Since 2000, she has been General Manager of various parts of the Rugland family business and is currently also Chair of the board of the Norwegian Agency for Local Governments (Kommunalbanken AS). Previous positions include Chair of the board of Gassco AS for 11 years, Chair of the board of Figgjo AS,

and member of the Executive Board in the Central Bank of Norway for 10 years. Rugland holds a Bachelor of Business Administration, major in accounting and a Master of Management from BI Norwegian Business School. Appointed board member in June 2015.

## Martin Skancke

### Director

Martin Skancke is a self-employed consultant at Skancke Consulting. He has worked in the Norwegian Ministry of Finance and headed the Ministry's Section for Monetary Policy and Public Finances. Skancke has also previously been Chair of Norway's Climate Risk Commission and Director General at the Office of the Norwegian Prime Minister and at the Ministry of Finance's Asset Management Department. He has held positions at McKinsey & Company and Storebrand ASA. He is currently a board member of Norfund, Storebrand ASA, Storebrand Livsforsikring AS, Summa Equity AB, Norsk Klimastiftelse and Klimastiftelsen UMOE. Appointed board member in June 2014.





## Åslaug Haga

### Director

Åslaug M. Haga is currently the CEO of Renewables Norway - the Norwegian wind power association. She has background from foreign service, national politics, private sector and international organizations. Haga has been State Secretary in the MFA and at the prime minister's office. She has held three ministerial cabinet positions in the Ministries of culture, local & regional affairs and oil & energy. She has also been a member of Parliament. She has served in various positions in the MFA - including postings at the Norwegian Mission to the UN in New York and the embassy in New Delhi. Before joining Renewables Norway, she was the Executive Director of the Global Crop Diversity Trust and Assistant Secretary General in the International Fund for Agricultural Development. From 2016 to 2020 she was Chair of the board for the Peace Research Institute Oslo. Haga was appointed to the Norfund board in August 2022.

## Jarle Roth

Jarle Roth is the board chairman of Storebrand. He has previously served as CEO of Umoe, Arendals Fossekompagni, Export Credit Norway, and Unitor, as well as director of the Fram Museum. He has also been board chairman of Hafslund, Norske Skog ASA, Enova SF, Glamox AS, Powel AS and EFD Induction AS; and a board member of Umoe, Kongsberg Gruppen ASA, Hafslund, Ekornes ASA, Multiconsult AS, Kverneland ASA, Awilco Offshore ASA, Grieg Shipping AS, and Aibel AS.



## Pablo Barrera

### Director

Pablo Barrera is CEO of Haugaland Kraft AS. He has experience from Yara and The Boston Consulting Group. Before joining Haugaland Kraft he was managing director of IMAGINE Food Collective, a value chain collaboration for the largest global private players in food and agriculture, where he was on loan from Yara. He was a member of Yara group management from 2018 to 2021, and before that he was country manager for Yara's operations in Chile.

## Karoline Teien Blystad

**Director** (Employee Elected)

Karoline Teien Blystad is Senior Development Economist in the Strategy & Communications department at Norfund. She joined Norfund in 2015 and is mainly working on Norfund's impact. She holds a Master's degree from NTNU and a BSc in Business management from Montana State University. Previous work experience includes both the consultancy industry and the public sector. Appointed employee elected board member Nov 1st, 2021.



## Vegard Benterud

**Director** (Employee Elected)

Vegard Benterud is Investment Director in the Green Infrastructure department at Norfund. With over 19 years of experience in private equity, Vegard has successfully executed transactions across all Norfund's key markets, including pioneering initiatives in complex environments such as Angola and Somalia. His previous positions include Investment Director at the Norwegian Microfinance Initiative (NMI) and Portfolio Manager at NBIM. Currently, he is spearheading initiatives focused on recycling and waste-to-energy projects in Africa and Asia. Vegard holds a Master of Science in Industrial Economics and

Technology Management from NTNU. He previously served on Norfund's board from 2015 to 2017 and was reappointed as a board member in September 2023.

## Vidar Helgesen

**Director** (Until April 2024)

Vidar Helgesen is Executive Director of the Nobel Foundation. He has held several public positions in the Norwegian government, as Special Representative for the Ocean, Minister of Climate and Environment, Minister of European Affairs and Chief of Staff to the Prime Minister, as well as Deputy Minister of Foreign Affairs. Internationally, he has served as Co-chair of the China Council for International Cooperation on Environment and Development, Secretary-General of the International Institute for Democracy and Electoral Assistance and as Special Advisor to the President of the International Federation of Red Cross and Red Crescent Societies. He is a Board member of CICERO Center for International Climate Research and a Co-chair of Seaweed for Europe. Appointed board member on 1 January 2021.



## Management Team

The management team manages the Fund according to Norfund's mission to create jobs and improve lives and support the transition to net zero by investing in businesses that drive sustainable development. There have been no changes in the management team in 2024.



**Tellef Thorleifsson**

Chief Executive Officer

Tellef Thorleifsson has been CEO of Norfund since Autumn 2018. Prior to Norfund, he was a co-founder and managing partner of Northzone. Thorleifsson was instrumental in building Northzone to become a leading international venture fund. Since inception in 1996 it has raised more than EUR 1.5 billion through nine funds and invested in more than 130 companies. Thorleifsson is also a co-founder of the Voxtra Foundation which has been making targeted investments and grants within agribusiness in East Africa. Thorleifsson has held several directorships.

*Foto: Hanne Marie Lenth Solbø  
/ Norfund*



**Fride Andrea Hærem**

Chief Financial Risk Officer & Head of HR

Fride Andrea Hærem took the position as CFRO and Head of HR in Norfund in 2021. Before joining Norfund, she was EVP for HR, Marketing and Communication, IT and Strategy at Norconsult. She has more than 10 years of experience in HR directorship roles and has held several manager positions, including at Posten and Cermaq. She holds a Master of Management with a specialisation in international business leadership from BI Norwegian Business School.





**Ylva Lindberg**

Executive Vice President, Strategy & Communication

Prior to joining Norfund, Ylva was founding partner of SIGLA, a boutique consultancy on sustainability and business, for 13 years. She has worked with sustainable and impact investments for almost 20 years and has experience with asset management and consumer goods. Ylva is a senior associate of the University of Cambridge Institute for Sustainability Leadership, board member of Lærdal Medical and member of the Responsible Investment Advisory Council of BMO Global Asset Management.



**Thomas Fjeld Heltne**

Executive Vice President, General Counsel

Thomas Fjeld Heltne took the position as General Counsel in Norfund in 2019. Before joining Norfund, he was Director M&A at Norsk Hydro. Heltne has throughout his career worked with transactions, financing and international projects, both from the legal and commercial side. He holds a degree in law from Norway as well as a Master of Laws from LSE and Corporate Finance from the Norwegian School of Management. Heltne has been member of and observer to boards of Norwegian industrial companies and served on the Trade Policy Panel for the Confederation of Norwegian Enterprise (NHO).



**Erik Sandersen**

Executive Vice President, Financial Institutions

Erik joined Norfund in 2014 and has represented Norfund on several boards of banks and microfinance institutions. He is currently a board member of the South Africa-based bank investment firm Arise and of the Nordic Microfinance Initiative. Prior to joining Norfund, Erik worked for 10 years as a co-founder and partner in a venture capital firm in the Nordic region. He has also worked as an executive in the IT sector and for the Boston Consulting Group in London and Oslo. He holds a master's degree in engineering from the Norwegian University of Science and Technology (NTNU)

and an MBA from Stanford University.



### Mark Davis

Executive Vice President, Renewable Energy

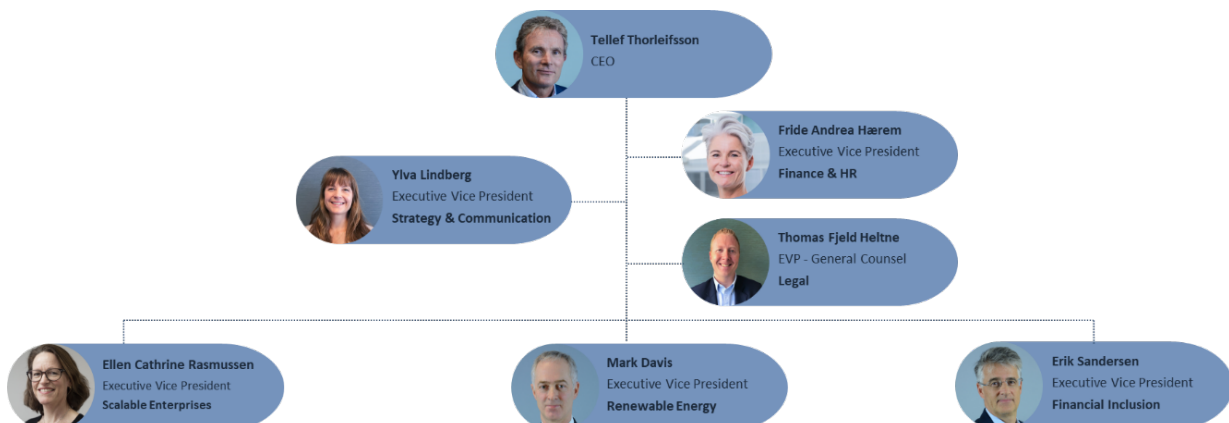
Mark has worked extensively with renewable energy investments, regulation and policy in developing countries, with a focus on Africa. Prior to joining Norfund he was a partner at ECON Analysis, and previously was Postgraduate Director at the Energy & Development Research Centre, University of Cape Town. He holds a PhD in energy economics from the University of Sussex, and earlier degrees in mathematics and applied science from the University of Cape Town.



### Ellen Cathrine Rasmussen

Executive Vice President, Green Infrastructure and Scalable Enterprises

Ellen Cathrine Rasmussen joined Norfund as EVP for Scalable Enterprises in March 2020. In 2021 she also took on the role of EVP for Green Infrastructure. Prior to Norfund, Ellen held several senior positions at Yara, the world's leading fertilizer company. Her last position in Yara was as VP of Sustainability Programs and Global Projects. Prior to that, she was country manager for the Ivory Coast. Earlier in her career Ellen spent four years as EVP for Agrinos, an international agriculture input provider, responsible for Europe, Middle East, Africa and Asia. Ellen has also had various management positions at Norsk Hydro and served as a board member for SINTEF. She studied economics in Norway and France.



## Norfund Investment Committee

Norfund's Investment Committee (IC) is important for quality assurance and for strengthening decision-making. The IC is chaired by the CEO, Tellef Thorleifsson and has seven additional members:

- Three external members: Per Aage Jacobsen, Kathryn Baker and Jacob Kholi.
- Four management team members; Mark Davis, Erik Sandersen, Ellen Cathrine Rasmussen, and Thomas Fjeld Heltne.
- One E&S advisor; Karin Bianca Gullman.

## Norfund Credit Committee

Norfund Credit Committee (CC) approves loans to banks.

The committee consists of:

- Tellef Thorleifsson
- Thomas Fjeld Heltne
- Naana Winful Fynn
- Erik Sandersen
- Kristin Imafidon
- Tore Olaf Rimmereid (External)

## Norfund Risk and Audit Committee

The Risk and Audit Committee is a preparation and advisory committee for the Board of Directors.

Its function is twofold:

- Assess the company's overall operational and financial risk and recommend any measures to the board.
- Assist the Board of Directors in overseeing the company's financial reporting and control systems and recommend improvements.

The committee consists of three representatives from the Board:

- Martin Skancke (leader)
- Jarle Roth
- Vidar Helgesen (until April)
- Åslaug Haga (from May)

And three representatives from Norfund, where Chief Financial and Risk Officer is leading the committee secretariat:

- Fride Andrea Hærem
- Hege Elisabeth Seel (until September)
- Guro Ruud Cedell (from September)
- Hanne Jørstad Francke

# Additionality

**Norfund is committed to making a difference by ensuring that our capital contributes to outcomes that would otherwise not have happened. This is referred to as “additionality” and is a key criterion for Norfund’s investments.**

[The Norfund Act](#) states that Norfund shall contribute to establishing viable, profitable undertakings that would not otherwise be initiated because of the high risk involved.

Proving the additionality of our investments is challenging because it requires insights into what could have happened had we not invested. Norfund substantiates additionality claims by evaluating all potential investments against our additionality framework. We also have portfolio level KPIs and thresholds that ensure that we allocate capital to instruments and markets with high inherent risk.

## **What does it mean that an investment is additional?**

### **Financially additionality**

An investment is financially additional when the private sector partners are unable to obtain financing from capital markets (local or international) for a specific activity at the necessary terms and/or scale, or where it mobilises finance from the private sector that would otherwise not have been invested.

### **Value additionality**

An investment is value additional in cases where the investor adds non-financial value, alongside its investment, to private sector partners that

the capital markets would not offer, and which will lead to better development outcomes. It is often pursued through active ownerships (e.g. board participation), capacity building activities, advisory services and other technical assistance and other ways.

### **Development additionality**

Development additionality is that the investment will deliver development impact that would not have occurred without the partnership between the official and the private sector.

## **Ten ambitions on additionality**

Norfund has a defined additionality framework that helps assess the additionality of our investments and ensure alignment with the OECD definition. This framework consists of ten additionality ambitions (see table below) reflecting both the financial and value additionality of our investments. For each ambition, we have identified relevant indicators to assess the extent to which we meet these ambitions. Investments under the Climate Investment Mandate are subject to the same additionality assessment. Development additionality is assessed for each new investment by setting baseline and target values for key impact/ climate ambitions, describing what the investment aims to achieve.

Norfund's additionality in an investment depends on many factors and the additionality framework tries to capture different aspects of additionality. Investments are scored 1-10 based on how many additionality ambitions they trigger.

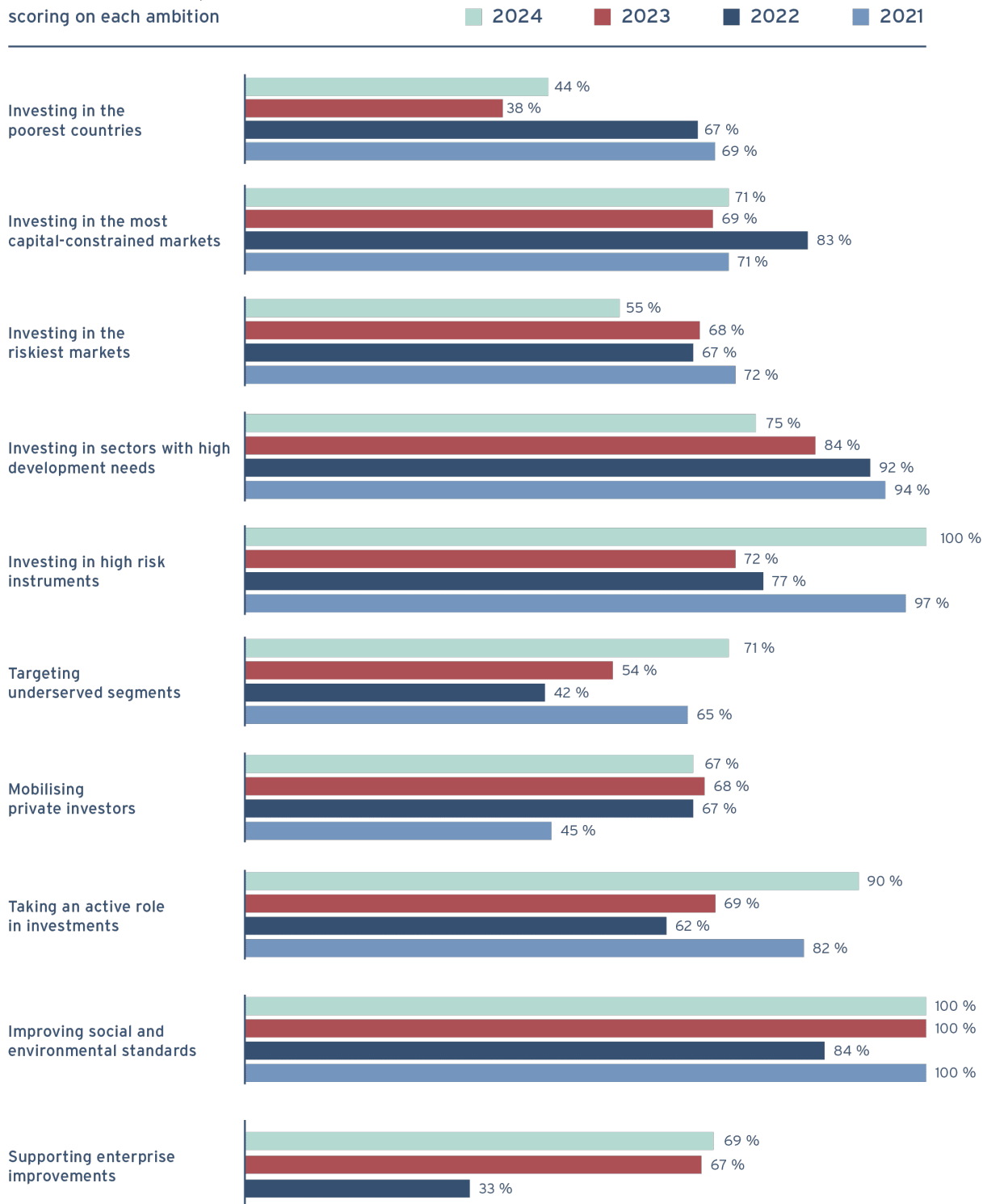
We have revised the framework twice since 2018, based on our user experience and to better reflect the markets we operate in. From 2025, we will implement a revised additionality framework to comply with updated OECD-DAC Private Sector Instrument requirements for additionality.

More information on which ambitions each investment is particularly additional on, is listed on the individual pages of each investment in [the investment overview](#)

[on Norfund's webpage.](#)

**Percentage of committed capital to new projects in 2024 scoring materially on each additionality ambition (follow-on investments are not included):**

Share of committed capital  
scoring on each ambition



Since 2022, the overall share of investments scoring on the additionality ambition



“Investing in the poorest countries” has declined. This is partly due to the introduction of the Climate Investment Fund as well as expected annual fluctuations. Generally, projects in the poorest countries have smaller ticket sizes, which means they take up a relatively smaller share of total committed capital. 11 out of 27 new projects in 2024 scored on this ambition, which illustrates the high level of activity towards these countries in Norfund.

More than two thirds of the committed capital in 2024 targeted sector-specific underserved segments, meaning the beneficiaries are underserved business types or end-clients. This could for instance be a loan issued to a financial institution targeting microenterprises or an investment in a company providing off-grid solutions to poor households.

All the capital Norfund committed in 2024 were with high risk instruments. This includes equity, various quasi-equity instruments, local currency loans, and debt with long tenor. Norfund’s willingness to take on more risk than what the market normally is willing to accept is central to our additionality, and as such this is a positive development.

# Climate Mandate

# Investing in the transition to net zero

## Climate Mandate

The Climate Investment Fund is Norway's most important tool in accelerating the global energy transition by investing in renewable energy in developing countries with large emissions from coal and other fossil power production.

To help developing countries build their economies on the backbone of renewable energy, the Climate Investment Fund (CIM) will invest 10 billion NOK between 2022-2027 in renewable energy and enabling technologies.

[Instructions for the Climate Investment Fund \(in Norwegian\)](#)

## Ambitions

We have set climate impact ambitions for the 2022-26 strategy period and track annual progress. As of end 2024, we have overdelivered on all three ambitions, as illustrated in the table above.

Investment area	Ambition (2022-2026 strategy period)	Achievement by end of 2024
Climate investment mandate	14 million tCO <sub>2</sub> e avoided emissions	17.6 million
	9 GW new capacity financed	7.9 GW

Note: Calculated using the harmonized IFI approach: "GHG Accounting for Grid Connected Renewable Energy projects" (2019). Expected annual avoided emissions once operational, and not attributed to Norfund.



*Photo credit: Erco Energia*

## Strategy

The objective of the Climate Investment Fund is to contribute to reducing or avoiding emissions of greenhouse gases by investing in renewable energy in developing countries with extensive emissions from coal power and other fossil fuel-based power production. Within our mandate, we need to prioritize. Our core countries have therefore been selected based on three criteria: climate impact, additionality and feasibility.

## Geography

The Climate Investment Fund prioritizes 8 core countries, selected based on their potential for climate impact, additionality and feasibility of investments: India, Vietnam, Philippines, Cambodia, Indonesia, Sri Lanka, Bangladesh and South Africa. We allow exposure limits of up to 25% of the total allocation of 10 billion NOK for large countries such as India and South Africa.

## Sectors

We invest in both large scale grid connected renewables such as wind and solar farms and smaller projects selling directly to commercial and industrial customers such as rooftop solar. We also invest in technologies that enable more renewable energy generation, such as storage and transmission

## Instruments

The Climate Investment Fund may invest in equity, debt, funds and other instruments (including guarantees), and targets an overall portfolio share of 70% equity and 30% debt. The fund shall always adopt a minority position, targeting equity stakes from 20% upwards to 35%, but accept up to 49% with strategic partners in line with Norfund's statutes. The Climate Investment Fund aims to allocate 5-10% of the funds – directly and through platforms – into early phase development.

## Partners and platforms

The Climate Investment Fund, in line with Norfund's overarching strategy, aims to establish new as well as strengthen existing platforms and partnerships.

This strategy of sharing risk can enable industrial investors to realize more projects or enter new markets, multiplying the impact of Norfund's capital, and leading to sustainable business ventures.

## Exits

Under the Climate Investment Fund we have an ambition to seek exit of mature or de-risked investments to recycle capital and multiply the climate impact we can have per dollar committed by the fund.

[Read about avoided emissions here](#)

[Read about energy access and supply here](#)

# Investments 2024

## Climate Mandate

**2024 marked the second full year of operations for the Climate Investment Fund. During the year, four new investments were made. In addition, five follow-on investments supporting the growth of existing Climate Investment Fund portfolio companies were also made. In total, new commitments of NOK 1.7 billion were made, taking the total Climate Investment Fund portfolio to NOK 5.6 billion. The investments made in 2024 are expected to contribute to avoid 2.9 million tons of CO<sub>2</sub>e emissions when the projects are operational.**

## Highlights of 2024

### EnerGrid

A new IEA report warns that up to 15% of global solar and wind power production may remain unused by 2030 without increased investment in grids and storage. India is among the countries where the need for such investments is particularly pressing. According to recent estimates from India's Central Electricity Authority (CEA), the country will require 170,000 kilometers of transmission lines and 47 GW of energy storage capacity (BESS) over the next eight years to integrate increased renewable energy production.

To address this challenge, The Climate Investment Fund together with BII and IndiGrid, an Indian Infrastructure Investment Trust ("InvIT") that is one of the largest owner and operator of transmission projects in India, have set up a new platform, EnerGrid, which will develop power grid and battery storage projects. The partners are committing up to USD 300 million of equity investments which is expected to enable EnerGrid to develop projects valued at approximately USD 1.2 billion over the coming years. Of this the Climate Investment Fund is contributing USD 50 million and mobilizing a further USD 50 million from KLP via the jointly owned investment vehicle KNI India AS. The agreed structure is such that once projects are constructed, the projects will be acquired from EnerGrid by IndiGrid

at a pre-agreed value and the capital can be recycled into new projects.

## Candi

Candi Solar was founded in 2018 by three former colleagues, creating a distributed energy business by providing flexible contract structures for solar power focusing on the underserved small and medium sized businesses (SMEs) clients who is struggling to access attractive financing due to their credit ratings. Distributed energy solutions are an important part of the energy transition in emerging markets and the Climate Investment Fund is supporting this by investing USD 20 million as part of a larger investment round of USD 38 million of growth capital for the company. Kyuden International and STOA account for the rest of the amount. The company is operating in South Africa and India.

## Xurya

In 2024, the Climate Investment Fund made its first direct investment into Indonesia by investing 25 million USD in Xurya, a company that offers rooftop solar rental to commercial and industrial companies. By renting out the solar PVs, the businesses can overcome the high installation costs of adopting renewable energy, making it easier to switch from fossil to renewable energy supply. The investment was part of a USD 55 million fund raise with investors such as British International Investment (BII), Swedfund, Climate Capital and AC Ventures participated. This is the first investment is under the Just Energy Transition (JETP) where Norway has pledged up to USD 250 million of equity investments via the Climate Investment Fund.

## Pele

Pele Green Energy Group is a South African Black Economic Empowerment (BEE) infrastructure company, founded by five young entrepreneurs in 2009. The group develops, owns, builds, and operates renewable energy projects in South Africa. As of today, they have 980 MW in operation, 670 MW under construction, and a further pipeline of more than 5 GW under development. Many of the Climate Investment Fund's investments are follow-on investments in existing investees and the fund made its first invested in Pele Green Energy in 2023. The first investment of approximately 400 million NOK has contributed to the construction

of a portfolio of large solar and wind power plants. The company now needs more capital to finance further growth, which is planned within projects that deliver energy directly to businesses (C&I), investments in battery storage, and government tenders for larger renewable projects. As in the previous investment, the Climate Investment Fund is partnering with Nedbank, one of South Africa's largest banks, to invest a total of ca 320 million NOK to scale up the company's investments in renewable energy of which the Climate Investment Fund is investing ca 160 million NOK.



Investment	Country	Investment year	Sector	Instrument	Ownership share	Domicile	Committed (MNOK)
SAEL	India	2022	Biomass	Equity	N/A	India	1156.9
Fourth Partner Energy	India	2023	Solar power	Loans Equity	N/A	India	696.7
Indigrid	India	2024	Renewable-enabling Transmission infrastructure	Equity	13%	India	612.0
Pele Green Energy	South Africa	2023	Other/hybrid renewables	Loans Equity	N/A	South Africa	557.5
Enel Coral	India	2022	Wind power	Loans Equity	25%	India	453.0
H1 Kenhardt	South Africa	2022	Solar power	Loans	0%	South Africa	443.0
Enel Thar Solar	India	2022	Solar power	Loans Equity	25%	India	288.3
Xurya	Indonesia	2024	Solar power	Equity	17%	Singapore	279.9
Candi Solar	Global	2024	Solar power	Equity	18.5%	Switzerland	213.9
H1 Capital	South Africa	2021	Other/hybrid renewables	Equity	25%	South Africa	212.7
H1 EDF NFBII	South Africa	2022	Wind power	Loans	0%	South Africa	187.9
Greenpower SL	Sri Lanka	2023	Solar power	Equity	30%	France	135.3
Gadag Transmission	India	2023	Renewable-enabling Transmission infrastructure	Loans Equity	25%	India	124.9
SEACEF II	Regional	2023	Renewable energy fund	Funds	8%	Singapore	112.3
Koppal Narendra	India	2022	Renewable-enabling Transmission infrastructure	Equity	25%	India	71.2
Orbital Energy	Sri Lanka	2024	Solar power	Equity	30%	Singapore	43.0

# Financial results

**In 2024, the Climate Investment Fund gained revenues of NOK 66 million, primarily interest income. The operating results ended at NOK 56 million. The Fund has rounded its third year, and by the end of 2024, a total of NOK 5.59 billion have been committed.**

On the cost side, the 2024 numbers are impacted by a positive value change for investments and receivables at year end of NOK 34 million, compared to negative NOK 14 million in 2023. The remaining costs for the climate investment fund are mainly related to management fees based on the fund's portfolio share of Norfund's total portfolio.

## The Climate Investment Fund's equity

The fund's total balance as of the end of 2024 was NOK 6 billion. The balance increased by NOK 2,056 million from 31.12.2023, of which the earned result added to equity amounted to NOK 56 million. The remaining increase came from this year's capital contribution from the state budget and allocation from Norfund, both amounting to NOK 1 billion each.

## Internal rate of return (IRR)

In 2024, the Climate Investment Fund (climate mandate) delivered an estimated return measured by Internal Rate of Return (IRR) of 9.3 % in investment currency and 18.2 % in NOK.

As there are significant annual variations, the return on our investment is better reflected in IRR calculations since inception. Since inception, the portfolio has had an IRR of 14.4 % in investment currency and 19.0 % in NOK. The return figures should be viewed in light of the fact that the fund is relatively new with still few investments and no realizations.

**9.3 %** IRR for 2024 in investment currency (18.2%)

in NOK)	
14.4 %	IRR since inception in investment currency (19% in NOK)

At the end of 2024, the committed portfolio totaled NOK 37.6 billion.

## Financial statements

Income Statement			
(Figures in 1000s of NOK)	Note	2024	2023
Interest income	2	55.484	0
Dividends received	2	8.363	7.682
Realized gains	3	0	4.872
Other operating income		2.087	0
<b>Total operating income</b>		<b>65.935</b>	<b>12.554</b>
Operating expenses			
Value changes investments and receivables		34.179	-14.024
Realised losses		0	0
<b>Total realized losses and value change</b>		<b>34.179</b>	<b>-14.024</b>
Payroll expenses		-100	-15
Management costs	4	-29.983	-16.792
Other operating expenses		-13.578	-8.859
<b>Total operating expenses</b>		<b>-43.661</b>	<b>-25.666</b>
<b>Operating results</b>		<b>56.454</b>	<b>-27.137</b>
Other financial income	3	2	20
Other financial expenses		-126	-1.364
<b>Net financial items</b>		<b>-124</b>	<b>-1.345</b>
<b>Profit before tax</b>		<b>56.329</b>	<b>-28.481</b>
Taxes		0	0
<b>Profit for the year</b>		<b>56.329</b>	<b>-28.481</b>
Allocations			
Transferred to / from surplus fund	5	56.329	-28.481
<b>Total allocations</b>		<b>56.329</b>	<b>-28.481</b>

Balance Sheet			
(Figures in 1000s of NOK)	Note	2024	2023
ASSETS			
Total receivables		487	259
Investments			
Investments in equities and funds	6	2 728 430	1 694 299
Loans to investment projects	6	778 184	392 194
Total investments		3 506 613	2 086 494
Bank deposits		2 516 547	1 879 927
Total current assets		6 023 647	3 966 680
Total assets		6 023 647	3 966 680
EQUITY AND LIABILITIES			
Equity			
Called and fully paid capital			
Primary capital	5	2 250 000	1 500 000
Reserve capital		750 000	500 000
Total called and fully paid capital		3 000 000	2 000 000
Retained earnings			
Surplus fund	5	3 023 009	1 966 680
Total retained earnings		3 023 009	1 966 680
Total equity		6 023 009	3 966 680
Liabilities			
Other current liabilities		637	0
Total liabilities		637	0
Total equity and liabilities		6 023 647	3 966 680

## Note 1

The financial statements for the Climate Investment Fund (KIF) follow the same accounting principles as Norfund's annual financial statements.

## Note 2

Dividends received from Norfund's investment in H1 Capital South Africa amounts

to TNOK 8363. Interest income of NOK 55 484 is primarily related to Norfund's investment in H1 Kenhardt.

## Note 3

In 2024, Norfund has decided to reclassify currency effects on all investments from financial to operating results. The table below shows the figures for 2023 that have been restated in accordance with the changed reclassification. The reclassified amount is shown in the table under the columns "Restated Operating Result 2023" and "Restated Financial Result 2023"

<i>Amounts in thousands NOK</i>	2024	2023
Other financial income	2	20
Other financial expenses	-126	-1,364
<b>Net financial items</b>	<b>-124</b>	<b>-1,345</b>

<i>Amounts in thousands NOK</i>	Original 2023	Reclassified 2023	Restated Financial Result 2023
Other financial income	4,892	-4,872	20
Other financial expenses	-1,364	0	-1,364
<b>Net financial items (reclassified)</b>	<b>3,528</b>	<b>-4,872</b>	<b>-1,345</b>

<i>Amounts in thousands NOK</i>	Original 2023	Reclassified 2023	Restated Operating Result 2023
Realized gains	0	4,872	4,872
<b>Net operating items (reclassified)</b>	<b>0</b>	<b>4,872</b>	<b>4,872</b>

## Note 4

The management fee is calculated based on the Climate Investment Fund's (KIF) portfolio share of Norfund's total portfolio, and Norfund's total costs. The portfolio share is based on the historical book value of the investments. The management fee is allocated quarterly, and at the end of 2024, KIF accounted for 10.4% of Norfund's total investments. For further details, please refer to the discussion in the board's report under the chapter on organization and efficient operations.

## Note 5

<b>Equity</b> (amounts in thousands NOK)	<b>KIF primary capital</b>	<b>KIF reserve capital</b>	<b>NF surplus fund</b>	<b>Total equity</b>
Equity per 31.12.2023	1,500,000	500,000	1,966,680	3,966,680
Transfer from the Ministry of Foreign Affairs	750,000	250,000	0	1,000,000
Earmarking of Norfund's surplus fund	0	0	1,000,000	1,000,000
Profit for the year	0	0	56,329	56,329
<b>Equity per 31.12.2024</b>	<b>2,250,000</b>	<b>750,000</b>	<b>3,023,009</b>	<b>6,023,009</b>

## Note 6

The Climate Investment Fund (KIF) has the following investments with remaining commitments and book value at the end of 2024. Further information can be found in the Climate Investment Fund's activity report.

<b>Equity</b> (amounts in thousands NOK)	<b>Remaining commitment</b>	<b>Book value</b>
KNI INDIA AS	318,772	516,135
H1 Capital	0	212,745
SAEL	172,827	984,042
Pele Green Energy	0	156,312
Greenpower (tidl. Volta)	0	10,699
Fourth Partner Energy Limited	0	431,519
SEACEF	86,709	22,000
Xura	141,918	138,050
Candi Solar	0	213,942
Orbital Energy	0	42,984
Andre prosjekter	554,659	0
<b>Total</b>	<b>1,274,884</b>	<b>2,728,430</b>

<b>Loans</b> (amounts in thousands NOK)	<b>Remaining commitment</b>	<b>Book value</b>
H1 Kenhardt	41,492	401,534
Fourth Partner Energy Limited	0	265,260
Pele Green Energy	367,508	9,534
Greenpower (tidl. Volta)	22,707	101,856
Andre prosjekter	420,325	0
<b>Total</b>	<b>852,032</b>	<b>778,184</b>

[Independent auditors report 2024 \(for the full financial accounts, not only the Climate Investment Mandate\)](#)

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## Board of Directors' report

**In 2024, Norfund delivered a total return of 8.4 percent in local currency and 19.6 percent in NOK. By the end of the year, the committed portfolio amounted to NOK 43.2 billion, with NOK 7.7 billion committed to new investments during the year. The companies in Norfund's portfolio employed a total of 712,000 people, with 41,400 new jobs created throughout the year. By the end of 2024, the Climate Investment Fund had financed 7.9 GW of renewable capacity, which will avoid 17.6 million tons of CO<sub>2</sub>e annually when the power plants are operational.**

2024 was a year of great uncertainty. Inflation and rising debt costs have affected wallets and state finances. In many of Norfund's markets, economic growth is hampered by conflict, uncertainty, climate change, and power shortages.

In October, the [World Bank](#) stated that the goal of eradicating extreme poverty by 2030 is out of reach. Over the past five years, there has been virtually no progress due to several shocks to the global economy, such as the COVID-19 pandemic, high inflation, and increasing conflict and vulnerability. The Bank warns that the period 2020-2030 is likely to be a lost decade in the fight against poverty, which is entrenched in developing countries with weak economic growth.

Entering the year, inflation remained high in many countries, and central banks around the world kept interest rates up. Since then, inflation has significantly reduced in most Western countries, and interest rates are on their way down. In their [World Economic Outlook](#) from October 2024, the IMF estimates inflation for developing countries as a group to be around 4.2 percent, which is nearly double that in the eurozone. Countries in Sub-Saharan Africa continue to have high inflation, with an average of 12.2 percent. The World Bank warns in its [International Debt Report 2024](#) that the cost of servicing public debt in the poorest countries (IDA countries) has risen to the highest level since 2002,



estimated at 1.2 percent of GDP.

The global economy had stable but historically weak growth in 2024, estimated at around 3.2 percent by the IMF. The [IMF](#) estimates that the economy in developing countries grew by 4.2 percent in 2024. However, growth is very unevenly distributed. In Asia, large developing countries such as India, Indonesia, and the Philippines all had strong growth, while in Africa, the large economies of Nigeria and South Africa both grew slower than the global growth of 3.2 percent. The [World Bank](#) points out that growth in most developing countries is not sufficient to catch up on the lost progress since 2020, especially for the least developed countries and countries in conflict.

A strong dollar, macroeconomic instability, and increasing debt burdens increased the risk for investors in many of Norfund's markets. A strong US dollar made loans more expensive and weakened local currencies. A rising debt burden made it challenging to maintain growth and attract foreign investments. [UNCTAD](#) points out that investments in sectors related to achieving the Sustainable Development Goals fell by as much as 11 percent in 2024, and that investments in food systems, infrastructure, and water and sanitation in 2024 remained at a lower level compared with 2015 when the goals were adopted.

In a challenging 2024, there was also positive progress. Central banks and governments have, in most of Norfund's markets, succeeded in controlling galloping inflation. Several countries implemented reforms aimed at increasing private investments, such as in Ethiopia, where authorities have taken steps to open up to international investments to increase companies' access to capital. For many African countries, the entrepreneurial spirits of a growing young population a promising source of economic growth and attention far beyond the African continent. One area where this is already happening is in music, where Afrobeats, with artists like Burna Boy and Ayra Starr, have gained global attention through streaming platforms and social media. The [African CEO Forum](#) estimates that creative industries in Africa can create up to 20 million jobs and contribute export revenues equivalent to 4 percent of Africa's GDP by 2030.

Around 3 billion people had the opportunity to go to the polls in 2024, more than ever before. For many countries, the elections have brought about new vitality

and rejuvenation. In Senegal, Bassirou Diomaye Faye was elected president, becoming the youngest elected leader in Africa, while in Sri Lanka, old political elites that have led the country into economic chaos were ousted in favor of an outsider. There have also been cases of elections leading to increasing national tensions and polarization, such as in Mozambique, where [BMI Research](#) estimates that the economy shrank by as much as 4.9 percent due to unrest following the election in October.

An increasingly larger part of global aid is being diverted away from long-term development and poverty alleviation in favor of dealing with the consequences of war and conflict and combating climate change. This means that relatively fewer funds are available for aid to job creation and poverty alleviation. The development is further reinforced by aid freezes in the USA and the announcement of new cuts in aid budgets in several European countries.

The EU's [Copernicus program](#) reports that 2024 was the first year with sustained temperatures 1.5 degrees Celsius above pre-industrial levels. According to researchers, this means it is very likely that the Paris Agreement's ambition to limit warming to 1.5 degrees Celsius will be breached. At [COP29](#) in Baku, a new climate financing goal of 300 billion USD was adopted to combat climate change. The goal is to triple climate finance, and corresponds to 150 percent of the total aid from OECD countries in 2023, and will be dependent on mobilizing substantial private capital in order to achieve the goal.

Transfers from the national budget to Norfund's development mandate have been stable in nominal terms (NOK) for several years, and in the period 2019-2024. Norfund's share of the aid budget has thus decreased from 5.2 percent to 3.1 percent (excluding transfers to the Climate Investment Fund). The weakening of the NOK exchange rate against the USD from 2019 to 2024 has further weakened the value of transfers to Norfund by about 20 percent measured in Norfund's investment currency.

Despite a challenging backdrop, Norfund increased its total investments for the two mandates to 7.7 billion kroner in 2024, up from 6.5 billion kroner in 2023. In 2024, Norfund received 1.7 billion kroner over the state budget for the development mandate and 1 billion kroner for the Climate Investment Fund, as

well as 250 million kroner for the newly established Investment Fund for Ukraine. A higher commitment level is possible thanks to available capital from the sale of SN Power (completed in 2021), a recycling of capital through the sale of investments and loan repayments.

## About Norfund

### Norfund's mandates and strategy

Norfund was established in 1997 as Norway's most important tool for promoting investments in developing countries. The fund's purpose is to contribute with equity and other risk capital, as well as provide loans and guarantees for the development of sustainable business activities in developing countries. The aim is to establish viable and profitable businesses that would not otherwise be initiated due to high risk.

Norfund is a responsible owner that adapts its ownership to the sector, instrument, and risk. For some investments (e.g., equity investments with a significant minority share), the fund will have an active role, while for others (e.g., loans to banks), it is natural to be less active. However, Norfund is always a responsible owner that sets high ethical standards. Norfund aims to sell its stake when the fund is no longer necessary for the investment, so that the capital can be recycled and put to work in new investments.

Since 2022, Norfund, has also been responsible for managing the Climate Investment Fund, which builds on Norfund's long experience with investments in renewable energy. In December 2024, Norfund was also tasked with managing the Investment Fund for Ukraine as a separate mandate.

For the **development mandate**, Norfund aims to create jobs and improve living conditions by investing in businesses that contribute to sustainable development. Norfund has four investment areas: Financial Inclusion, Renewable Energy, Green Infrastructure, and Scalable Enterprises. Each of the four investment areas has ambitions that directly and measurably contribute to achieving the UN's Sustainable Development Goals. Under the development mandate, Norfund prioritizes investments in countries with limited access to capital, particularly the least developed countries (LDCs) and Sub-Saharan

Africa, in addition to equity as the preferred instrument. The Ministry of Foreign Affairs decided in 2022 that approximately 60 percent of capital contributions from the state budget over time should be invested in renewable energy.

For the **climate mandate** (Climate Investment Fund), the goal is to promote the transition to net-zero emissions in emerging markets. Under the climate mandate, Norfund mainly invests in the production and development of renewable energy, as well as areas closely related to this. Norfund prioritizes equity investments for this mandate as well. The climate mandate is primarily aimed at middle-income countries where the opportunities to reduce or avoid greenhouse gas emissions are significant.

The **Ukraine mandate** (Investment Fund for Ukraine) was established in December 2024 and aims to contribute to the development of sustainable business activities and job creation in Ukraine. The fund will support investments that would not otherwise be carried out due to the high risk in Ukraine. The fund will contribute to mobilizing private capital by having private investors invest alongside the fund or be inspired by the fund. Since its inception, Norfund has been working to identify potential investments, and the ambition is to commit the first investments during 2025.

## Financing

Norfund is financed through annual capital contributions from the state, as well as profits from investment activities. In 2024, capital contributions from the state amounted to 1,678 million kroner under the development mandate (including 25 million kroner allocated to the [Frontier Facility](#), 1,000 million kroner under the climate mandate, and 250 million kroner for the Ukraine mandate (allocated in December 2024). In addition to capital contributions, Norfund received 10 million under the "[Business Support](#)" grant scheme.

Returns in the form of interest and dividends from investments, loan repayments, and the realization of previous investments constitute an increasing share of the fund's available investment capital, allowing Norfund to invest far more than the capital provided over the state budget and thus contribute to even greater impact on development and climate.

## **Additionality**

Most countries where Norfund invests are perceived as less attractive to international investors because the risk is considered too high. Norfund's expertise, willingness, and ability to manage risk are therefore important for providing capital to these countries and succeeding with investments. Norfund aims to be additional in all investments. The fund is financially additional by providing capital that businesses would otherwise find difficult to access due to capital scarcity and high risk. Norfund is value-additional by providing value beyond capital by being an active owner, strengthening the sustainability of the business, and contributing to business improvements. Norfund is a minority investor and thus also helps to mobilize capital from other investors both in Norway and internationally. Norfund's expected additionality is assessed before each investment and reported to the OECD's Development Committee and on Norfund's website.

The OECD requires that all investments made by development finance institutions must be additional. In 2024, Norfund underwent an "ODA eligibility assessment" conducted by the secretariat of the OECD's Development Assistance Committee. Norfund achieved a full score in this assessment, which means that our systems and reports comply with all requirements.

## **External evaluation of renewable energy investments**

In 2024, Norfund was subject to an [external evaluation](#) conducted by KPMG Norway on behalf of the Department for Evaluation of Norwegian Development Cooperation. The evaluation covered investments in renewable energy under Norfund's development mandate from 2015-2023, and under the Climate Investment Fund from 2022-2023.

The report shows that Norfund's investments have contributed to increased

electricity production, better access to renewable energy, and avoided greenhouse gas emissions in developing countries. In the years covered by the evaluation, Norfund has contributed to financing more than 11 GW of new renewable capacity and to over 7 million households gaining access to electricity. An important finding is also that Norfund's requirements for profitability and economic sustainability in investments, along with efficient operations in its own organization, are important contributions to the good results.

Norfund will in 2025 assess how the recommendations in the evaluation report are best followed up and keep the Ministry of Foreign Affairs informed through the regular ownership dialogue.

## Norfund's total portfolio in 2024

In 2024, the portfolio (development mandate and climate mandate) delivered a return measured by IRR (internal rate of return) of 8.4 percent in local currency and 19.6 percent in NOK. The Norwegian krone weakened by 10.7 percent against the USD during the year, which is reflected in the IRR figures in Norwegian kroner. Since its inception, the portfolio has an IRR of 5.2 percent in local currency and 8.7 percent measured in Norwegian kroner.

As of 31.12.2024, Norfund's committed portfolio totaled 43.2 billion kroner. During 2024, the fund committed 7.7 billion kroner. The results for the Development Mandate and Climate Mandate are described in more detail below.

### Development Mandate - portfolio in 2024

In 2024, the development mandate delivered a return measured by IRR of 8.3 percent measured in investment currency and 19.7 percent measured in NOK. Since its inception, the portfolio has had an IRR of 5.1 percent measured in investment currency and 8.6 percent measured in NOK. At the end of 2024, the committed portfolio was 37.6 billion kroner.

Norfund committed 6 billion kroner under the development mandate in 2024, distributed across 23 new and 19 follow-up investments. The commitments for the year were broadly distributed among the investment areas, with 2.6 billion kroner to Financial Inclusion, 1.6 billion kroner to Renewable Energy, and 1.6 billion to Growth-Oriented Businesses. Green Infrastructure committed 234 million kroner.

The committed portfolio in LDCs (least developed countries) accounted for 34 percent of the portfolio at the end of 2024, while Sub-Saharan Africa accounted for 64 percent. Equity accounted for 73 percent of the portfolio at year-end. The target for renewable energy ended at 68



percent at the end of 2023. Norfund's portfolio is thus in line with the targets set by the board that the portfolio should have at least 33 percent in LDCs and 50 percent in Sub-Saharan Africa, 70 percent in equity, as well as the statutory target that approximately 60 percent of capital contributions to Norfund over time should be invested in renewable energy .

Norfund prioritizes investment areas where there is an opportunity to contribute to significant development effects. Each investment area has a theory of change that shows how Norfund's capital and expertise contribute to development effects and the achievement of the UN's Sustainable Development Goals. For the development mandate, these are SDG 1 (No Poverty), 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), and 9 (Industry, Innovation, and Infrastructure).

Norfund annually collects data on development effects from portfolio companies (both direct investments and indirectly through platforms and funds). At the end of 2024, there were a total of 712,000 jobs in the companies Norfund is invested in, of which 699,000 jobs were in companies under the development mandate. About three-quarters of these jobs are permanent. A full 64 percent of the jobs are in Africa, and 27 percent are in LDCs.

To be able to say something about development over time, data from companies that have reported for two consecutive years are analyzed. Net (the balance between lost and new jobs), 41,400 jobs were created in companies Norfund is invested in. Of these, 39,800 jobs were created in companies under the development mandate.

Payment of taxes and fees is an important contribution to the countries Norfund invests in. In 2024, companies in the development mandate's portfolio paid a total of 41.2 billion kroner in taxes and fees, of which 30 billion in Africa. Furthermore, 64 billion in wages were paid in the companies Norfund is invested in, also mainly in Africa.

Quantified ambitions have been set for each investment area that

reflect accumulated organic growth (i.e., development in the companies after Norfund became an investor) on sector-relevant parameters. The ambitions are set for the entire strategy period (2023-2026) and not for individual years.

Halfway through the strategy period, investments in Renewable Energy under the development mandate are approaching the goal of increased financed capacity but are significantly below the target for households that have gained access to electricity. In Financial Inclusion, investments are well on their way to reaching the goal of an increased customer base but are still some way off the goal of increasing outstanding loan volume. Direct investments in Growth-Oriented Businesses have already met both goals for the strategy period, while indirect investments through funds are well-positioned to reach the goal of increased company revenues but are somewhat behind the expected level for job creation. The data reported is not attributed, meaning it shows the total effect of the portfolio companies and does not take into account Norfund's ownership share. More detailed information about Norfund's development effects is available in the annual report.

### **Frontier Facility - portfolio in 2024**

Frontier Facility is a facility managed by Norfund for project development and risk mitigation and is intended to take higher risks compared to Norfund's ordinary mandates. The facility receives earmarked funds over the state budget. Through the scheme, Norfund contributes to project development and risk mitigation at an early stage. The portfolio consists of ten projects, with a total commitment of 183 million kroner.

In 2024, Frontier Facility published its first status report, which evaluated goal achievement from 2019 to 2023 on the indicators provided by the Ministry of Foreign Affairs. The results from the status report show that Frontier Facility has had good goal achievement and mobilized private capital by initiating investments that would not otherwise have happened, as well as reducing risk for private actors in

challenging markets. The facility has invested in early-stage project development and risk mitigation measures within Norfund's investment areas.

### **Climate Investment Fund - portfolio in 2024**

In 2024, the Climate Investment Fund (climate mandate) delivered a calculated return measured by IRR of 9.3 percent in investment currency and 18.2 percent in NOK. Since its inception, the portfolio has had an IRR of 14.4 percent in investment currency and 19.0 percent in NOK. The return figures must be seen in light of the fact that the fund is relatively new with still few investments and no realizations.

At the end of 2024, the committed portfolio was 5.6 billion kroner. In 2024, the fund made its first investment in Indonesia through the company Xurya, which provides renewable energy solutions directly to businesses. Norfund also launched a new platform for investments in power grids in India together with IndiGrid and British BII. There is a great need for investments in transmission in India to handle the growth in renewable variable power such as wind and solar power. The majority of the fund is invested in India and South Africa, and work is therefore underway to expand the portfolio geographically.

Also, for the climate mandate, Norfund's investments directly contribute to the UN's Sustainable Development Goals. These are SDG 13 (Climate Action), 7 (Affordable and Clean Energy), and 8 (Decent Work and Economic Growth). For 2024, Norfund's new commitments contributed to financing 1,250 MW of renewable energy and to estimated ex-ante avoided greenhouse gas emissions of 2.9 million tons annually. This is lower than previous years due to several investments in transmission, which do not count towards the ambitions.

The Climate Investment Fund is on track to exceed the goals set for the fund's first strategy period (2022-2026) of 9 GW of renewable energy financed and 14 million tons of avoided greenhouse gas emissions annually. At the end of 2024, the fund has contributed to financing 7.9

GW of renewable capacity, which will contribute to avoiding 17.6 million tons of CO<sub>2</sub>e annually when the power plants are operational.

In 2024, the greenfield projects that KIF has helped finance produced 3,421 GWh, resulting in 3.4 million tons of avoided CO<sub>2</sub>e emissions. Capacity under construction or already installed is increasing rapidly from year to year and was 4,643 MW at the end of 2024.

### **Investment Fund for Ukraine - portfolio in 2024**

Norfund was assigned the task of managing the new Investment Fund for Ukraine in December 2024, and no investments were made in the fund in 2024. Norfund has been working to build a pipeline of potential investments. The fund aims to make its first investments in 2025.

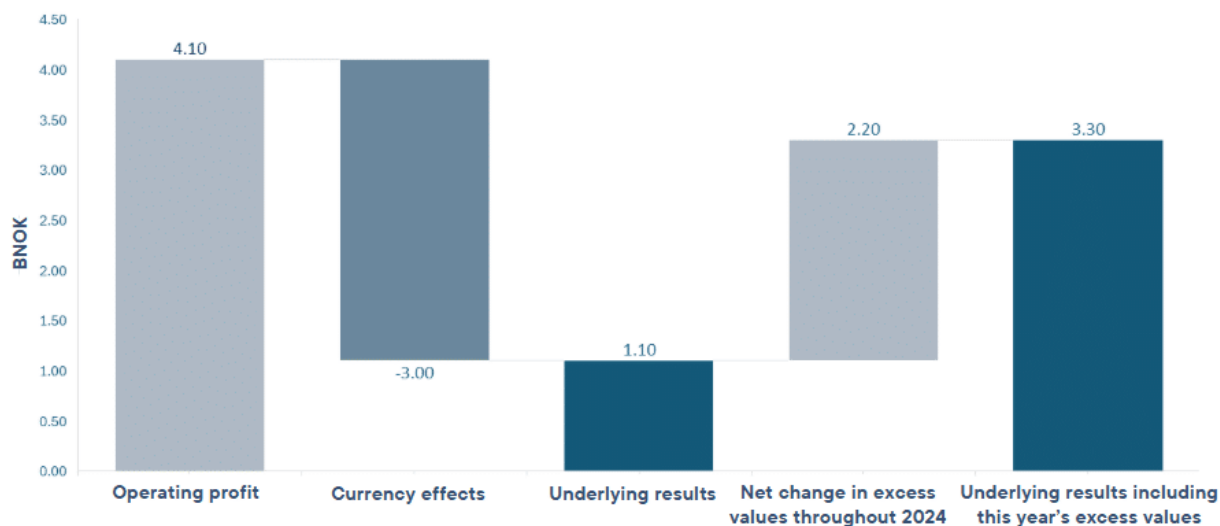
## **Statement on the annual accounts**

Norfund ended the year with operating revenues of 2,086 million kroner and a positive result after tax of 4,099 million kroner. The result is significantly affected by currency effects due to a weaker Norwegian krone against our primary currency USD. Currency effects in the result amounted to 2,995 million kroner, compared to 472 million kroner in 2023. The currency effects are mainly due to value adjustments of our investment portfolio and our liquidity placements in foreign currency, as well as effects from realized gains and losses.

The historically weak krone gives investments and cash holdings a higher value measured in NOK and shows the strong impact exchange rate fluctuations have on revenues and annual accounts. This effect will be reversed if we have a corresponding strengthening of the Norwegian krone. Nevertheless, for the Board, it is the IRR (return) in investment currency that is the relevant metric as this more accurately reflects Norfund's underlying results.

Excluding exchange rate effects, the result for 2024 is 1,104 million NOK, a reduction of 320 million NOK compared to 2023. Result effects for each year come directly from revenues and costs, as well as from value changes in existing

investments and the realization of investments. The negative change in underlying results in 2024 (compared to 2023) is mainly driven by increased write-downs, as well as lower realized gains and losses, somewhat offset by increased income from dividends and interest.



*This illustration shows how Norfund's underlying annual results would look if unrealized value increases on investments were included.*

Interest income from operations has increased from 1,080 million NOK in 2023 to 1,356 million NOK in 2024. Interest income consists of interest income from the loan portfolio and liquidity placements, which include a bond portfolio in foreign currency. The growth in interest income can mainly be explained by an increase in the loan portfolio by 17 percent during the year from 8,147 million NOK to 9,537 million NOK, as well as a weakened Norwegian krone against the US dollar by 11.6 percent compared to 2023. The accounts show realized gains from the portfolio totaling 109 million NOK, of which 45 million NOK are realized positive exchange rate effects. Realized underlying gains excluding exchange rate effects are mainly from Arrend (43 million NOK) and Basecamp (15 million NOK). Furthermore, the company received 578 million NOK in dividends, with the most significant being Agua Imara (179 million NOK), Arise B.V. (140 million NOK), and Klinchenberg (115 million NOK).

Salary costs have increased by 13 percent compared to 2023, to 246 million NOK. Both investment and staff functions were further strengthened throughout the year. This also leads to increases in other cost areas, but overall, within

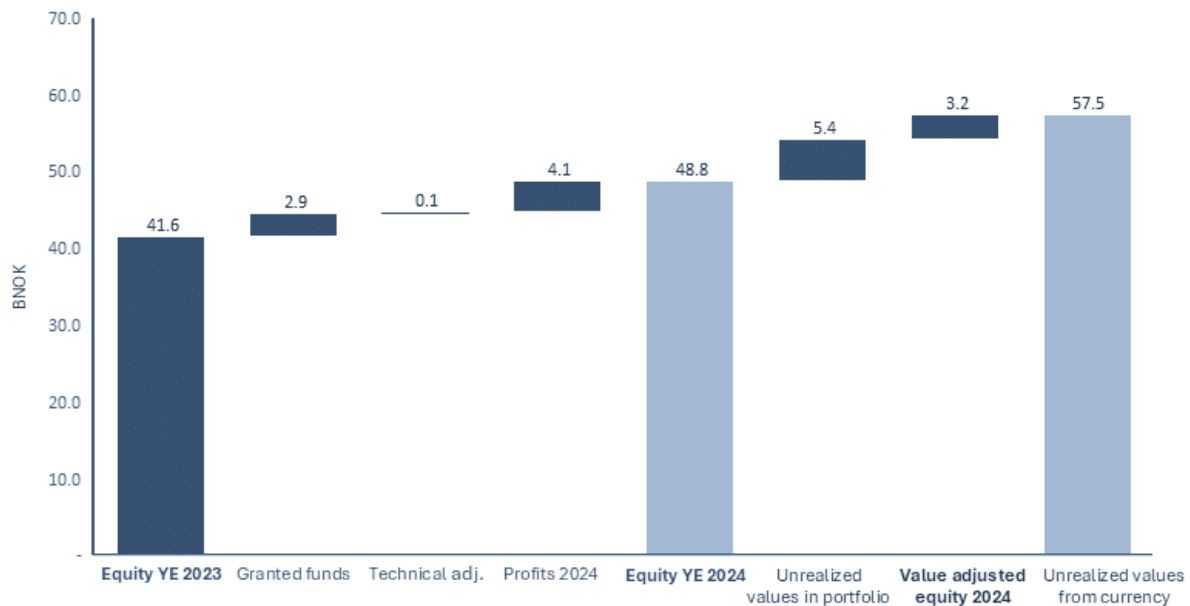
expectations. Operating costs measured as a percentage of committed portfolio remain stable at 1 percent, consistent with the goal that these should be below the average for comparable development finance institutions.

Realised loss and value changes for investments and receivables in 2024 ended at positive 1,929 million NOK compared to positive 167 million NOK in 2023. This consists of realised losses including exchange rate effects of negative 226 million NOK in 2024 and value changes totalling positive 2,155 million NOK.

Value changes consist of write-downs, reversals of write-downs, and exchange rate effects related to investments in loans, shares, and funds, liquidity placements, and receivables in the annual accounts. Total exchange rate effects related to value changes in 2024 were positive 2,609 million NOK compared to positive 514 million NOK in 2023.

Total write-downs for investments and receivables in 2024 excluding exchange rate effects were negative 454 million NOK compared to negative 227 million NOK in 2023. The write-downs are partly due to some companies in the portfolio being burdened by volatile commodity prices and delays in global value chains, among other things as a result of conflicts in the Middle East and the war in Ukraine. The same applies to the situation in Myanmar where conditions continue to be challenging, and some larger value reductions are made here. There is also a risk related to currency in Africa in general and Mozambique in particular through limited access to USD, which poses a challenge when it comes to loan repayments.

Norfund's total balance as of the end of 2024 was 49,119 million NOK. The balance increased by 7,077 million NOK from 31.12.2023, of which earned result added to equity amounted to 4,099 million NOK and the year's capital contribution from the state budget amounted to 2,928 million NOK. Adjusted equity based on estimated market values for Norfund's portfolio was as of 31.12.2024 at 57,460 million NOK.



*This illustration shows Norfund's adjusted equity, where unrealized value increases on our investments are added.*

At the end of 2024, Norfund had outstanding, unpaid commitments totaling 9,606 million NOK. The cash balance was at the same time 6,457 million NOK in addition to liquidity placements of 8,357 million NOK. Of the liquidity holdings, 2,000 million NOK is earmarked for the Climate Investment Fund, which will be invested in the period 2025-26. As a result of a growing capital base, it was decided in 2024 to strengthen liquidity management. This was done through increased staffing and the decision to establish a separate treasury mandate. The board considers liquidity to be good and confirms that the prerequisites for continued operations are in place. In the board's opinion, the annual accounts for 2024 provide a true and fair view of Norfund's financial position.

## Organization, environment, and responsible business tax

### Corporate governance

The general assembly is Norfund's highest authority. Governance is exercised through general meeting decisions, including the establishment and amendment of Norfund's articles of association. In 2024, an extraordinary general meeting was held in connection with the establishment of the Investment Fund for Ukraine and the determination of compensation for the newly established compensation committee. The Ministry of Foreign Affairs receives quarterly reports, and regular contact meetings are held throughout the year.

Norfund's board is elected by the general assembly. Two members are elected by and among the fund's employees. The board consists of nine members. The Risk and Audit Committee (RRU) consists of the committee chair and two members elected from the board's members. In 2024, the board established a Compensation Committee consisting of three members. In 2024, the board had a total of seven board meetings and six meetings in the RRU. Norfund has taken out liability insurance with AIG that covers the board's members and externally appointed board members in portfolio companies.

Norfund has a framework of governance documents that covers everything from the Norfund Act, the articles of association, and overarching frameworks adopted by the board to administration-adopted guidelines for important subject areas and routines and procedures for carrying out and following up on investment activities. The structure and guidelines are regularly updated and adapted to Norfund's operations. The Investment Committee reviews investment proposals and contributes to quality assurance. In 2024, the committee consisted of nine people, three of whom are external. The Credit Committee reviews and approves loans to financial institutions and consists of five members, (including one external member). Both



committees review individual investments between USD 4 million and USD 20 million, and the investments are approved by the managing director. Both committees must also give their recommendation on investments over USD 20 million, but these are approved by the board. Smaller investment decisions are also raised with the board when necessary, for example, if there are elements with particularly high risk or reputational sensitivity. Investments up to USD 4 million are reviewed and approved by the administration.

### **Data, risk management, and internal control**

Taking risks is at the core of Norfund's mandate. What risks Norfund has and how these are managed are described in Norfund's risk appetite statement, adopted by the board. The statement describes two risk categories. The first concerns where and in what Norfund invests (such as markets, instruments, and currency risk). These risks are managed through Norfund's market insight, local presence, and portfolio diversification. The second category is risk related to how the company selects investment partners and how Norfund carries out investments and operates the organization (e.g. partner and corruption risk, environmental and social conditions, and HSE). The risks can be minimised by designing and implementing appropriate systems and regular training, contractual terms, internal control, and compliance.

The Enterprise Risk Management framework is a tool used by management and the board to identify, understand, and manage key operational risks. The administration's proposal for the top ten risk areas is discussed with the risk and audit committee before being presented to the board. Proposals for areas for external internal audit are compared with the risk overview, and the committee gives a recommendation that is reviewed and decided by the board.

Norfund monitors portfolio exposure and country risk exposure. The board has set risk thresholds for exposure to individual countries and groups of countries, which are followed. In 2024, this particularly applied to the climate mandate, which has significant exposure to India

and South Africa.

Norfund has zero tolerance for corruption and financial irregularities and has established systems to prevent, detect, report, and handle misconduct cases. In 2024, 15 "Business Integrity Incidents" were reported, of which 12 incidents concerned allegations of financial misconduct in the portfolio. The cases are followed up in accordance with established procedures. One of the cases was of such a nature that it was reported further to the Ministry of Foreign Affairs.

### **Organization and efficient operations**

Norfund has seen significant growth in recent years in terms of increased investment volume, a growing portfolio, and more employees. The external evaluation of Norfund's investments in renewable energy conducted in 2024 found that Norfund operates very efficiently compared to other European development finance institutions. For 2024, Norfund's operating costs amount to 1 percent of the committed portfolio, in line with the goal that this should be below the average for comparable institutions within development finance. The board regularly evaluates resources and cost levels to ensure a robust organization adapted to Norfund's mandate and risk profile.

Increased complexity as a result of the organisation's growth is a risk. Norfund works systematically with culture to ensure that the organisation develops in a way that allows Norfund's mission to be carried out in the best possible way. The board regularly evaluates resources and cost levels to ensure a robust organization adapted to Norfund's mandate and risk profile.

At the end of 2024, Norfund had 157 employees, of whom 149 are permanent positions, and with 30 nationalities represented. About two-thirds of the company's employees work directly with investments, while one-third are attached to staff functions. In addition to the office in Oslo, Norfund has five regional offices in our markets. Strong regional offices with experienced teams working closely on the company's

markets are crucial for the success of Norfund's investment strategy.

In 2024, recruitment of new permanent positions primarily strengthened the staff areas and the investment area of Renewable Energy. About 30 percent of the new hires in 2024 belong to one of the regional offices in line with the ambition that the organisation's growth should happen in our markets.

The gender balance is good with 51 percent female and 49 percent male employees. Within both the company's top management and the extended management group, the proportion of women is 43 percent. In 2024, 27 new employees started, including 8 on temporary contracts. Measured in permanent positions, Norfund's turnover in 2024 was 4.1 percent.

Norfund had a sick leave rate of 3 percent in 2024, which is the threshold value Norfund internally has set for sick leave. The board does not find it necessary to implement special measures related to the working environment.

Norfund annually maps salary levels with a particular focus on gender-related salary differences according to the principle of equal pay for equal work. The findings indicate that there is no systematic difference in salary between genders, as can be read more about in the activity and reporting obligation. Norfund should be competitive, but not a leader in terms of salary. Guidelines for executive pay, the executive pay report, and the explanation of work on gender equality and work against discrimination (ARP) are available on Norfund's website.

## Responsible business

Corporate social responsibility is a starting point for Norfund's operations both for its own operations and portfolio companies. The cross-cutting considerations in Norwegian development policy - human rights, gender equality, anti-corruption, climate, and the environment - are all included in this work. Norfund is a responsible owner that contributes to companies' value creation. In 2024, the board adopted an updated E&S sustainability policy for our work in the area of environment and social conditions (E&S), climate, and gender equality.

Norfund works systematically with environmental and social conditions through the investment process. IFC's (International Finance Corporation) standards for environmental and social conditions are used in this work and are adapted to investments in developing countries. By using these standards, Norfund meets the expectations of responsible business in the government white paper on ownership policy, [Meld. St. 6 \(2022-2023\)](#). Norfund's work is in line with the state's expectation to carry out due diligence in accordance with recognized methods.

A statement on Norfund's due diligence in accordance with the requirements of the Transparency Act is [available on Norfund's website](#).

Norfund has significantly strengthened its work on climate in 2024 and adopted a strategy for climate transition and the shift to net zero. The ambitions and measures reflect that climate can affect each company's ability to succeed, owners' expectations, and that Norfund is an investor in developing countries with different challenges and opportunities than those found in more developed markets. Norfund aligns all new investments with the Paris Agreement over time, assesses climate risk for all new investments, and reports on climate risk according to the TCFD framework.

Regarding emissions from the portfolio (Scope 3, category 15), Norfund works with portfolio companies to increase competence and reporting ability, thereby improving the quality of emissions data. This will eventually contribute to more companies being able to map and reduce their own emissions and enable reporting on emissions in the portfolio.

Norfund also has emissions from its own operations. Norfund is certified as an

Environmental Lighthouse and uses this framework to improve internal environmental work. Direct greenhouse gas emissions from Norfund's operations were 1140 tonnes in 2024, with the majority originating from air travel.

Good working conditions are a requirement for all businesses in Norfund's portfolio. Norfund monitors health, environment, and safety (HSE) in all investments with a particular focus on training and compliance with HSE routines. Reporting of serious incidents, accidents, and deaths is a requirement in investment agreements. In 2024, Norfund regrettably experienced 8 work-related deaths in companies where Norfund is directly invested. Such incidents are reported to the board and in special cases also further to the Ministry of Foreign Affairs. Norfund follows up on such deaths to ensure they are investigated, safety routines are adjusted if necessary, and that the bereaved receive the compensation they are entitled to.

Norfund has clear guidelines for responsible tax comparable to other European development finance institutions. Overall, the use of third countries is relatively high, partly due to significant investments in regional funds and structures where the use of third countries is considered necessary. With assessments of both structure and domicile against Norfund's tax guidelines, the use of third countries is considered justifiable.

Norfund has a grant scheme financed by the Ministry of Foreign Affairs. The scheme has existed since 2000 but has had significantly reduced funding in recent years. Norfund received 11 million NOK in 2024, down from 32 million NOK in 2021. The purpose of the scheme is to strengthen the development effects of investments. Norfund supports, for example, capacity building and training in climate adaptation and emissions reduction, gender equality measures, and measures to strengthen how companies work with E&S. In 2024, 21 new projects received grants, and 15.8 million NOK went to this portfolio, which consisted of 59 active projects.

In 2024, work continued to strengthen gender equality in individual investments, through tailored programmes for the individual company, as well as through the Female Future programme and The Boardroom Africa, both of which offer leadership development. In collaboration with other development finance

institutions, Norfund has rolled out a training programme to combat gender-based violence and harassment (GBVH). Much of this work depends on funding through the grant scheme, which has limited funds. In addition, Norfund participates in 2X Global, an international collaboration on gender equality.

Norfund has regular dialogue and cooperation with civil society organizations and other partners. In 2024, Norfund had thematic meetings on climate, E&S, and gender equality, in addition to the annual dialogue meeting with all interested parties around the launch of the business report in June. Civil society is also a target group at the annual Norfund conference, which has themes of dilemmas and challenges in Norfund's work.

## Looking ahead

The increased geopolitical tensions have marked the beginning of 2025, and international rules-based cooperation is under a historical pressure. There is great uncertainty about the role the US, which has historically been by far the largest aid actor, will play going forward, while aid budgets in many European countries are being cut in favour of military build-up. For the remaining aid, there is an increasing expectation that it will serve national self-interests as much as it will help fight poverty and climate change. Going forward, there will be increased pressure to clearly document the effect and results of aid, as well as to use scarce aid funds in a way that triggers other, particularly private financing sources.

In a world where the law of the strongest prevails, we can assume that weaker actors are at risk of losing. Norfund expects that our markets and investments will feel the geopolitical backdrop in 2025 in new ways. Most estimates indicate that increasing tensions and trade wars will negatively impact Norfund's markets. The [IMF](#) estimates global economic growth of 3.3 percent in 2025, just up from the estimated growth in 2024. Projections for emerging economies are about one percentage point higher, but with significant differences between

countries and regions. Asia has the most positive outlook, driven by strong expected growth in large economies (6.5 percent growth in India). In Latin America and the Caribbean, the outlook is much worse, with an estimated growth of 2.2 percent. Growth in Sub-Saharan Africa is estimated at 4.2 percent, which is also the estimated average for emerging economies. However, it is worth noting that the two largest economies in Sub-Saharan Africa, Nigeria and South Africa, are both expected to grow much slower.

The financing gap to achieve the sustainable development goals continues to grow, and the [OECD](#) estimates the gap to be USD 6400 billion by 2030 if the world continues on its current course. In July, world leaders will meet for a new "Financing for Development" conference in Seville, Spain, to discuss how to bridge the gap. Private sector investments must play a key role if we are to succeed, both because aid and public financial flows are far from enough to cover the investment needs, but also to contribute to solutions and tax revenues that can help bridge the gap.

2025 is the year the UN's climate panel has estimated that greenhouse gas emissions must peak if the world is to keep the global temperature increase within the targets of the Paris Agreement of 1.5-2°C. There are significant investment needs if we are to succeed in reducing emissions and transitioning in line with the targets, and we will be dependent on mobilising private actors to reach the climate financing goal from COP29 of USD 300 billion.

Common to the financing gap for the Sustainable Development Goals and the climate financing goal are the high expectations for mobilising private capital. To succeed with the ambitions, it is necessary to scale up measures with documented effect, such as private sector investments. Such investments are still less than 2 percent of total aid from OECD countries. Norfund's most important contribution will be to continue to be a responsible, long-term investor and take risks where others cannot or will not.

A challenging global landscape creates difficulties for Norfund but also shows the need for a patient and counter-cyclical investor like us. When capital flows out of developing countries, Norfund's role becomes even more important. High unemployment in many markets requires viable, profitable businesses that can create jobs and a healthy financial sector that can finance these. And these jobs must be created within the limits of what nature and climate can tolerate.

In 2025, Norfund has an ambition to commit NOK 10 billion and have a total portfolio of approximately NOK 50.4 billion by the end of the year. Norfund can invest far more than the NOK 2.9 billion that has been allocated to Norfund over the aid budget, as profitable investments allow the capital to be recycled. However, it is expected that this capacity will be reduced going forward as the funds from the sale of SN Power are fully invested, and continued capital inflow becomes even more important.

Norfund cannot succeed alone. Therefore, cooperation with partners – portfolio companies, co-investors, owners, and other stakeholders – is crucial. The board is grateful for the trust Norfund received in 2024 and will do its best to deliver also in 2025.

The board considers Norfund well-equipped to deliver on the strategy and goals that have been set and thanks the management and employees for important work in a challenging year. Diversity and strong presence in our regions contribute to us being well-prepared for the future. Norfund will continue to be an important player in order to succeed with ambitious policies for development and climate, and to contribute to create jobs and improve living conditions, and supporting the transition to net-zero emissions in developing countries.

**Oslo, 26 March 2025**



Olaug Johanne Svarva

Jan Tellef Thorleifsson

Martin Skancke

Jarle Kjell Roth

Pablo Alberto Barrera Lopez

Åslaug Marie Haga

Anne Jorun Aas

Brit Kristin Sæbø Rugland

Karoline Teien Blystad

Vegard Benterud

*Board Chair*

*CEO*

*Board member*

*Board member*

*Board member*

*Board member*

*Board member*

*Board member*

*Board member*

*Board member*

To the General Meeting of Norfund

## INDEPENDENT AUDITOR'S REPORT

### *Opinion*

We have audited the financial statements of Norfund (the Company), which comprise the balance sheet as at 31 December 2024, the income statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

### *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 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### *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 Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and 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 information in the Board of Directors' report nor the other information accompanying the financial statements.

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

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

*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 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 a true and fair view.

We communicate with the Board of Directors 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, 26 March 2025  
Deloitte AS

**Roger Furholm**  
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

# Annual report

2024

## Board of Directors' report

**In 2024, Norfund delivered a total return of 8.4 percent in local currency and 19.6 percent in NOK. By the end of the year, the committed portfolio amounted to NOK 43.2 billion, with NOK 7.7 billion committed to new investments during the year. The companies in Norfund's portfolio employed a total of 712,000 people, with 41,400 new jobs created throughout the year. By the end of 2024, the Climate Investment Fund had financed 7.9 GW of renewable capacity, which will avoid 17.6 million tons of CO<sub>2</sub>e annually when the power plants are operational.**

2024 was a year of great uncertainty. Inflation and rising debt costs have affected wallets and state finances. In many of Norfund's markets, economic growth is hampered by conflict, uncertainty, climate change, and power shortages.

In October, the [World Bank](#) stated that the goal of eradicating extreme poverty by 2030 is out of reach. Over the past five years, there has been virtually no progress due to several shocks to the global economy, such as the COVID-19 pandemic, high inflation, and increasing conflict and vulnerability. The Bank warns that the period 2020-2030 is likely to be a lost decade in the fight against poverty, which is entrenched in developing countries with weak economic growth.

Entering the year, inflation remained high in many countries, and central banks around the world kept interest rates up. Since then, inflation has significantly reduced in most Western countries, and interest rates are on their way down. In their [World Economic Outlook](#) from October 2024, the IMF estimates inflation for developing countries as a group to be around 4.2 percent, which is nearly double that in the eurozone. Countries in Sub-Saharan Africa continue to have high inflation, with an average of 12.2 percent. The World Bank warns in its [International Debt Report 2024](#) that the cost of servicing public debt in the poorest countries (IDA countries) has risen to the highest level since 2002,

estimated at 1.2 percent of GDP.

The global economy had stable but historically weak growth in 2024, estimated at around 3.2 percent by the IMF. The [IMF](#) estimates that the economy in developing countries grew by 4.2 percent in 2024. However, growth is very unevenly distributed. In Asia, large developing countries such as India, Indonesia, and the Philippines all had strong growth, while in Africa, the large economies of Nigeria and South Africa both grew slower than the global growth of 3.2 percent. The [World Bank](#) points out that growth in most developing countries is not sufficient to catch up on the lost progress since 2020, especially for the least developed countries and countries in conflict.

A strong dollar, macroeconomic instability, and increasing debt burdens increased the risk for investors in many of Norfund's markets. A strong US dollar made loans more expensive and weakened local currencies. A rising debt burden made it challenging to maintain growth and attract foreign investments. [UNCTAD](#) points out that investments in sectors related to achieving the Sustainable Development Goals fell by as much as 11 percent in 2024, and that investments in food systems, infrastructure, and water and sanitation in 2024 remained at a lower level compared with 2015 when the goals were adopted.

In a challenging 2024, there was also positive progress. Central banks and governments have, in most of Norfund's markets, succeeded in controlling galloping inflation. Several countries implemented reforms aimed at increasing private investments, such as in Ethiopia, where authorities have taken steps to open up to international investments to increase companies' access to capital. For many African countries, the entrepreneurial spirits of a growing young population a promising source of economic growth and attention far beyond the African continent. One area where this is already happening is in music, where Afrobeats, with artists like Burna Boy and Ayra Starr, have gained global attention through streaming platforms and social media. The [African CEO Forum](#) estimates that creative industries in Africa can create up to 20 million jobs and contribute export revenues equivalent to 4 percent of Africa's GDP by 2030.

Around 3 billion people had the opportunity to go to the polls in 2024, more than ever before. For many countries, the elections have brought about new vitality

and rejuvenation. In Senegal, Bassirou Diomaye Faye was elected president, becoming the youngest elected leader in Africa, while in Sri Lanka, old political elites that have led the country into economic chaos were ousted in favor of an outsider. There have also been cases of elections leading to increasing national tensions and polarization, such as in Mozambique, where [BMI Research](#) estimates that the economy shrank by as much as 4.9 percent due to unrest following the election in October.

An increasingly larger part of global aid is being diverted away from long-term development and poverty alleviation in favor of dealing with the consequences of war and conflict and combating climate change. This means that relatively fewer funds are available for aid to job creation and poverty alleviation. The development is further reinforced by aid freezes in the USA and the announcement of new cuts in aid budgets in several European countries.

The EU's [Copernicus program](#) reports that 2024 was the first year with sustained temperatures 1.5 degrees Celsius above pre-industrial levels. According to researchers, this means it is very likely that the Paris Agreement's ambition to limit warming to 1.5 degrees Celsius will be breached. At [COP29](#) in Baku, a new climate financing goal of 300 billion USD was adopted to combat climate change. The goal is to triple climate finance, and corresponds to 150 percent of the total aid from OECD countries in 2023, and will be dependent on mobilizing substantial private capital in order to achieve the goal.

Transfers from the national budget to Norfund's development mandate have been stable in nominal terms (NOK) for several years, and in the period 2019-2024. Norfund's share of the aid budget has thus decreased from 5.2 percent to 3.1 percent (excluding transfers to the Climate Investment Fund). The weakening of the NOK exchange rate against the USD from 2019 to 2024 has further weakened the value of transfers to Norfund by about 20 percent measured in Norfund's investment currency.

Despite a challenging backdrop, Norfund increased its total investments for the two mandates to 7.7 billion kroner in 2024, up from 6.5 billion kroner in 2023. In 2024, Norfund received 1.7 billion kroner over the state budget for the development mandate and 1 billion kroner for the Climate Investment Fund, as



well as 250 million kroner for the newly established Investment Fund for Ukraine. A higher commitment level is possible thanks to available capital from the sale of SN Power (completed in 2021), a recycling of capital through the sale of investments and loan repayments.

## About Norfund

### Norfund's mandates and strategy

Norfund was established in 1997 as Norway's most important tool for promoting investments in developing countries. The fund's purpose is to contribute with equity and other risk capital, as well as provide loans and guarantees for the development of sustainable business activities in developing countries. The aim is to establish viable and profitable businesses that would not otherwise be initiated due to high risk.

Norfund is a responsible owner that adapts its ownership to the sector, instrument, and risk. For some investments (e.g., equity investments with a significant minority share), the fund will have an active role, while for others (e.g., loans to banks), it is natural to be less active. However, Norfund is always a responsible owner that sets high ethical standards. Norfund aims to sell its stake when the fund is no longer necessary for the investment, so that the capital can be recycled and put to work in new investments.

Since 2022, Norfund, has also been responsible for managing the Climate Investment Fund, which builds on Norfund's long experience with investments in renewable energy. In December 2024, Norfund was also tasked with managing the Investment Fund for Ukraine as a separate mandate.

For the **development mandate**, Norfund aims to create jobs and improve living conditions by investing in businesses that contribute to sustainable development. Norfund has four investment areas: Financial Inclusion, Renewable Energy, Green Infrastructure, and Scalable Enterprises. Each of the four investment areas has ambitions that directly and measurably contribute to achieving the UN's Sustainable Development Goals. Under the development mandate, Norfund prioritizes investments in countries with limited access to capital, particularly the least developed countries (LDCs) and Sub-Saharan

Africa, in addition to equity as the preferred instrument. The Ministry of Foreign Affairs decided in 2022 that approximately 60 percent of capital contributions from the state budget over time should be invested in renewable energy.

For the **climate mandate** (Climate Investment Fund), the goal is to promote the transition to net-zero emissions in emerging markets. Under the climate mandate, Norfund mainly invests in the production and development of renewable energy, as well as areas closely related to this. Norfund prioritizes equity investments for this mandate as well. The climate mandate is primarily aimed at middle-income countries where the opportunities to reduce or avoid greenhouse gas emissions are significant.

The **Ukraine mandate** (Investment Fund for Ukraine) was established in December 2024 and aims to contribute to the development of sustainable business activities and job creation in Ukraine. The fund will support investments that would not otherwise be carried out due to the high risk in Ukraine. The fund will contribute to mobilizing private capital by having private investors invest alongside the fund or be inspired by the fund. Since its inception, Norfund has been working to identify potential investments, and the ambition is to commit the first investments during 2025.

## Financing

Norfund is financed through annual capital contributions from the state, as well as profits from investment activities. In 2024, capital contributions from the state amounted to 1,678 million kroner under the development mandate (including 25 million kroner allocated to the [Frontier Facility](#), 1,000 million kroner under the climate mandate, and 250 million kroner for the Ukraine mandate (allocated in December 2024). In addition to capital contributions, Norfund received 10 million under the "[Business Support](#)" grant scheme.

Returns in the form of interest and dividends from investments, loan repayments, and the realization of previous investments constitute an increasing share of the fund's available investment capital, allowing Norfund to invest far more than the capital provided over the state budget and thus contribute to even greater impact on development and climate.

## **Additionality**

Most countries where Norfund invests are perceived as less attractive to international investors because the risk is considered too high. Norfund's expertise, willingness, and ability to manage risk are therefore important for providing capital to these countries and succeeding with investments. Norfund aims to be additional in all investments. The fund is financially additional by providing capital that businesses would otherwise find difficult to access due to capital scarcity and high risk. Norfund is value-additional by providing value beyond capital by being an active owner, strengthening the sustainability of the business, and contributing to business improvements. Norfund is a minority investor and thus also helps to mobilize capital from other investors both in Norway and internationally. Norfund's expected additionality is assessed before each investment and reported to the OECD's Development Committee and on Norfund's website.

The OECD requires that all investments made by development finance institutions must be additional. In 2024, Norfund underwent an "ODA eligibility assessment" conducted by the secretariat of the OECD's Development Assistance Committee. Norfund achieved a full score in this assessment, which means that our systems and reports comply with all requirements.

## **External evaluation of renewable energy investments**

In 2024, Norfund was subject to an [external evaluation](#) conducted by KPMG Norway on behalf of the Department for Evaluation of Norwegian Development Cooperation. The evaluation covered investments in renewable energy under Norfund's development mandate from 2015-2023, and under the Climate Investment Fund from 2022-2023.

The report shows that Norfund's investments have contributed to increased

electricity production, better access to renewable energy, and avoided greenhouse gas emissions in developing countries. In the years covered by the evaluation, Norfund has contributed to financing more than 11 GW of new renewable capacity and to over 7 million households gaining access to electricity. An important finding is also that Norfund's requirements for profitability and economic sustainability in investments, along with efficient operations in its own organization, are important contributions to the good results.

Norfund will in 2025 assess how the recommendations in the evaluation report are best followed up and keep the Ministry of Foreign Affairs informed through the regular ownership dialogue.

## Norfund's total portfolio in 2024

In 2024, the portfolio (development mandate and climate mandate) delivered a return measured by IRR (internal rate of return) of 8.4 percent in local currency and 19.6 percent in NOK. The Norwegian krone weakened by 10.7 percent against the USD during the year, which is reflected in the IRR figures in Norwegian kroner. Since its inception, the portfolio has an IRR of 5.2 percent in local currency and 8.7 percent measured in Norwegian kroner.

As of 31.12.2024, Norfund's committed portfolio totaled 43.2 billion kroner. During 2024, the fund committed 7.7 billion kroner. The results for the Development Mandate and Climate Mandate are described in more detail below.

### Development Mandate - portfolio in 2024

In 2024, the development mandate delivered a return measured by IRR of 8.3 percent measured in investment currency and 19.7 percent measured in NOK. Since its inception, the portfolio has had an IRR of 5.1 percent measured in investment currency and 8.6 percent measured in NOK. At the end of 2024, the committed portfolio was 37.6 billion kroner.

Norfund committed 6 billion kroner under the development mandate in 2024, distributed across 23 new and 19 follow-up investments. The commitments for the year were broadly distributed among the investment areas, with 2.6 billion kroner to Financial Inclusion, 1.6 billion kroner to Renewable Energy, and 1.6 billion to Growth-Oriented Businesses. Green Infrastructure committed 234 million kroner.

The committed portfolio in LDCs (least developed countries) accounted for 34 percent of the portfolio at the end of 2024, while Sub-Saharan Africa accounted for 64 percent. Equity accounted for 73 percent of the portfolio at year-end. The target for renewable energy ended at 68

percent at the end of 2023. Norfund's portfolio is thus in line with the targets set by the board that the portfolio should have at least 33 percent in LDCs and 50 percent in Sub-Saharan Africa, 70 percent in equity, as well as the statutory target that approximately 60 percent of capital contributions to Norfund over time should be invested in renewable energy .

Norfund prioritizes investment areas where there is an opportunity to contribute to significant development effects. Each investment area has a theory of change that shows how Norfund's capital and expertise contribute to development effects and the achievement of the UN's Sustainable Development Goals. For the development mandate, these are SDG 1 (No Poverty), 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), and 9 (Industry, Innovation, and Infrastructure).

Norfund annually collects data on development effects from portfolio companies (both direct investments and indirectly through platforms and funds). At the end of 2024, there were a total of 712,000 jobs in the companies Norfund is invested in, of which 699,000 jobs were in companies under the development mandate. About three-quarters of these jobs are permanent. A full 64 percent of the jobs are in Africa, and 27 percent are in LDCs.

To be able to say something about development over time, data from companies that have reported for two consecutive years are analyzed. Net (the balance between lost and new jobs), 41,400 jobs were created in companies Norfund is invested in. Of these, 39,800 jobs were created in companies under the development mandate.

Payment of taxes and fees is an important contribution to the countries Norfund invests in. In 2024, companies in the development mandate's portfolio paid a total of 41.2 billion kroner in taxes and fees, of which 30 billion in Africa. Furthermore, 64 billion in wages were paid in the companies Norfund is invested in, also mainly in Africa.

Quantified ambitions have been set for each investment area that

reflect accumulated organic growth (i.e., development in the companies after Norfund became an investor) on sector-relevant parameters. The ambitions are set for the entire strategy period (2023-2026) and not for individual years.

Halfway through the strategy period, investments in Renewable Energy under the development mandate are approaching the goal of increased financed capacity but are significantly below the target for households that have gained access to electricity. In Financial Inclusion, investments are well on their way to reaching the goal of an increased customer base but are still some way off the goal of increasing outstanding loan volume. Direct investments in Growth-Oriented Businesses have already met both goals for the strategy period, while indirect investments through funds are well-positioned to reach the goal of increased company revenues but are somewhat behind the expected level for job creation. The data reported is not attributed, meaning it shows the total effect of the portfolio companies and does not take into account Norfund's ownership share. More detailed information about Norfund's development effects is available in the annual report.

### **Frontier Facility - portfolio in 2024**

Frontier Facility is a facility managed by Norfund for project development and risk mitigation and is intended to take higher risks compared to Norfund's ordinary mandates. The facility receives earmarked funds over the state budget. Through the scheme, Norfund contributes to project development and risk mitigation at an early stage. The portfolio consists of ten projects, with a total commitment of 183 million kroner.

In 2024, Frontier Facility published its first status report, which evaluated goal achievement from 2019 to 2023 on the indicators provided by the Ministry of Foreign Affairs. The results from the status report show that Frontier Facility has had good goal achievement and mobilized private capital by initiating investments that would not otherwise have happened, as well as reducing risk for private actors in



challenging markets. The facility has invested in early-stage project development and risk mitigation measures within Norfund's investment areas.

### **Climate Investment Fund - portfolio in 2024**

In 2024, the Climate Investment Fund (climate mandate) delivered a calculated return measured by IRR of 9.3 percent in investment currency and 18.2 percent in NOK. Since its inception, the portfolio has had an IRR of 14.4 percent in investment currency and 19.0 percent in NOK. The return figures must be seen in light of the fact that the fund is relatively new with still few investments and no realizations.

At the end of 2024, the committed portfolio was 5.6 billion kroner. In 2024, the fund made its first investment in Indonesia through the company Xurya, which provides renewable energy solutions directly to businesses. Norfund also launched a new platform for investments in power grids in India together with IndiGrid and British BII. There is a great need for investments in transmission in India to handle the growth in renewable variable power such as wind and solar power. The majority of the fund is invested in India and South Africa, and work is therefore underway to expand the portfolio geographically.

Also, for the climate mandate, Norfund's investments directly contribute to the UN's Sustainable Development Goals. These are SDG 13 (Climate Action), 7 (Affordable and Clean Energy), and 8 (Decent Work and Economic Growth). For 2024, Norfund's new commitments contributed to financing 1,250 MW of renewable energy and to estimated ex-ante avoided greenhouse gas emissions of 2.9 million tons annually. This is lower than previous years due to several investments in transmission, which do not count towards the ambitions.

The Climate Investment Fund is on track to exceed the goals set for the fund's first strategy period (2022-2026) of 9 GW of renewable energy financed and 14 million tons of avoided greenhouse gas emissions annually. At the end of 2024, the fund has contributed to financing 7.9

GW of renewable capacity, which will contribute to avoiding 17.6 million tons of CO<sub>2</sub>e annually when the power plants are operational.

In 2024, the greenfield projects that KIF has helped finance produced 3,421 GWh, resulting in 3.4 million tons of avoided CO<sub>2</sub>e emissions. Capacity under construction or already installed is increasing rapidly from year to year and was 4,643 MW at the end of 2024.

### **Investment Fund for Ukraine - portfolio in 2024**

Norfund was assigned the task of managing the new Investment Fund for Ukraine in December 2024, and no investments were made in the fund in 2024. Norfund has been working to build a pipeline of potential investments. The fund aims to make its first investments in 2025.

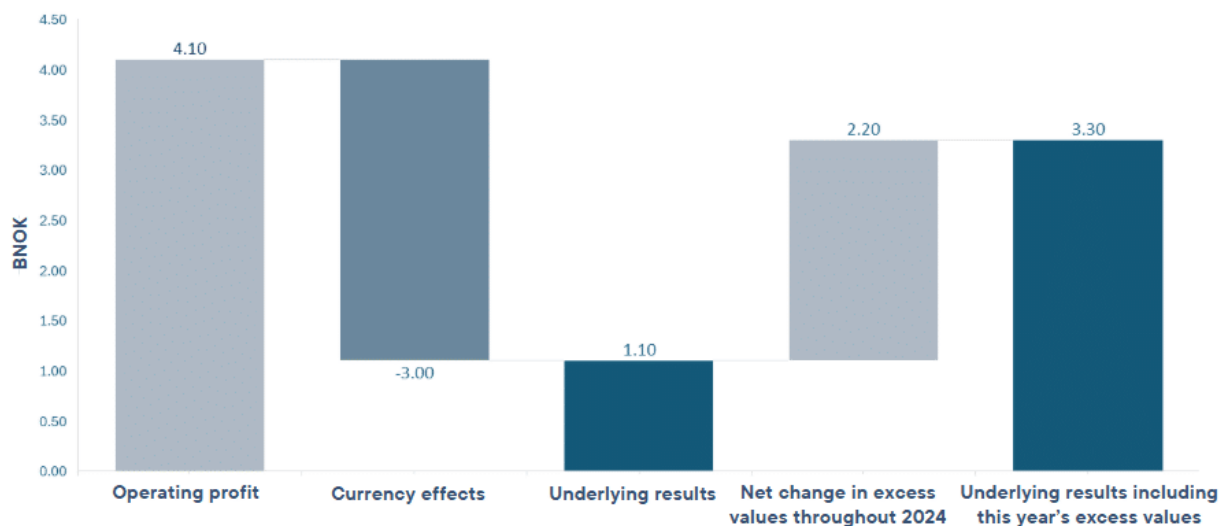
## **Statement on the annual accounts**

Norfund ended the year with operating revenues of 2,086 million kroner and a positive result after tax of 4,099 million kroner. The result is significantly affected by currency effects due to a weaker Norwegian krone against our primary currency USD. Currency effects in the result amounted to 2,995 million kroner, compared to 472 million kroner in 2023. The currency effects are mainly due to value adjustments of our investment portfolio and our liquidity placements in foreign currency, as well as effects from realized gains and losses.

The historically weak krone gives investments and cash holdings a higher value measured in NOK and shows the strong impact exchange rate fluctuations have on revenues and annual accounts. This effect will be reversed if we have a corresponding strengthening of the Norwegian krone. Nevertheless, for the Board, it is the IRR (return) in investment currency that is the relevant metric as this more accurately reflects Norfund's underlying results.

Excluding exchange rate effects, the result for 2024 is 1,104 million NOK, a reduction of 320 million NOK compared to 2023. Result effects for each year come directly from revenues and costs, as well as from value changes in existing

investments and the realization of investments. The negative change in underlying results in 2024 (compared to 2023) is mainly driven by increased write-downs, as well as lower realized gains and losses, somewhat offset by increased income from dividends and interest.



*This illustration shows how Norfund's underlying annual results would look if unrealized value increases on investments were included.*

Interest income from operations has increased from 1,080 million NOK in 2023 to 1,356 million NOK in 2024. Interest income consists of interest income from the loan portfolio and liquidity placements, which include a bond portfolio in foreign currency. The growth in interest income can mainly be explained by an increase in the loan portfolio by 17 percent during the year from 8,147 million NOK to 9,537 million NOK, as well as a weakened Norwegian krone against the US dollar by 11.6 percent compared to 2023. The accounts show realized gains from the portfolio totaling 109 million NOK, of which 45 million NOK are realized positive exchange rate effects. Realized underlying gains excluding exchange rate effects are mainly from Arrend (43 million NOK) and Basecamp (15 million NOK). Furthermore, the company received 578 million NOK in dividends, with the most significant being Agua Imara (179 million NOK), Arise B.V. (140 million NOK), and Klinchenberg (115 million NOK).

Salary costs have increased by 13 percent compared to 2023, to 246 million NOK. Both investment and staff functions were further strengthened throughout the year. This also leads to increases in other cost areas, but overall, within

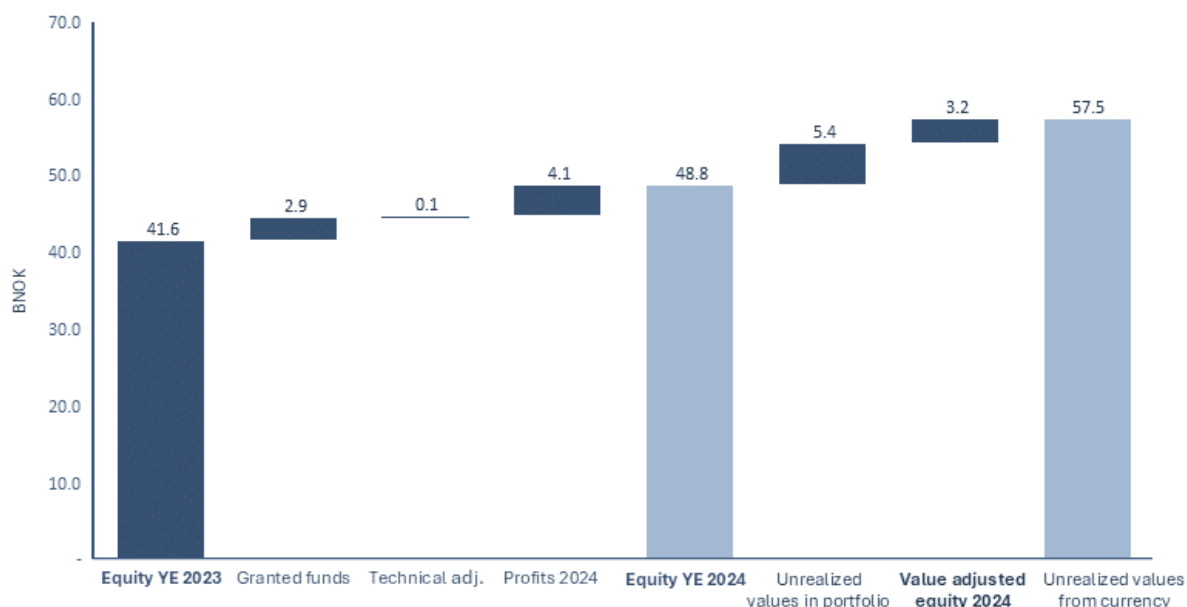
expectations. Operating costs measured as a percentage of committed portfolio remain stable at 1 percent, consistent with the goal that these should be below the average for comparable development finance institutions.

Realised loss and value changes for investments and receivables in 2024 ended at positive 1,929 million NOK compared to positive 167 million NOK in 2023. This consists of realised losses including exchange rate effects of negative 226 million NOK in 2024 and value changes totalling positive 2,155 million NOK.

Value changes consist of write-downs, reversals of write-downs, and exchange rate effects related to investments in loans, shares, and funds, liquidity placements, and receivables in the annual accounts. Total exchange rate effects related to value changes in 2024 were positive 2,609 million NOK compared to positive 514 million NOK in 2023.

Total write-downs for investments and receivables in 2024 excluding exchange rate effects were negative 454 million NOK compared to negative 227 million NOK in 2023. The write-downs are partly due to some companies in the portfolio being burdened by volatile commodity prices and delays in global value chains, among other things as a result of conflicts in the Middle East and the war in Ukraine. The same applies to the situation in Myanmar where conditions continue to be challenging, and some larger value reductions are made here. There is also a risk related to currency in Africa in general and Mozambique in particular through limited access to USD, which poses a challenge when it comes to loan repayments.

Norfund's total balance as of the end of 2024 was 49,119 million NOK. The balance increased by 7,077 million NOK from 31.12.2023, of which earned result added to equity amounted to 4,099 million NOK and the year's capital contribution from the state budget amounted to 2,928 million NOK. Adjusted equity based on estimated market values for Norfund's portfolio was as of 31.12.2024 at 57,460 million NOK.



*This illustration shows Norfund's adjusted equity, where unrealized value increases on our investments are added.*

At the end of 2024, Norfund had outstanding, unpaid commitments totaling 9,606 million NOK. The cash balance was at the same time 6,457 million NOK in addition to liquidity placements of 8,357 million NOK. Of the liquidity holdings, 2,000 million NOK is earmarked for the Climate Investment Fund, which will be invested in the period 2025-26. As a result of a growing capital base, it was decided in 2024 to strengthen liquidity management. This was done through increased staffing and the decision to establish a separate treasury mandate. The board considers liquidity to be good and confirms that the prerequisites for continued operations are in place. In the board's opinion, the annual accounts for 2024 provide a true and fair view of Norfund's financial position.

## Organization, environment, and responsible business tax

### Corporate governance

The general assembly is Norfund's highest authority. Governance is exercised through general meeting decisions, including the establishment and amendment of Norfund's articles of association. In 2024, an extraordinary general meeting was held in connection with the establishment of the Investment Fund for Ukraine and the determination of compensation for the newly established compensation committee. The Ministry of Foreign Affairs receives quarterly reports, and regular contact meetings are held throughout the year.

Norfund's board is elected by the general assembly. Two members are elected by and among the fund's employees. The board consists of nine members. The Risk and Audit Committee (RRU) consists of the committee chair and two members elected from the board's members. In 2024, the board established a Compensation Committee consisting of three members. In 2024, the board had a total of seven board meetings and six meetings in the RRU. Norfund has taken out liability insurance with AIG that covers the board's members and externally appointed board members in portfolio companies.

Norfund has a framework of governance documents that covers everything from the Norfund Act, the articles of association, and overarching frameworks adopted by the board to administration-adopted guidelines for important subject areas and routines and procedures for carrying out and following up on investment activities. The structure and guidelines are regularly updated and adapted to Norfund's operations. The Investment Committee reviews investment proposals and contributes to quality assurance. In 2024, the committee consisted of nine people, three of whom are external. The Credit Committee reviews and approves loans to financial institutions and consists of five members, (including one external member). Both

committees review individual investments between USD 4 million and USD 20 million, and the investments are approved by the managing director. Both committees must also give their recommendation on investments over USD 20 million, but these are approved by the board. Smaller investment decisions are also raised with the board when necessary, for example, if there are elements with particularly high risk or reputational sensitivity. Investments up to USD 4 million are reviewed and approved by the administration.

### **Data, risk management, and internal control**

Taking risks is at the core of Norfund's mandate. What risks Norfund has and how these are managed are described in Norfund's risk appetite statement, adopted by the board. The statement describes two risk categories. The first concerns where and in what Norfund invests (such as markets, instruments, and currency risk). These risks are managed through Norfund's market insight, local presence, and portfolio diversification. The second category is risk related to how the company selects investment partners and how Norfund carries out investments and operates the organization (e.g. partner and corruption risk, environmental and social conditions, and HSE). The risks can be minimised by designing and implementing appropriate systems and regular training, contractual terms, internal control, and compliance.

The Enterprise Risk Management framework is a tool used by management and the board to identify, understand, and manage key operational risks. The administration's proposal for the top ten risk areas is discussed with the risk and audit committee before being presented to the board. Proposals for areas for external internal audit are compared with the risk overview, and the committee gives a recommendation that is reviewed and decided by the board.

Norfund monitors portfolio exposure and country risk exposure. The board has set risk thresholds for exposure to individual countries and groups of countries, which are followed. In 2024, this particularly applied to the climate mandate, which has significant exposure to India

and South Africa.

Norfund has zero tolerance for corruption and financial irregularities and has established systems to prevent, detect, report, and handle misconduct cases. In 2024, 15 "Business Integrity Incidents" were reported, of which 12 incidents concerned allegations of financial misconduct in the portfolio. The cases are followed up in accordance with established procedures. One of the cases was of such a nature that it was reported further to the Ministry of Foreign Affairs.

### **Organization and efficient operations**

Norfund has seen significant growth in recent years in terms of increased investment volume, a growing portfolio, and more employees. The external evaluation of Norfund's investments in renewable energy conducted in 2024 found that Norfund operates very efficiently compared to other European development finance institutions. For 2024, Norfund's operating costs amount to 1 percent of the committed portfolio, in line with the goal that this should be below the average for comparable institutions within development finance. The board regularly evaluates resources and cost levels to ensure a robust organization adapted to Norfund's mandate and risk profile.

Increased complexity as a result of the organisation's growth is a risk. Norfund works systematically with culture to ensure that the organisation develops in a way that allows Norfund's mission to be carried out in the best possible way. The board regularly evaluates resources and cost levels to ensure a robust organization adapted to Norfund's mandate and risk profile.

At the end of 2024, Norfund had 157 employees, of whom 149 are permanent positions, and with 30 nationalities represented. About two-thirds of the company's employees work directly with investments, while one-third are attached to staff functions. In addition to the office in Oslo, Norfund has five regional offices in our markets. Strong regional offices with experienced teams working closely on the company's



markets are crucial for the success of Norfund's investment strategy.

In 2024, recruitment of new permanent positions primarily strengthened the staff areas and the investment area of Renewable Energy. About 30 percent of the new hires in 2024 belong to one of the regional offices in line with the ambition that the organisation's growth should happen in our markets.

The gender balance is good with 51 percent female and 49 percent male employees. Within both the company's top management and the extended management group, the proportion of women is 43 percent. In 2024, 27 new employees started, including 8 on temporary contracts. Measured in permanent positions, Norfund's turnover in 2024 was 4.1 percent.

Norfund had a sick leave rate of 3 percent in 2024, which is the threshold value Norfund internally has set for sick leave. The board does not find it necessary to implement special measures related to the working environment.

Norfund annually maps salary levels with a particular focus on gender-related salary differences according to the principle of equal pay for equal work. The findings indicate that there is no systematic difference in salary between genders, as can be read more about in the activity and reporting obligation. Norfund should be competitive, but not a leader in terms of salary. Guidelines for executive pay, the executive pay report, and the explanation of work on gender equality and work against discrimination (ARP) are available on Norfund's website.

## Responsible business

Corporate social responsibility is a starting point for Norfund's operations both for its own operations and portfolio companies. The cross-cutting considerations in Norwegian development policy - human rights, gender equality, anti-corruption, climate, and the environment - are all included in this work. Norfund is a responsible owner that contributes to companies' value creation. In 2024, the board adopted an updated E&S sustainability policy for our work in the area of environment and social conditions (E&S), climate, and gender equality.

Norfund works systematically with environmental and social conditions through the investment process. IFC's (International Finance Corporation) standards for environmental and social conditions are used in this work and are adapted to investments in developing countries. By using these standards, Norfund meets the expectations of responsible business in the government white paper on ownership policy, [Meld. St. 6 \(2022-2023\)](#). Norfund's work is in line with the state's expectation to carry out due diligence in accordance with recognized methods.

A statement on Norfund's due diligence in accordance with the requirements of the Transparency Act is [available on Norfund's website](#).

Norfund has significantly strengthened its work on climate in 2024 and adopted a strategy for climate transition and the shift to net zero. The ambitions and measures reflect that climate can affect each company's ability to succeed, owners' expectations, and that Norfund is an investor in developing countries with different challenges and opportunities than those found in more developed markets. Norfund aligns all new investments with the Paris Agreement over time, assesses climate risk for all new investments, and reports on climate risk according to the TCFD framework.

Regarding emissions from the portfolio (Scope 3, category 15), Norfund works with portfolio companies to increase competence and reporting ability, thereby improving the quality of emissions data. This will eventually contribute to more companies being able to map and reduce their own emissions and enable reporting on emissions in the portfolio.

Norfund also has emissions from its own operations. Norfund is certified as an

Environmental Lighthouse and uses this framework to improve internal environmental work. Direct greenhouse gas emissions from Norfund's operations were 1140 tonnes in 2024, with the majority originating from air travel.

Good working conditions are a requirement for all businesses in Norfund's portfolio. Norfund monitors health, environment, and safety (HSE) in all investments with a particular focus on training and compliance with HSE routines. Reporting of serious incidents, accidents, and deaths is a requirement in investment agreements. In 2024, Norfund regrettably experienced 8 work-related deaths in companies where Norfund is directly invested. Such incidents are reported to the board and in special cases also further to the Ministry of Foreign Affairs. Norfund follows up on such deaths to ensure they are investigated, safety routines are adjusted if necessary, and that the bereaved receive the compensation they are entitled to.

Norfund has clear guidelines for responsible tax comparable to other European development finance institutions. Overall, the use of third countries is relatively high, partly due to significant investments in regional funds and structures where the use of third countries is considered necessary. With assessments of both structure and domicile against Norfund's tax guidelines, the use of third countries is considered justifiable.

Norfund has a grant scheme financed by the Ministry of Foreign Affairs. The scheme has existed since 2000 but has had significantly reduced funding in recent years. Norfund received 11 million NOK in 2024, down from 32 million NOK in 2021. The purpose of the scheme is to strengthen the development effects of investments. Norfund supports, for example, capacity building and training in climate adaptation and emissions reduction, gender equality measures, and measures to strengthen how companies work with E&S. In 2024, 21 new projects received grants, and 15.8 million NOK went to this portfolio, which consisted of 59 active projects.

In 2024, work continued to strengthen gender equality in individual investments, through tailored programmes for the individual company, as well as through the Female Future programme and The Boardroom Africa, both of which offer leadership development. In collaboration with other development finance

institutions, Norfund has rolled out a training programme to combat gender-based violence and harassment (GBVH). Much of this work depends on funding through the grant scheme, which has limited funds. In addition, Norfund participates in 2X Global, an international collaboration on gender equality.

Norfund has regular dialogue and cooperation with civil society organizations and other partners. In 2024, Norfund had thematic meetings on climate, E&S, and gender equality, in addition to the annual dialogue meeting with all interested parties around the launch of the business report in June. Civil society is also a target group at the annual Norfund conference, which has themes of dilemmas and challenges in Norfund's work.

## Looking ahead

The increased geopolitical tensions have marked the beginning of 2025, and international rules-based cooperation is under a historical pressure. There is great uncertainty about the role the US, which has historically been by far the largest aid actor, will play going forward, while aid budgets in many European countries are being cut in favour of military build-up. For the remaining aid, there is an increasing expectation that it will serve national self-interests as much as it will help fight poverty and climate change. Going forward, there will be increased pressure to clearly document the effect and results of aid, as well as to use scarce aid funds in a way that triggers other, particularly private financing sources.

In a world where the law of the strongest prevails, we can assume that weaker actors are at risk of losing. Norfund expects that our markets and investments will feel the geopolitical backdrop in 2025 in new ways. Most estimates indicate that increasing tensions and trade wars will negatively impact Norfund's markets. The [IMF](#) estimates global economic growth of 3.3 percent in 2025, just up from the estimated growth in 2024. Projections for emerging economies are about one percentage point higher, but with significant differences between

countries and regions. Asia has the most positive outlook, driven by strong expected growth in large economies (6.5 percent growth in India). In Latin America and the Caribbean, the outlook is much worse, with an estimated growth of 2.2 percent. Growth in Sub-Saharan Africa is estimated at 4.2 percent, which is also the estimated average for emerging economies. However, it is worth noting that the two largest economies in Sub-Saharan Africa, Nigeria and South Africa, are both expected to grow much slower.

The financing gap to achieve the sustainable development goals continues to grow, and the [OECD](#) estimates the gap to be USD 6400 billion by 2030 if the world continues on its current course. In July, world leaders will meet for a new "Financing for Development" conference in Seville, Spain, to discuss how to bridge the gap. Private sector investments must play a key role if we are to succeed, both because aid and public financial flows are far from enough to cover the investment needs, but also to contribute to solutions and tax revenues that can help bridge the gap.

2025 is the year the UN's climate panel has estimated that greenhouse gas emissions must peak if the world is to keep the global temperature increase within the targets of the Paris Agreement of 1.5-2°C. There are significant investment needs if we are to succeed in reducing emissions and transitioning in line with the targets, and we will be dependent on mobilising private actors to reach the climate financing goal from COP29 of USD 300 billion.

Common to the financing gap for the Sustainable Development Goals and the climate financing goal are the high expectations for mobilising private capital. To succeed with the ambitions, it is necessary to scale up measures with documented effect, such as private sector investments. Such investments are still less than 2 percent of total aid from OECD countries. Norfund's most important contribution will be to continue to be a responsible, long-term investor and take risks where others cannot or will not.

A challenging global landscape creates difficulties for Norfund but also shows the need for a patient and counter-cyclical investor like us. When capital flows out of developing countries, Norfund's role becomes even more important. High unemployment in many markets requires viable, profitable businesses that can create jobs and a healthy financial sector that can finance these. And these jobs must be created within the limits of what nature and climate can tolerate.

In 2025, Norfund has an ambition to commit NOK 10 billion and have a total portfolio of approximately NOK 50.4 billion by the end of the year. Norfund can invest far more than the NOK 2.9 billion that has been allocated to Norfund over the aid budget, as profitable investments allow the capital to be recycled. However, it is expected that this capacity will be reduced going forward as the funds from the sale of SN Power are fully invested, and continued capital inflow becomes even more important.

Norfund cannot succeed alone. Therefore, cooperation with partners – portfolio companies, co-investors, owners, and other stakeholders – is crucial. The board is grateful for the trust Norfund received in 2024 and will do its best to deliver also in 2025.

The board considers Norfund well-equipped to deliver on the strategy and goals that have been set and thanks the management and employees for important work in a challenging year. Diversity and strong presence in our regions contribute to us being well-prepared for the future. Norfund will continue to be an important player in order to succeed with ambitious policies for development and climate, and to contribute to create jobs and improve living conditions, and supporting the transition to net-zero emissions in developing countries.

**Oslo, 26 March 2025**

Olaug Johanne Svarva

Jan Tellef Thorleifsson

Martin Skancke

Jarle Kjell Roth

Pablo Alberto Barrera Lopez

Åslaug Marie Haga

Anne Jorun Aas

Brit Kristin Sæbø Rugland

Karoline Teien Blystad

Vegard Benterud

*Board Chair*

*CEO*

*Board member*

*Board member*

*Board member*

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# Norfund

## Annual Report 2024

***Disclaimer***

*Norfund submits its official Annual Report in Norwegian.  
This document is an English translation only - not an official and signed document.*



## Income statement

<i>Amounts in thousands NOK</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
Interest income	2,8,9	1,355,503	1,080,424
Dividends received	2	578,105	370,154
Realized gains	2,3,8	108,784	467,731
Other operating income	2	43,916	37,120
<b>Total operating income</b>		<b>2,086,308</b>	<b>1,955,429</b>
<b>Operating expenses</b>			
Value changes investments and receivables	2,4,8	2,155,084	287,840
Realized losses	2,3,4	-226,131	-121,313
<b>Total realized losses and value change</b>		<b>1,928,954</b>	<b>166,527</b>
Payroll expenses	2,5	-246,094	-218,575
Depreciation fixed assets	2,6	-5,247	-2,745
Other operating expenses	2,7,8	-178,190	-152,742
<b>Total operating expenses</b>		<b>-429,531</b>	<b>-374,063</b>
<b>Operating results</b>		<b>3,585,731</b>	<b>1,747,892</b>
Other interest income		335,121	245,830
Other financial income		255,413	75,833
Other financial expenses		-76,818	-173,195
<b>Net financial items</b>	<b>2,8</b>	<b>513,716</b>	<b>148,468</b>
<b>Profit before tax</b>		<b>4,099,447</b>	<b>1,896,360</b>
Taxes	2,9	-712	-474
<b>Profit for the year</b>		<b>4,098,735</b>	<b>1,895,886</b>
<b>Allocations</b>			
Transferred to/from surplus fund	10	4,088,817	1,895,886
Transferred to/from reserve capital	10	9,918	0
<b>Total allocations</b>		<b>4,098,735</b>	<b>1,895,886</b>

## Balance sheet

Amounts in thousands NOK	Note	2024	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Equipment and vehicles, fittings and fixtures, etc.	6	15,470	16,623
<b>Total fixed assets</b>		<b>15,470</b>	<b>16,623</b>
<b>Financial fixed assets</b>			
Pension plan assets	5	28,431	26,620
<b>Total financial fixed assets</b>		<b>28,431</b>	<b>26,620</b>
<b>Total non-current assets</b>		<b>43,900</b>	<b>43,243</b>
<b>Current assets</b>			
<b>Receivables</b>			
Other receivables	11	2,736,212	2,362,800
<b>Total receivables</b>		<b>2,736,212</b>	<b>2,362,800</b>
<b>Investments</b>			
Loans to investment projects	2,12	9,537,386	8,146,847
Investments in equities and funds	2,12	21,987,220	18,428,121
Liquidity placements	13	8,356,880	8,081,447
<b>Total investments</b>		<b>39,881,486</b>	<b>34,656,415</b>
<b>Bank deposits, cash and cash equivalents</b>			
Bank deposits, cash and cash equivalents	14	6,457,254	4,979,289
<b>Total bank deposits</b>		<b>6,457,254</b>	<b>4,979,289</b>
<b>Total current assets</b>		<b>49,074,952</b>	<b>41,998,504</b>
<b>Total assets</b>		<b>49,118,852</b>	<b>42,041,747</b>

## Balance sheet

Amounts in thousands NOK	Note	2024	2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Called and fully paid capital</b>			
Primary capital		21,908,581	19,793,717
Reserve capital		7,801,445	6,840,790
<b>Total called and fully paid capital</b>	10	<b>29,710,026</b>	<b>26,634,507</b>
<b>Retained earnings</b>			
Surplus fund	10	19,116,097	15,014,835
<b>Total retained earnings</b>		<b>19,116,097</b>	<b>15,014,835</b>
<b>Total equity</b>		<b>48,826,124</b>	<b>41,649,341</b>
<b>Liabilities</b>			
<b>Provision for obligations</b>			
Pension obligations	5	47,541	58,935
<b>Total provision for liabilities</b>		<b>47,541</b>	<b>58,935</b>
<b>Current liabilities</b>			
Accounts payable		17,296	15,269
Taxes	9	420	298
Unpaid government charges and special taxes		17,869	18,156
Grants from the Ministry of Foreign Affairs	15	47,197	175,505
Other current liabilities	16	162,405	124,243
<b>Total current liabilities</b>		<b>245,187</b>	<b>333,471</b>
<b>Total liabilities</b>		<b>292,728</b>	<b>392,406</b>
<b>Total equity and liabilities</b>		<b>49,118,852</b>	<b>42,041,747</b>

Oslo, 26.mars 2025

### Disclaimer

Norfund submits its official Annual Report in Norwegian.  
This document is an English translation only - not an official and signed document.

## Cash flow statement

(Figures in 1000s of NOK)

Cash flows from operations	Note	2024	2023
Profit before tax		4,099,447	1,896,360
Taxes paid		-589	-177
Ordinary depreciation	2,6	5,247	2,745
Gain/loss (-) on sales		125,964	-467,210
Reversal of write-downs (-) / write-down investment projects		585,494	460,316
Differences in expensed pensions and receipts/disbursements, pension plan		-758	2,429
Effect of exchange rate changes		-2,239,847	-305,924
Disbursements for purchase of fixed assets	2,6	-4,520	-14,218
Change in other accruals		-417,955	-107,304
Net disbursements of grant capital	15	-15,782	-22,650
Net cash flow from operations		2,136,700	1,444,367
<b>Cash flows from investment activities</b>			
Proceeds of sales/reflows from shares/holdings		459,105	812,790
Disbursements – acquisition of shares/interests in other enterprises		-3,628,407	-4,088,352
Disbursements – investment loans		-2,906,955	-3,360,092
Receipts - repayment of principal, investment loans		1,912,632	1,607,258
Changes liquidity placements	13	566,738	356,052
Net cash flow from investments		-3,596,887	-4,672,343
<b>Cash flows from financing activities</b>			
Receipts - grant resources carried as current liabilities	15	10,000	29,500
Increase in/repayment of equity	10	2,928,152	2,678,152
Net cash flow from financing activities		2,938,152	2,707,652
Net change in cash and cash equivalents		1,477,965	-520,324
Bank deposits, cash and cash equivalents at 01.01		4,979,289	5,499,614
Bank deposits, cash and cash equivalents at 31.12	14	6,457,254	4,979,289
Liquidity placements 31.12	13	8,356,880	8,081,447
Total liquidity (bank and liquidity placements) 31.12		14,814,134	13,060,735

### Accounting principles

The cash flow statement is compiled using the indirect method. Cash and cash equivalents consist of cash and bank deposits. In addition Norfund has other liquidity placements which consist of fixed term deposits (1 to 6 months), loans to banks of surplus liquidity and a bond portfolio.

## General information

Norfund is the Norwegian Investment Fund for Developing Countries. Its head office is located at Klingenberggata 4 in Oslo.

Norfund's purpose is to create jobs, improve living conditions and support the transition to net zero climate gas emissions by investing in enterprises that promote sustainable development. Norfund's overarching mandate is defined in the Norfund Act of 1997. The Act stipulates that Norfund's purpose is to contribute equity and other risk capital, extend loans and provide guarantees for the development of sustainable business and industry in developing countries. The aim is to establish viable, profitable activities that would not otherwise be initiated because of the high risk involved.

Norfund may also perform other management tasks assigned to it by the Norwegian Ministry of Foreign Affairs (the Foreign Office – FO); see Section 1 fourth paragraph of the Norfund Act. Norfund is allocated resources for its activities through grants from the state. Resources are additionally allocated through surplus capital. Norfund is to invest in its own name in appropriate financial instruments such as equity, loans, guarantees etc.

As of 2024, Norfund has two additional mandates:

With effect from 2022, Norfund manages the Climate Investment Fund for Renewable Energy in Developing Countries (the CIF) on behalf of the Foreign Office, pursuant to instructions for management. Norfund's object is to contribute to reducing or avoiding greenhouse gas emissions by investing in renewable energy in developing countries. Independent accounts are also prepared for the CIF.

On behalf of the Foreign Office, Norfund also manages the Investment Fund for Ukraine (since 2024). The object of this fund is to contribute to the development of sustainable business and industry and job creation in Ukraine.

Norfund additionally enhances development effects through the Frontier Facility (FF) scheme. The scheme was established in 2019 through an agreement with the Foreign Office on project development and risk capital. The scheme is intended to enable Norfund to make risk capital available to the most demanding markets, particularly in vulnerable states and the least developed countries (LDCs), where access to early phase risk capital is limited.

Balance sheet and profit and loss items associated with the CIF and FF are presented separately in the notes where relevant. Transactions concerning the CIF and FF are largely subject to the same accounting principles as Norfund generally. The Foreign Office has earmarked reserve capital that is to be used for the FF. Interest, fees, return and unused resources that revert to Norfund are to be used to top up the scheme. Profit and loss items associated with the scheme are recorded directly against Norfund's reserve capital and are not shown as part of the surplus fund.

## Note 1 – Accounting policies

This note describes accounting principles, fundamental estimates and discretionary assessments that apply to the financial statements as a whole. Other accounting principles, fundamental estimates and discretionary assessments are described in the respective tables and notes.

### **1. Basis for preparation**

In accordance with Section 25 of the Norfund Act, Norfund's financial statements are presented in compliance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles.

The investment portfolio is valued at the lower of cost of acquisition and fair value on balance sheet date. This is because the purpose with the investments is to dispose of all or part of each investment, normally after 3–10 years. Norfund has investments that are acquired solely for temporary ownership and held pending sale. For this reason, and pursuant to the first sentence, first paragraph, of Section 3-8 of the Accounting Act, consolidated accounts are not prepared. The provision states that subsidiaries acquired for temporary ownership and held pending sale shall be omitted from consolidation.

The income statement is presented in the manner that provides the most relevant information concerning financial earnings.

The financial statements are prepared with the closing of accounts as of 31 December. They are presented in Norwegian kroner and unless stated otherwise, rounded to the nearest thousand. Rounding differences may occur.

### **2. Changes in accounting principles, including new and amended standards and interpretations during the period**

The accounting principles employed are consistent with those employed in the previous financial year. No new or amended standards or interpretations that took effect for the financial year beginning 1 January 2024 have materially affected the financial statements.

Adopted standards, changes in existing standards and interpretations issued and taking effect from 2024 or later are expected to be immaterial or not relevant for financial reporting at the time of implementation.

### **3. Financial assets and liabilities - Recognition and exclusion - General**

Financial assets and liabilities are recognized on the balance sheet when Norfund becomes a party to the contractual terms of the instrument. Financial assets are excluded when the contractual rights to the cash flows expire, or when the financial assets and the majority of risk factors and of advantages associated with ownership of the assets are transferred. See notes 12 and 13 for investments in loans, equities, funds and liquidity placements.

Financial assets are excluded when they are terminated, i.e. when the obligations specified in the contracts have been fulfilled, cancelled or expired. Acquisition or disposal of a financial asset pursuant to a contract with settlement in line with normal market conditions is recorded at the time of making the agreement.

#### **4. Financial assets and liabilities - Classification and measurement - General**

Financial assets are classified on the basis of the business model underlying the management of the assets, and on the characteristics of the contractual cash flows.

Norfund's investment portfolio is managed in accordance with the investment mandate laid down by the Foreign Office and investment strategies laid down by Norfund's executive management. These mandates and strategies, including risk management strategies, mean that all financial assets are managed and followed up on the basis of fair value.

Norfund's financial assets, in the form of equity investments and bonds, are measured as the lower of historical cost or fair value, in accordance with the provisions of the Norwegian Accounting Act. Other financial assets, in the form of loans, are carried at amortized cost. Amortized cost involves carrying balance sheet items according to originally agreed cash flows, adjusted for write-downs. Amortized cost will not always yield values that are consistent with the market's evaluation of the same financial instruments. This may be due to different perceptions of market conditions, risk factors and return requirements.

#### **5. Investment companies**

Investments through subsidiaries or associated companies are established exclusively as part of the management of Norfund's mandates. A company is controlled when Norfund is exposed to, or has rights to, variable return on its loan to the company, and has the possibility of influencing this return through its power over the company.

Subsidiaries that are acquired solely for temporary ownership and held pending sale are omitted from consolidation; see the first sentence, first paragraph, of section 3-8 of the Accounting Act.

A discretionary assessment has been conducted of whether Norfund is to be regarded as an investment company in an accounting sense. This is not intended as an evaluation of Norfund's legal position. The conclusion of an overall assessment is that Norfund fulfils the criteria in the definition. The assessment is based on the following factors:

- a) Norfund receives funds from the Norwegian state, which is a related party and its sole owner, and delivers professional investment services in the form of management to the Norwegian state,
- b) Norfund is obligated by the Norwegian state to invest solely for the development of sustainable commercial activities in developing countries,
- c) Norfund measures and evaluates return on portfolio investment on the basis of fair value (although the lower value principle forms the basis for accounting treatment,
- d) Norfund does not have an explicit strategy that stipulates a specific date for exiting the individual investment, but investments are assessed continuously and acquisition and disposal evaluations carried out.

##### **5.1 Equity investments in subsidiaries and other companies are treated as current assets.**

Norfund treats its equity investments in other companies as current assets. In other words, the equity method is not used, even though Norfund's holdings provide it with considerable influence. This is because the purpose with the investments is to dispose of all or part of each investment, normally after 3–10 years. According to generally accepted accounting practice, such investments are temporary by their very nature and should therefore be included under current assets.

## **6. Related parties**

Norfund is a separate legal entity which is wholly owned by the Norwegian state through the Foreign Office. See general information. All transactions take place on market terms.

For information on transactions with governing bodies and senior executives, see Note 5 Personnel and pension costs.

Norfund's related parties also include companies in which Norfund has direct investments. Norfund has some transactions of an administrative nature with the following companies of this type: Norfinance AS, KNI India AS and KLP Norfund Investments AS. All transactions are according to separate agreements and pricing is based on the arm's length principle.

## **7. Estimates and uncertainty**

Determining estimates and probabilities entails using judgement based on experience and best estimate of future developments. Given Norfund's investment strategy and geographical investment areas, there is a high degree of uncertainty associated with expectations regarding future developments. Specific areas that include extensive estimation and judgement are valuation of equity investments and loans, write-down on equity investments and provision for losses on loans to investment projects.



## Note 2 - Investment area information

Norfund's operations fall into five investment areas: Funds, Financial Inclusion, Renewable Energy, Green Infrastructure and Agribusiness and Manufacturing. The Climate Investment Fund is additionally presented in a separate column. The table below provides an overview of the results in each area. The costs of shared functions have largely been allocated according to the number of employees, and are recorded as part of other operating expenses.

(Figures in 1000s of NOK)	Norfund total	Development mandate						Climate Investment Fund
		Funds	Financial Inclusion	Renewable Energy	Green Infrastructure	Agribusiness & Manufacturing	Administration etc.***	
<b>Operating income</b>								
Interest income	1,355,503	430	532,986	179,131	1,153	120,654	465,664	55,484
Dividends received	578,105	7,373	261,588	293,517	0	7,264	0	8,363
Realized gains	108,784	24,229	58,314	4,004	66	21,849	323	0
Other operating income	43,916	19	20,671	10,598	520	2,140	7,880	2,087
<b>Total operating income</b>	<b>2,086,308</b>	<b>32,051</b>	<b>873,559</b>	<b>487,250</b>	<b>1,740</b>	<b>151,907</b>	<b>473,867</b>	<b>65,935</b>
<b>Operating expenses</b>								
Value changes investments and receivables	2,155,084	-64,624	467,704	150,786	-6,670	236,559	1,337,150	34,179
Realized losses	-226,131	-6,814	-13,367	-15,582	0	-185,873	-4,495	0
<b>Total realized losses and value change</b>	<b>1,928,954</b>	<b>-71,438</b>	<b>454,337</b>	<b>135,204</b>	<b>-6,670</b>	<b>50,686</b>	<b>1,332,655</b>	<b>34,179</b>
Payroll expenses	-246,094	-10,513	-40,010	-52,652	-7,326	-38,358	-97,136	-100
Depreciation fixed assets	-5,247	0	0	0	0	0	-5,247	0
Other operating expenses*	-178,190	-4,962	-19,439	-36,296	-3,327	-18,854	-51,751	-43,561
<b>Total other operating expenses</b>	<b>-429,531</b>	<b>-15,476</b>	<b>-59,449</b>	<b>-88,948</b>	<b>-10,652</b>	<b>-57,211</b>	<b>-154,134</b>	<b>-43,661</b>
<b>Operating results</b>	<b>3,585,731</b>	<b>-54,863</b>	<b>1,268,447</b>	<b>533,506</b>	<b>-15,582</b>	<b>145,382</b>	<b>1,652,388</b>	<b>56,454</b>
Net financial items**	513,716	-60	11,958	207	0	-22,820	524,554	-124
<b>Profit before tax</b>	<b>4,099,447</b>	<b>-54,923</b>	<b>1,280,405</b>	<b>533,713</b>	<b>-15,582</b>	<b>122,562</b>	<b>2,176,942</b>	<b>56,329</b>
Taxes	-712	0	0	0	0	-113	-599	0
<b>Profit for the year</b>	<b>4,098,735</b>	<b>-54,923</b>	<b>1,280,405</b>	<b>533,713</b>	<b>-15,582</b>	<b>122,449</b>	<b>2,176,344</b>	<b>56,329</b>

\* Indirect costs have been allocated in proportion to the Climate Investment Fund's share of Norfund's total investments.

\*\*Financial items include exchange rate effects on bank deposits and current liabilities in forex.

\*\*\* The column Administration etc. also includes the liquidity portfolio, as administration is not attributed to a particular investment area.

<b>Exchange rate effects (in 1000s of NOK)</b>	<b>Norfund total</b>
Realized gains	44,622
Realized losses	165,140
Value changes overall investments	2,366,747
Valuation differences "Other receivables"	242,609
Net financial items	175,917
<b>Total currency effects</b>	<b>2,995,035</b>
<b>Profit for the year excluding currency effects</b>	<b>1,103,700</b>

### Balance sheet (investments and loans) net carrying values\*

(in 1000s of NOK)	Norfund total	Development mandate					Climate Investment Fund
		Funds	Financial Inclusion	Renewable Energy	Green Infrastructure	Agribusiness & Manufacturing	
Investments	33,632,592	4,392,234	11,696,563	10,050,267	107,998	3,870,261	3,515,269
Accumulated loan loss provision	-2,107,986	-738,611	-603,192	-417,209	-10,710	-329,607	-8,656
<b>Total investments per area</b>	<b>31,524,606</b>	<b>3,653,623</b>	<b>11,093,370</b>	<b>9,633,057</b>	<b>97,288</b>	<b>3,540,654</b>	<b>3,506,613</b>

\* Excludes liquidity placements

### Investment area information by geographical region:

(in 1000s of NOK)	Africa	Asia	America	Unspecified	Total
Loans to investments	3,922,956	1,179,263	3,375,597	281,386	8,759,202
Equity investments	12,183,761	2,564,335	1,264,461	3,246,233	19,258,790
Loans to investment in the Climate Investment Fund	411,067	367,116	0	0	778,184
Equity investment in the Climate Investment Fund	369,057	2,145,430	0	213,942	2,728,430
<b>Total balance sheet</b>	<b>16,886,842</b>	<b>6,256,145</b>	<b>4,640,058</b>	<b>3,741,561</b>	<b>31,524,606</b>
Interest income	505,142	105,674	346,640	398,047	1,355,503
Dividends received	329,168	11,296	58999.73643	178,641	578,105
Realized gains	40,222	5,942	59,123	3,497	108,784
Other operating income	17,483	6,977	12,130	7,325	43,916
<b>Total operating income</b>	<b>892,016</b>	<b>129,889</b>	<b>476,893</b>	<b>587,510</b>	<b>2,086,308</b>
Value changes investments and receivables	527,053	111,320	324,665	1,192,046	2,155,084
Realized losses	-196,021	-6,917	-18,991	-4,202	-226,131

### Note 3 - Exited investments

In 2024 Norfund exited from three funds and seven equity investments. These yielded the following internal rate of return (IRR\*):

IRR (NOK) during Norfund's time as owner:	%	Cost price NOK million	Comment
ARREND Central America	20.3%	23	Only partly exited in 2024, IRR calculated on the basis of total investment
Cambodia-Laos Development Fund	4.9%	7	
Basecamp Explorer	4.8%	36	
Scatec ASYV	-0.1%	4	
Agrivision	-7.0%	162	
AfriCap Microfinance Investment Co	-8.8%	9	
Lake Harvest Group	-13.3%	162	
Sunshine	-14.9%	15	
Kandeo Fund	-73.8%	4	
African Century Nampula	-83.4%	5	

\* IRR represents the annual return that yields net present value of cash flows from investments equal to zero. Cash flows consist of investments, repayments, allocations and fees on exiting.

### Note 4 - Realized losses and value changes

Value changes include the effect on earnings of updated valuations (write-down and reversal of previous write-downs) and currency effects associated with Norfund investments and receivables. Norfund's profit has been substantially affected by currency effects due to a weaker Norwegian krone against Norfund's primary currency, USD. In the table below, all currency effects associated with the various investments and other receivables are presented. Other receivables are mainly associated with vendor credit (see Note 11).

Value changes (in 1000s of NOK)	2024	2023
Total change in value investments	1,915,244	226,431
Total change in value other receivables	239,841	61,410
<b>Total value changes</b>	<b>2,155,084</b>	<b>287,840</b>
Value change investments excl. forex	-451,503	-225,373
Value change other receivables excl. forex	-2,768	-1,199
<b>Total change in value excl. forex</b>	<b>-454,271</b>	<b>-226,572</b>
Currency effects investments	2,366,747	451,803
Currency effects "Other receivables"	242,609	62,609
<b>Total change in value due to currency effects</b>	<b>2,609,356</b>	<b>514,412</b>
<b>Realized losses (in 1000s of NOK)</b>	<b>2024</b>	<b>2023</b>
Realized loss on investments excl. forex	-391,271	-121,101
Realized currency effects	165,140	-213
<b>Total realized loss incl. forex</b>	<b>-226,131</b>	<b>-121,313</b>
<b>Total value changes and realized losses</b>	<b>1,928,954</b>	<b>166,527</b>

### Note 5 - Personnel and pension costs

#### Statement on the setting of salaries and other remuneration for senior employees

In setting salaries and other remuneration for senior employees, Norfund complies with "Government guidelines for executive salaries in companies in which the state has an ownership interest", laid down by the Norwegian Ministry of Trade, Industry and Fisheries on 12 December 2022. These form the basis for the preparation of the Board of Directors' statement for 2024.

#### Guidelines for Norfund on the setting of salaries and other remuneration in 2024

The following guidelines apply to the setting of salaries for senior Norfund employees up to the ordinary General Meeting in 2025:

The remuneration system is designed to attract and retain competent personnel. In setting salaries, emphasis is placed on the individual's contribution to fulfilling Norfund's mandate.

Norfund wishes to promote moderation in executive salaries. The aim in setting salaries is that senior Norfund employees should have pay conditions that are competitive, but not at the top end of the scale, to ensure that Norfund secures and retains sufficient expertise.

Norfund considers that other government funds such as the National Insurance Scheme Fund, EksFin (Export Finance Norway) and Investinor form relevant benchmarks.

#### Setting of salaries

The Board sets the salary of the managing director. The managing director sets the salaries of the corporate heads of department who report to him, after executive salary conditions have been endorsed by the Board. This group consists of senior employees. Norfund's pay conditions for senior employees consist of fixed salary, pension and insurance schemes and other benefits that cover newspapers, electronic communications etc. The fixed salary is subject to regulation in line with pay developments in the financial sector, represented by reference figures from Finance Norway, the results of the main settlement and for the companies Norfund has defined as its peers, and an assessment of the individual's performance and goal achievement. The managing director sets annual goals for the individual member of the management team and the Board sets goals for the managing director.

Senior employees have three months notice of termination. The CEO has an agreement for pay after termination of employment equivalent to 6 months' salary. This arrangement is in line with the guidelines for salary and other remuneration.

#### Pension and insurance conditions

Norfund has both a defined contribution plan and a defined benefit plan. In 2018 Norfund closed its defined benefit pension scheme to new employees, and the transition to the new scheme was voluntary for existing employees. Employees who have been taken on since then are only offered the defined contribution plan.

Norfund has both funded and unfunded pensions and payment obligations in the defined benefit pension plan. All essential funded and unfunded plans are included in the company's actuarial settlement. As at 31.12.2024 the defined benefit scheme has a total of 25 active members. The defined benefit scheme entitles the individual to defined future benefits and depends primarily on the number of years of service, pay level on reaching retirement age and the size of National Insurance benefits. Agreements entered into prior to 2018 exceed the current guidelines for senior executive salaries, as the previous scheme entailed a full service period of 30 years and pension payments of 70% of salaries up to 12 G. The pension scheme satisfies the requirements of the Act on Mandatory Occupational Pensions. In the unfunded scheme, rights are earned in excess of 12 G. This scheme was closed to new members in 2012. The scheme, which is funded from operations, consists of 66% of pay in excess of 12G with a retirement age of 67 and a full service period of 30 years in the calculation base. If the service period is calculated as being less than 30 years, the pension is reduced proportionately. On termination of employment or on reaching retirement age, employees receive a settlement for the value of the amount saved. As at 31.12.2024, the unfunded scheme has 3 active members.

In the defined contribution scheme, 7% of salary is set aside from pay from 0–7.0 G, and 20% from salaries of 7.1–12 G. The costs of both schemes are included in the calculation of pension expenses. As at 31.12.2024, 86 employees are covered by the defined contribution plan.

Senior Norfund employees are covered by insurance schemes that apply to all Norfund employees.

#### Wages, salaries and other payroll expenses

(in 1000s of NOK)	2024	2023
Wages and salaries	170,975	150,561
Employer's social security contribution	30,977	27,965
Pension expenses	24,357	23,008
Other benefits	19,785	17,042
<b>Total wages, salaries and other payroll expenses</b>	<b>246,094</b>	<b>218,575</b>

				Insurance and other payments		
Remuneration for the management team 2024	Title	Salary	Bonuses*	in kind	Pension	Total
Jan Tellef Thorleifsson	CEO	3,299,051	0	22,945	239,428	<b>3,561,425</b>
Ylva Lindberg	EVP Strategy & Analysis	2,149,706	0	31,511	245,502	<b>2,426,719</b>
Fride Andrea Hærem	EVP CFO	2,148,375	0	27,243	248,468	<b>2,424,086</b>
Thomas Fjeld Heltne	EVP Legal Department	2,147,534	0	26,629	236,106	<b>2,410,269</b>
Erik Sandersen	EVP Financial Institutions	2,360,432	0	33,383	538,973	<b>2,932,788</b>
Mark Davis	EVP Renewable Energy	2,458,796	0	33,383	1,263,324	<b>3,755,503</b>
Ellen C. Rasmussen	Scalable Enterprises	2,360,291	0	22,945	247,868	<b>2,631,104</b>

				Insurance and other payments		
Remuneration for the management team 2023	Title	Salary	Bonuses*	in kind	Pension	Total
Jan Tellef Thorleifsson	CEO	3,191,303	0	20,067	225,387	<b>3,436,757</b>
Ylva Lindberg	EVP Strategy & Analysis	2,019,038	0	87,867	230,055	<b>2,336,959</b>
Fride Andrea Hærem	EVP CFO	2,019,038	0	29,411	234,095	<b>2,282,544</b>
Thomas Fjeld Heltne	EVP Legal Department	2,019,038	0	22,403	221,709	<b>2,263,149</b>
Erik Sandersen	EVP Financial Institutions	2,122,312	0	63,450	517,607	<b>2,703,369</b>
Mark Davis	EVP Renewable Energy	2,309,012	0	46,347	1,317,000	<b>3,672,359</b>
Ellen C. Rasmussen	Scalable Enterprises	2,122,302	0	39,923	233,716	<b>2,395,940</b>

A separate Executive Pay Statement has been prepared which contains more details on pay for senior employees.

#### Remuneration to Norfund's Board of Directors

Norfund's Board of Directors consisted in 2024 of the Chair and eight Board members, two of whom were elected by the employees.

In 2024 the General Meeting set remuneration for the Chair at NOK 324 000 (NOK 308 000 in 2023), while remuneration for the Board members was fixed at NOK 162 000. Representatives elected by the employees do not receive compensation. In 2024 the General Meeting set remuneration for the chair of the Risk and Audit Committee at NOK 88 000 and for the members of the committee at NOK 76 000.

#### Bonuses

The company has no share or option schemes for its employees, and there are no plans for such schemes. Senior executives do not have a right to a bonus.

Of the other employees, 106 of a total of 138 employees with a right to a bonus received a bonus for 2024. The highest total bonus award in 2024 was NOK 100 000.

The bonus scheme accounted for 2.6% of Norfund's payroll expenses, a total of NOK 4 416 000. Bonuses are awarded to employees who have presented outstanding performances and behaviour, either individually or as a team.

#### Number of permanent employees

The company has 157 employees at the end of 2024 (144 in 2023), of whom 149 in permanent positions (134 in 2023). The number of full-time equivalents at year-end was 150 (139).

#### Pensions at regional offices

In addition to the pension plans for employees in Norway described above, local employees at Norfund's regional offices in South Africa, Ghana, Thailand, Kenya and Costa Rica have defined contribution pension plans.

Norfund therefore has no obligations other than what has been paid through the year. In 2024, NOK 5 796 000 (NOK 2 322 000 in 2023) was expensed in connection with these schemes.

#### Financial assumptions defined benefit pension

	2024	2023
Discount rate	3.90%	3.10%
Expected return on plan assets	3.90%	3.10%
Salary adjustment	4.00%	3.50%
Pension adjustment	3.75%	3.25%
Adjustment of the basic amount (G) in the National Insurance System	3.75%	3.25%
Turnover	9.00%	9.00%
Employer's social security contribution	19.10%	19.10%

#### Calculated net pension expenses

(in 1000s of NOK)	2024	2023
Net present value of pensions earned in the period	10,037	9,997
Capital cost of previously earned pensions	5,272	4,678
Expected return on plan assets	-3,828	-3,371
Administrative costs	93	92
Accrued employer's social security contribution <sup>1</sup>	2,211	2,177
<b>Net pension expenses for the year incl. employer's contribution</b>	<b>13,784</b>	<b>13,573</b>

<sup>1</sup> Employer's social security contribution is calculated on the amount paid in.

<b>Estimated pension obligations</b> (in 1000s of NOK)	<b>Funded</b>	<b>Unfunded</b>	<b>2024</b>
Estimated pension obligations	138,962	21,715	160,677
Estimated plan assets <sup>1</sup>	120,760	0	120,760
Net pension obligations 31.12.	18,202	21,715	39,917
Accrued employer's social security contribution <sup>2</sup>	3,477	4,148	7,624
<b>Net pension obligations 31.12.</b>	<b>21,679</b>	<b>25,863</b>	<b>47,541</b>

<sup>1</sup> Estimated plan assets consist of paid premiums invested in Nordea Life & Pension.

<sup>2</sup> Accrued employer's social security contribution is based on net pension liability.

<b>Reconciliation Opening balance – Closing balance</b> (in 1000s of NOK)	<b>2024</b>	<b>2023</b>
Carrying amount net pension obligations 01.01 incl. employer's social security contribution	58,935	59,951
Net pension expenses for the year incl. employers social security contribution	13,784	13,573
Actuarial gain/loss charged directly to equity	-12,452	2,419
Pensions paid, early retirement / unfunded, incl. employer's social security contribution	-2,701	-1,492
Payments into the pension plan etc., incl. employer's social security contribution	-10,025	-15,517
<b>Carrying value net pension obligations 31.12 incl. employer's social security contribution</b>	<b>47,541</b>	<b>58,935</b>

#### Investment of plan assets

<b>Nordea Life's asset mix*</b>	<b>30/09/24</b>	<b>30/09/23</b>
Property	11.2 %	12.5 %
Equities	11.9 %	11.5 %
Bonds at amortized cost	72.8 %	72.3 %
Short-term bonds/certificates	4.0 %	3.6 %
Other	0.1 %	0.1 %
<b>Total financial assets</b>	<b>100.0%</b>	<b>100.0%</b>

\* Known values as at calculation date

Norfund has made payments into a separate fund intended to meet future obligations related to the unfunded scheme, the carrying value of which was NOK 28.4 million at 31.12.2024.

#### Accounting principles

"Pay" covers all types of remuneration to own employees and is expensed as it is earned. Ordinary pay may be both fixed pay and hourly pay and is recorded as and when it is earned or disbursed. Holiday pay is earned on the basis of ordinary pay and is normally disbursed in the holiday months the following year. Bonuses are paid on the basis of criteria for the current year as explained above. Employer's social security contribution is calculated and expensed for all pay-related expenses and is normally paid in arrears every second month. Norfund also pays current social taxes as they are incurred for employees at regional offices.

Pension obligations are calculated on a straight-line earnings basis, taking into account assumptions regarding years of service, discount rate, future return on plan assets, future changes in pay, pensions and National Insurance benefits, and actuarial assumptions regarding mortality, voluntary retirement etc. The chosen principle is the IAS 19R option of Norwegian Accounting Standard 6 (NRS 6), with unamortized actuarial losses over equity.

Plan assets are stated at fair market value. Net pension obligation comprises gross pension obligation less the fair value of plan assets. Net pension obligations from underfunded pension plans are included on the balance sheet as a provision, while net plan assets in overfunded schemes are included as long-term interest-free receivables if it is likely that the overfunding can be utilized. Employer's social security contribution is based on net plan assets.

The effect of changes in pension plans with retroactive effect not conditional on future earnings is defined as an actuarial gain or loss and charged directly to the company's equity.

Net pension expenses, which consist of gross pension expenses less estimated return on plan assets, are classified as an ordinary operating expense and presented together with payroll expenses. Employer's social security contribution is calculated on contributions paid to the pension plans.

## Note 6 - Fixed assets

	<b>Equipment and vehicles, fittings and fixtures, etc.</b>	<b>Works of art</b>	<b>Total</b>
(in 1000s of NOK)			
Cost of acquisition at 01.01	40,503	1,463	41,966
+ acquisitions during the period	4,471	49	4,520
<b>Cost of acquisition 31.12</b>	<b>44,974</b>	<b>1,512</b>	<b>46,486</b>
Accumulated ordinary depreciation at 01.01	25,769	0	25,769
+ ordinary depreciation for the period	5,247	0	5,247
<b>Accumulated ordinary depreciation at 31.12</b>	<b>31,016</b>	<b>0</b>	<b>31,016</b>
<b>Carrying value for accounting purposes at 31.12.2024</b>	<b>13,957</b>	<b>1,512</b>	<b>15,470</b>

Depreciation period

3–5 years      Non-depreciable

#### Accounting principles

Fixed assets are recorded at historical cost reduced by commercial depreciation based on the estimated economic life of the asset in question.

## Note 7 - Other operating expenses

(in 1000s of NOK)	2024	2023
Seminars, conferences, upgrading of competencies	9,305	8,372
Travel expenses	23,748	24,799
External assistance, projects	73,121	53,590
External assistance, other	23,265	18,376
Rent, Oslo, including joint expenses	13,434	11,411
Rent regional offices	4,940	5,043
Other expenses	30,377	31,151
<b>Total operating expenses</b>	<b>178,190</b>	<b>152,742</b>

(in 1000s of NOK)	Original operating expenses 2023	Reclassified 2023	Recast operating expenses 2023
Provision for losses on receivables (reclassified to "Value changes investments and receivables")	1,199	-1,199	0
Other operating expenses from liquidity placements	0	6,044	6,044
Other operating expenses	146,698	0	146,698
<b>Total operating expenses</b>	<b>147,897</b>	<b>4,845</b>	<b>152,742</b>

In 2024 Norfund decided to reclassify the effects on results of liquidity placements from the financial to the operating results. These include service costs, defined in the table above as "Other operating expenses from liquidity placements". Norfund also decided to classify the provision for losses on receivables from operating expenses to "Value changes investments and receivables".

Primary rental contracts	Lease period	Annual rental costs
Premises Fridtjof Nansens Plass 4, Oslo	15.11.16 - 31.12.2026	7,144,632
Premises 4th floor Klingenbergsgaten 4	1.6.23 - 31.12.2027	3,045,292

In addition there are lesser rental agreements for the five regional offices.

Auditor's fee	2024	2023
(in 1000s of NOK)		
Statutory audit	1,641	1,373
Other services (including legal services)	928	541
<b>Total</b>	<b>2,569</b>	<b>1,914</b>

Auditor's fee is inclusive of VAT.

In addition, business partners of Deloitte AS in other countries delivered other services expensed in the amount of NOK 0.9 million (NOK 1.6 million. in 2023) excl. VAT.

## Note 8 - Net financial items

(in 1000s of NOK)	2024	2023
Other interest income	335,121	245,830
Other financial income	255,413	75,833
Other financial expenses	-76,818	-173,195
<b>Net financial items</b>	<b>513,716</b>	<b>148,468</b>

In 2024 Norfund decided to reclassify interest income earned from liquidity placements (Note 13) and vendor credit (Note 11) from the financial to the operating results.

The reclassification also includes currency effects, value changes, service costs and realized net gains/losses on other short-term placements and vendor credit.

The table above shows figures for 2023, which have been recast in accordance with the change in classification. Reclassified amounts appear on the table in the column "Recast net financial items 2023". Reclassified effects other than interest income (mentioned above) appear under financial income and expenses. Residual interest income classified under financial items relates to bank deposits in Note 14. Financial income and expenses are related to currency effects of bank deposits in foreign exchange. The reclassification has been made because the management of a liquidity portfolio of a substantial size will be regarded as operating effects in an investment company such as Norfund. Tax at source has also been reclassified as interest income, as described in Note 9.

(in 1000s of NOK)	Original 2023	Reclassified 2023	Adjusted tax 2023	Recast net financial items 2023
Other interest income	657,816	-411,986	0	245,830
Other financial income	558,820	-482,987	0	75,833
Other financial expenses	-143,264	-29,930	0	-173,195
<b>Net financial items (reclassified)</b>	<b>1,073,371</b>	<b>-924,903</b>	<b>0</b>	<b>148,468</b>

(in 1000s of NOK)	Original 2023	Reclassified 2023	Adjusted tax 2023	Recast other items 2023
Interest income	679,886	411,986	-11,448	1,080,424
Realized gains	467,210	521	0	467,731
Other operating expenses	-147,897	-4,845	0	-152,742
Value changes investments and receivables	0	517,241	0	517,241
<b>Net operating items (reclassified)</b>	<b>999,199</b>	<b>924,903</b>	<b>-11,448</b>	<b>1,912,654</b>

## Note 9 – Taxes

Norfund is exempt from tax in Norway; see Section 2-30 (1e) of the Norwegian Taxation Act. Tax expenses relate to tax on the activities of regional offices abroad (corporate income tax). As at 31.12.2024, NOK 0.4 million had been allocated for paying tax at regional offices.

(in 1000s of NOK)	2024	2023
Corporation tax abroad	712	474

In 2024 Norfund decided to reclassify tax at source on interest income from tax expenses to reduction of underlying income.

The figures for 2023 have been recast in accordance with the new classification. In both 2023 and 2024 tax at source was mainly paid on interest income, and carried as a reduction of interest income

(in 1000s of NOK)	Original taxes 2023	Reclassified as interest income 2023	Recast taxes 2023
Corporation tax abroad	11,922	-11,448	474

### Accounting principles

Norfund is exempt from tax liability for its activities in Norway, but is liable for tax in a number of foreign markets. Tax expense in the income statement comprises tax on income in our regional offices abroad which is not refunded through local tax legislation or agreements. Norfund also pays tax at source on interest from foreign investments. Tax at source on interest is deductible from interest income. This tax is largely recovered at source.

At the same time, tax at source, or deductions for refundable amounts, is recognized as interest income Other income tax, which is not recovered at source, is recognized in the income statement as a tax expense at the same time as the related income or gain. Current tax is recognized as a liability in the balance sheet under other current liabilities until it is settled.

## Note 10 - Equity

(in 1000s of NOK)	Primary capital	Reserve capital	Surplus fund	Total equity
Equity as at 31.12.2023	19,793,717	6,840,790	15,014,835	41,649,341
Capital supplied in 2024	2,114,864	813,288	0.0000	2,928,152
Correction previous years' earmarked reserve capital Frontier Facility	0	137,449	0.0000	137,449
Actuarial gains/losses, pensions	0	0	12,446	12,446
Net surplus for the year	0	9,918	4,088,817	4,098,735
<b>Equity at 31.12.2024</b>	<b>21,908,581</b>	<b>7,801,445</b>	<b>19,116,097</b>	<b>48,826,124</b>
<i>of which the Climate Investment Fund</i>	<i>2,250,000</i>	<i>750,000</i>	<i>3,023,009</i>	<i>6,023,009</i>
<i>of which Frontier Facility</i>	<i>0</i>	<i>245,568</i>	<i>0</i>	<i>245,568</i>
<i>of which Ukraine Fund</i>	<i>125,000</i>	<i>125,000</i>	<i>0</i>	<i>250,000</i>

Of the capital received in 2024, 75% was allocated to primary capital and 25% to reserve capital, NOK 1 billion of which belongs to Climate Fund investments. In December 2024 Norfund was assigned a mandate to invest in Ukraine through a separate Ukraine Fund. The Norwegian Government granted NOK 250 million to the mandate in 2024. Of the capital supplied to the Ukraine Fund, 50% was allocated to primary capital and 50% to reserve capital.

### Frontier Facility (FF)

In 2019 the Storting established a special scheme, the Frontier Facility (formerly the Norwegian Investment Fund for Developing Countries). The scheme enables Norfund to make risk capital available in the most demanding markets. This applies to especially vulnerable states and the least developed countries (LDCs), where access to risk capital is limited. Resources for the FF are transferred to Norfund as an earmarked portion of the reserve capital. The use of this earmarked portion is explained in the table below. Interest, fees, return and unused resources that revert to Norfund are to be used to top up the scheme.

In 2024, the Storting granted NOK 25 million to the scheme. The total received in the period 2019 to 2023 was NOK 210.6 million. At the end of 2024, NOK 52.4 million remained to be allocated, while NOK 124.1 million of allocated capital (committed and approved projects) had not yet been disbursed. The scheme was previously explained in Note 15, and entered as current debt to the Foreign Office. In 2024 it was moved in its entirety to equity. The overview below shows total resources received, invested and paid in.

(in 1000s of NOK)	Earmarked portion of reserve capital for FF	Investments (interest/charges (disbursements)	Receipts (interest/charges /return)	Outstanding amounts
Opening balance 31.12.23	210,649	-66,194	26,820	171,276
Movements 2024	25,000	-21,452	1,234	4,782
Other interest income	0	0	425	0
<b>Reserve capital 31.12.24</b>	<b>235,649</b>	<b>-87,646</b>	<b>28,479</b>	<b>176,483</b>

(in 1000s of NOK)	Profit/loss 2024
Other operating income	1,234
Other interest income	425
Realized gains	8,633
Exchange rate adjustment of loans	0
Value change portfolio	-373
<b>Net profit 31.12.24</b>	<b>9,918</b>

(in 1000s of NOK)	Reserve capital	Period / year
Earmarked grant recorded reclassified from debt to FO 2023	137,449	2019-2020
Earmarked grant recorded under reserve capital 2023	73,200	2021-2023
Earmarked grant FF 2024	25,000	2024
<b>Earmarked share of reserve capital FF 31.12.24</b>	<b>235,649</b>	

With effect from 2024 we have classified earmarked grants to FF as equity. We have reclassified NOK 137.5 million of earmarked grants from the period 2019 to 2020 from debt to FO (Note 15) to reserve capital. The net profit as at 31.12.24 was NOK 9.9 million of which NOK 8.6 million is related to the realized gains of previous years. The cash flow element of effects on results is taken into account in outstanding amounts.

## Note 11 - Other receivables

(in 1000s of NOK)	2024	2023
Accrued interest loans	182,645	146,545
Accrued interest liquidity placements and vendor credit	130,816	127,205
Vendor credit	2,360,281	2,042,448
Other assets	62,470	46,603
<b>Total other receivables</b>	<b>2,736,212</b>	<b>2,362,800</b>

Other receivables consist mainly of interest-bearing vendor credit and accrued interest.

Of vendor credit of NOK 2 360 million, NOK 2 271 (USD 200 million) is associated with Scatec, and is a result of the sale of SN Power. The vendor credit has an interest rate of 3.26% + SOFR up to January 2028. After this the rate increases to 30%. The vendor credit falls due in its entirety in January 2028, with a small repayment of USD 30 million in June 2025.

### Accounting principles

Other receivables are carried at the lower of acquisition cost or fair value. A loss allocation is made in the cases where fair value is lower than acquisition cost. Receivables in forex are valued at the exchange rate at the end of the financial year in accordance with Section 5-9 of the Norwegian Accounting Act. Currency effects associated with outstanding vendor credit appear in the accounts under "Value changes investments and receivables". Interest is recorded as and when it is estimated to be earned and appears as interest income in the income statement. In the event of known losses, recorded interest is reversed. When loans to development projects are classified as problem loans and written down, a decision is taken that interest should not continue to be recorded. When loans are written down, no interest is therefore taken to income.

## Note 12 - Investments

Loans to investment projects per investment area (in 1000s of NOK)	Historical cost	Accumulated write-downs	Carrying value
Financial Institutions	5,730,205	-80,189	5,650,016
Green Infrastructure	1,299	0	1,299
Renewable Energy	1,822,362	-159,753	1,662,609
Agribusiness and Manufacturing	1,442,190	-67,512	1,374,678
Funds	46,705	0	46,705
Climate Investment Fund	778,184	0	778,184
Frontier Facility	23,895	0	23,895
<b>Total loans</b>	<b>9,844,839</b>	<b>-307,453</b>	<b>9,537,386</b>

### Repayment of loans

In the course of 2024, 19 loans were repaid (16 in 2023) while three were converted into equity.

### Write-downs and known loan losses

A loan is assessed for possible non-performance when borrower has not made payments within 60 days of the due date. Examples of circumstances that indicate non-performance or losses are significant financial problems on the part of debtor, restrictions on foreign exchange transfers in countries in which debtor operates, debt settlement proceedings or winding up of a business. Key considerations when assessing whether the client will be able to repay the loan are for example the general market situation, company-specific factors, the risk of bankruptcy and associated collateral. See specification by age below. Depending on the assessed probability of repayment, the individual loan is wholly or partly written down. This applies to both outstanding principal and accumulated interest.

On balance sheet day, Norfund had 8 loans (10 in 2023) which were regarded as non-performing. The total amount of interest and payments due on these was NOK 152 million (NOK 188 million in 2023) and the total amount outstanding was NOK 221 million (NOK 255 million in 2023). Two loans were considered to be wholly or partly lost in 2024, with a total loss of NOK 2 million.

Days past due date	ounts due in NOK millions
0-60*	1
61-120	2
Over 121	149
<b>Total</b>	<b>152</b>

Equity investments in funds per investment area (in 1000s of NOK)	Historical cost	Accumulated write-downs	Carrying value
Financial Institutions	1,053,668	-63,766	989,902
Green Infrastructure	95,425	-10,701	84,725
Renewable Energy	447,771	-15,376	432,395
Agribusiness and Manufacturing	841,507	-176,533	664,974
Funds	4,286,144	-713,849	3,572,295
Climate Investment Fund	25,586	-3,586	22,000
Frontier Facility	27,302	-487	26,815
<b>Total invested in funds</b>	<b>6,777,403</b>	<b>-984,298</b>	<b>5,793,105</b>

Equity investments in shares per investment area (in 1000s of NOK)	Historical cost	Accumulated write-downs	Carrying value
Financial Institutions	4,941,005	-487,550	4,453,455
Renewable Energy	7,752,434	-259,880	7,492,555
Agribusiness and Manufacturing	1,644,869	-147,840	1,497,029
Funds	50,879	-24,608	26,271
Climate Investment Fund	2,711,499	-5,070	2,706,429
Frontier Facility	20,221	-1,845	18,376
<b>Total invested in equities</b>	<b>17,120,907</b>	<b>-926,793</b>	<b>16,194,114</b>
<b>Total invested in equities and funds</b>	<b>23,898,311</b>	<b>-1,911,091</b>	<b>21,987,220</b>

Pursuant to Norfund's Statute 12, Norfund's injection of capital into a portfolio company shall not exceed 35% of the company's total equity. Norfund's share of the equity may be higher in special cases, but nonetheless such that the Fund's total equity holding does not exceed 49% of the portfolio company's total equity.

Accumulated write-downs are expected, not yet realized, losses on investments based on the most recent valuation.

As at 31.12.24 Norfund had a total contractual outstanding investment commitment of NOK 9 606 million, based on the closing rate on the balance sheet date.

**Accounting principles****Loans to investment projects**

**Recognition and exclusion:** Financial assets and liabilities are recognized on the balance sheet when Norfund becomes a party to the contractual terms of the instrument. Financial assets are excluded when the contractual rights to the cash flows expire, or when the financial assets and the majority of risk factors and of advantages associated with ownership of the assets are transferred (Notes 2 and 12). Financial assets are excluded when they are terminated, i.e. when the obligations specified in the contracts have been fulfilled, cancelled or expired. Acquisition or disposal of a financial asset pursuant to a contract with settlement in line with normal market conditions is recorded at the time of making the agreement.

**Presentation and measurement (incl. write-downs):** Loans to investment projects form part of Norfund's investment portfolio. They are regarded as current assets and carried at amortized cost according to the straight-line allocation method. When estimating necessary write-down of loans, both the current and the anticipated future financial position of borrowers are considered. Valuations and write-downs, if relevant, are made for the individual loans. Group write-downs are not made on the company's loan portfolio. There will be uncertainty associated with valuation of loans and associated collateral. Write-downs for financial assets measured at amortized cost are recognized as a negative value change in the item "Value changes investments and receivables" in the operating results.

**Recognition of interest income and other operating income:** Interest income on loans is recognized as it is accrued. Measurement of interest income is based on contractual conditions. When loans to development projects are classified as problem loans, a decision is taken as to whether interest should continue to be recorded. When loans are written down, no interest is taken to income. In the event of known losses, recorded interest is reversed. Front-end fees invoiced when a loan is set up are recognized over the life of the loan. If the loan is redeemed, any residual of the fee recorded on the balance sheet is taken to income. Other operating income consists of front-end fees, directors' fees and other project income associated with the investment portfolio.

**Realized losses:** Losses on loans to investment projects as a result of insolvency, the winding-up of a company and the like, are recognized as known losses and presented under "Realized losses".

**Converting foreign exchange to NOK:** The exchange rate at the time of the transaction is used when keeping accounts of transactions in foreign currency. Assets and liabilities in foreign currency are translated into NOK at the exchange rate prevailing at the balance sheet date. In the income statement, the forex factor associated with realized losses is presented under "Realized losses" and the forex element of realized gains is presented under "Realized gains". The currency effects associated with value changes are presented under "Value investments and receivables" and classified as part of the operating results.

**Accounting principles****Investments in equities and funds**

**Recognition and exclusions:** Investments in equities and funds are recorded on the balance sheet when Norfund becomes a party to the contractual terms of the instrument. Financial assets are excluded when the contractual rights to the cash flows expire, or when the financial assets and the majority of risk factors and of advantages associated with ownership of the assets are transferred (Notes 2 and 12).

Presentation and measurement (incl. write-downs): Norfund's investments consist almost exclusively of non-listed equities or equities that are traded in non-liquid markets. Placing a value on these therefore implies very considerable uncertainty. Investments in equities and funds (equity investments in companies) are valued at the lower of historical cost or assumed fair value in Norwegian kroner (NOK) on the basis of a concrete evaluation of each investment. Norfund makes individual valuations of all its investments, and adjusts the value according to assumed fair value of the assets. Because of the nature and volume of the investment portfolio, the management calculates estimates, makes discretionary assessments and makes assumptions that affect the carrying values of the investments. Estimates of fair value are calculated continuously and are based on historical experience, known information and other factors that are regarded as probable and relevant on balance sheet date. No group write-downs are made on the company's equity investments.

When investments are exited wholly or in part, the gain/loss is calculated on the basis of the original cost in NOK compared with the exchange rate on the date of the exiting transaction. This means that gain or loss presented in the accounts will be a function of changes in exchange rates and the change in the value of the investment expressed in foreign currency. See also the section on conversion of foreign currency to NOK.

**Taking dividends to income:** Dividend is recognized on the date when the General Meeting of equivalent decision-making body formally declares a dividend. The item "Dividends" is presented as part of operating income. Operating income includes gain on sale of shares/ownership interests in other companies, interest on loans made to other companies, directors' fees and other project income.

Changes in the value of investments in funds are calculated for the individual fund as they arise. Disbursements from funds are regarded as repayment of investments or dividend based on the value added to the investments. The calculation is based on the last known valuation. When Norfund receives fund reflows, the share in excess of historic cost is entered against the fair value as dividend. The amount in excess of fair value is regarded as repayment of paid-in capital. If the valuation shows, for example, that Norfund has 20% value added of the historical cost paid, 20% of the reflow from the fund is taken to income as dividend. The remainder is entered against historic cost (equity investment).

**Realized gain / loss:** Realized gain / loss mainly consists of amounts realized when assets or commitments are excluded. In the event of exclusion, average cost of acquisition is assigned. Realized gain/loss includes transaction costs, which are charged against income as they accrue. Transaction costs are defined as all costs that are directly attributable to the transaction carried out. For investments in equities and bonds these consist of normal broker's commissions and stamp tax.

Gains on disposals of equities/ownership interests in other companies are recognized in the year in which the disposal takes place and presented under "Realized gains".

Known losses on equity investments as a result of insolvency, the winding up of a company and the like, and losses on sale of equities, are presented under "Realized losses".

**Converting foreign exchange to NOK:** The exchange rate at the time of the transaction is used when keeping accounts of transactions in foreign currency. In the income statement, the forex element associated with realized losses is presented under "Realized losses" and the forex element of realized gains is presented under "Realized gains". The currency effects associated with value changes are presented under "Value changes investments and receivables" and classified as part of the operating results.

Equity instruments are carried at historical cost in original currency and converted to NOK at the exchange rate on the transaction date. The currency effect is carried in the income statement as currency effects.

Unrealized losses on exchange will be recorded if the exchange rate is lower on balance sheet day than on the transaction date. Unrealized loss on exchange is recorded as unrealized currency effects in the income statement and as an adjustment to the value of the equity investment.

Unrealized losses on exchange will be recorded if the exchange rate on balance sheet day is higher than the exchange rate on the transaction date. Unrealized gain on exchange is recorded as an unrealized currency effect in the income statement and as an adjustment of the value of the equity investment with an upper limit of historic cost price according to the lowest value principle. If the upper limit is exceeded, unrealized gain on exchange is not recorded.



## Note 13 - Liquidity placements

Norfund's liquidity placements are largely associated with the management of excess liquidity. Various types of instrument are used in this management (time deposits, loans and bonds). The aim is to obtain the highest possible return on surplus liquidity pending investment within Norfund's mandate and at the same time ensure that the resources are liquid.

### Liquidity placements

(in 1000s of NOK)	2024	2023
Fixed-term deposits (1 to 6 months)	2,686,493	2,208,569
Lending to banks of surplus liquidity in our markets	1,884,034	1,380,564
Bonds	3,786,354	4,492,314
<b>Liquidity placements</b>	<b>8,356,880</b>	<b>8,081,447</b>

As a consequence of the exit from SN Power in 2021, substantial liquidity became available and was placed in temporary investments: Norfund has given loans to three banks with an average interest rate of 1.5% + SOFR and a term of 5 years, with linear repayment after the first year. Bank deposits in USD have also been made.

In addition, in July 2021 Allianz was commissioned to manage USD 500 million. The portfolio consists of highly liquid covered bonds and has a weighted credit rate of AA+. The average residual maturity of the portfolio is 2.1 years. The portfolio is largely invested in development banks, i.e. within the same line of business as Norfund itself. Up to 40% can be invested in other sectors, nonetheless, but the bonds must then meet the requirements of being green and sustainable or having a social impact. Norges Bank's Investment Management's exclusion list is also applied. From 2022 to 2024, Norfund transferred resources from redeemed bonds totalling USD 175 million from the portfolio to Norfund's ordinary operations account. At the beginning of the year, 41% of the portfolio was invested in euros (EUR) and 5% in sterling (GBP), but hedged against USD. At the end of 2024, all investments in GBP had been redeemed and the remaining portfolio invested in EUR (estimated share of fair value converted into USD).

Three-month rolling futures contracts have been used for currency hedging. As at year-end, 1 232 forward contracts had been entered in order to hedge 48% of the portfolio in EUR. This means that Allianz has hedged the whole portfolio against USD. The value of the portfolio was falling from 2021 to 2022 because of expectations of higher key interest rates. Since 2023 the value change has been positive. Norfund intends to hold the portfolio until maturity, so that the average annual return is estimated at 1.5% for the life of the portfolio.

The other table shows change in book value through redemption of bonds in the portfolio. There was a positive change (increase of NOK 180 million) in the value of the bond portfolio from 2023 to 2024.

	Instrument currency	Acquisition in instr. currency (historical cost)	Fair value in instr. currency	Value change instr. currency	Book value in NOK
<b>Bonds</b>					
Financial Institutions	EUR	62,785	59,896	-2,890	706,468
Financial Institutions	USD	18,705	17,687	-1,018	200,808
Manufacturing	EUR	3,194	3,082	-111	36,357
Manufacturing	USD	18,709	17,480	-1,229	198,458
Supply	EUR	16,019	14,733	-1,286	173,778
<b>Enterprises</b>		<b>119,412</b>	<b>112,878</b>	<b>-6,534</b>	<b>1,315,868</b>
Development finance institutions	EUR	21,930	21,039	-890	248,157
Development finance institutions	USD	10,022	9,900	-122	112,394
Local authorities	EUR	7,337	7,116	-220	83,937
Supranational authorities	EUR	49,384	46,816	-2,569	552,194
Supranational authorities	USD	123,808	119,431	-4,377	1,355,952
<b>Public authorities</b>		<b>212,481</b>	<b>204,302</b>	<b>-8,178</b>	<b>2,352,634</b>
<b>Total bonds</b>		<b>331,893</b>	<b>317,181</b>	<b>-14,712</b>	<b>3,668,502</b>
<b>Cash and accrued interest</b>					
Cash and accrued interest	EUR	1,678	1,678	0	19,790
Cash and accrued interest	GBP	10	10	0	144
Cash and accrued interest	USD	8,625	8,625	0	97,918
<b>Total cash and accrued interest</b>		<b>10,312</b>	<b>10,312</b>	<b>0</b>	<b>117,852</b>
<b>Total portfolio</b>		<b>342,205</b>	<b>327,493</b>	<b>-14,712</b>	<b>3,786,354</b>
Share of total portfolio	EUR	47%	47%	54%	48%
Share of total portfolio	GBP	0%	0%	0%	0%
Share of total portfolio	USD	53%	53%	46%	52%
<b>Total portfolio per currency in %</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(in 1000s of NOK)	Acquisition in NOK (historical cost)	Acquisition in instr. currency (historical cost)	(in 1000s of NOK)	Fair value in instr. currency	Acquisition in instr. currency (historical cost)	Loss of value instr. currency	Loss of value NOK
EUR	1,844,374	179,190	EUR	165,886	179,190	-13,304	-149,544
GBP	241,277	19,707	GBP	18,735	19,707	-971	-12,563
USD	2,234,166	252,593	USD	236,771	252,593	-15,822	-160,948
<b>Opening balance 31.12.23</b>	<b>4,319,817</b>	<b>451,490</b>	<b>Opening balance</b>	<b>421,392</b>	<b>451,490</b>	<b>-30,097</b>	<b>-323,055</b>
EUR	-191,891	-18,542	EUR	152,683	160,649	-7,966	-93,962
GBP	-241,277	-19,707	GBP	0	0	0	0
USD	-719,162	-81,349	USD	164,498	171,244	-6,746	-76,587
<b>Total repaid</b>	<b>-1,152,330</b>	<b>-119,597</b>	<b>Closing balance 31.12.24</b>	<b>317,181</b>	<b>331,893</b>	<b>-14,712</b>	<b>-170,549</b>
EUR	1,652,483	160,649	EUR			5,338	62,960
GBP	0	0	GBP			971	13,817
USD	1,515,004	171,244	USD			9,076	103,047
<b>Closing balance 31.12.2024</b>	<b>3,167,487</b>	<b>331,893</b>	<b>Value change</b>			<b>15,385</b>	<b>179,823</b>

**Accounting principles***Liquidity placements*

Liquidity placements consist of instruments (time deposits, liquidity loans and bonds) with a longer or shorter fixed term intended for temporary placement of surplus liquidity pending investment within Norfund's mandate. Liquidity placements include a bond portfolio hedged against USD consisting of securities denominated in EUR and GDP as well as USD. Futures contracts are used as a hedging instrument, with daily settlements that are not recorded on the balance sheet, but are recorded under operating results as they mature.

**Recognition and exclusion:** Liquidity placements are recognized in the balance sheet when Norfund becomes a party to the instrument's contractual conditions, as for other Norfund investments. Financial assets are excluded when the contractual rights to the cash flows expire, or when the financial assets and the majority of risk factors and of advantages associated with ownership of the assets are transferred (Notes 2 and 13).

**Presentation and measurement (including write-downs):**

- Liquidity placements in the form of bank deposits and liquidity loans are classified as current assets and valued for write-down in the original currency according to the lowest value principle; see Section 5-2 of the Accounting Act. Value changes are presented as part of the operating results under "Value changes investments and receivables".
- Liquidity placements in the form of investments in the bond portfolio are classified as current assets and valued for write-down purposes in the original currency according to the lowest value principle; see Section 5-2 of the Accounting Act. The portfolio consists of a number of different placements to reduce risk, and is regarded as an investment portfolio. Norfund uses the provisions on portfolio valuation here, and the financial assets are valued collectively. Value changes are presented as part of the operating results under "Value changes investments and receivables".

**Converting foreign exchange to NOK:** Exchange rate differences arise as a result of changes in exchange rates when transactions and balance sheet items in foreign currency are recorded.

- Pursuant to NRS 20.15 and Section 5-9 of the Accounting Act, liquidity placements in the form of bank deposits and liquidity loans are converted at the exchange rate on balance sheet day, i.e. the close of the financial year. Currency effects are presented as part of the operating results under "Value changes investments and receivables".

- The bond portfolio is valued as a monetary item in foreign currency and converted at the exchange rate at the end of the financial year; see Section 5-9 of the Accounting Act. **Taking of interest to income:** Return associated with liquidity placements is carried as interest income as and when it is paid in and earned.

**Realized gains / losses:** Losses on liquidity placements (excl. currency effects) as a result of insolvency, the winding-up of a company and the like, are recognized as known losses and presented under "Realized losses". Gains on redemption (excluding currency effects) of individual bonds are taken to income in the year in which the disposal takes place and presented under "Realized gains". Currency effects on realization, including associated futures contracts, are taken to income net under "Value investments and receivables".

**Note 14 - Bank deposits**

Norfund's bank deposits are grants used to fulfil Norfund's mandate and to administer operations. Bank deposits include ear-marked grants from UD to be used for investments within Norfund's various mandates. See note 1 for more information concerning accounting policies.

**Bank deposits, cash and cash equivalents**

(in 1000s of NOK)	2024	2023
Deposits in Norges Bank	3,749,482	3,817,751
Tax deductions	47,403	21,679
Deposits from other banks	2,660,368	1,139,859
<b>Total bank deposits</b>	<b>6,457,254</b>	<b>4,979,289</b>

**The following bank deposits are earmarked for:**

Business Support and other grant schemes (see Note 15)	42,847	175,505
Frontier Facility (see Note 10)	176,483	0
Climate Investment Fund	2,516,547	2,309,231

**Accounting principles**

Bank deposits are measured mainly at fair value on the income statement. Interest earned on the deposits at year-end is included in the balance sheet, and unrealized exchange rate gains/losses on this are carried as financial income/expenses. Interest income on liquidity reserves in Norges Bank and other banks is carried as financial income; see Note 8.

**Note 15 - Unused resources (Norfund's grant schemes)**

Norfund received NOK 10 million (NOK 15 million in 2023) of grants under the previously established Business Support scheme, which is to be used to enhance the development effects of Norfund's investments by improving businesses and through local community development. Support may, for example, be provided for training and transfer of expertise and equal opportunity programmes, workers' rights, improvement of internal control, corporate governance and leadership development. The resources are treated as current liabilities, and undisbursed amounts are included in Norfund's liquid assets. When project costs are covered from the resources, the liability is reduced by an equivalent amount. At the end of 2024, NOK 6.8 million remained to be allocated to projects, while NOK 36.0 million of allocated capital had not yet been disbursed.

In 2023, resources associated with the Frontier Facility scheme included some debt to the Foreign Office. In 2024 we reclassified resources earmarked for the scheme as reserve capital and investments.

The grant facility earmarked for Balkan projects has invested EUR 2.5 million in a fund in the region. The outstanding amount below is being used as a capital buffer for management of the fund.

(in 1000s of NOK)	Business Support*		Balkan Trust Fund		Total	
	2024	2023	2024	2023	2024	2023
<b>Receipts</b>						
Carried over from previous year	156,709	164,359	4,296	4,501	161,005	168,860
Corrected against reserve capital and investments Frontier Facility	-110,008	0	0	0	-110,008	0
Transferred from Foreign Office	10,000	15,000	0	0	10,000	15,000
<b>Total receipts</b>	<b>56,701</b>	<b>179,359</b>	<b>4,296</b>	<b>4,501</b>	<b>60,998</b>	<b>183,860</b>
<b>Income</b>	<b>1,928</b>	<b>0</b>	<b>254</b>	<b>162</b>	<b>2,182</b>	<b>162</b>
<b>Disbursements</b>						
<b>General costs</b>						
Fund management	0	0	-200	-108	-200	-108
General follow-up	0	0	0	-259	0	-259
<b>Intervention</b>						
Project development:	0	-259	0	0	0	-259
Amplify and support project development effects	-14,819	-20,453	0	0	-14,819	-20,453
Promote social responsibility	-963	-1,938	0	0	-963	-1,938
<b>Total disbursements</b>	<b>-15,782</b>	<b>-22,650</b>	<b>-200</b>	<b>-367</b>	<b>-15,982</b>	<b>-23,017</b>
Resources received from the Ministry of Climate and the Environment, transferred to Nordic Micro Finance Initiative AS in 2024.					0	14,500
<b>Non-disbursed resources</b>	<b>42,847</b>	<b>156,709</b>	<b>4,350</b>	<b>4,296</b>	<b>47,197</b>	<b>175,505</b>

\* In 2023 the amount also included a scheme associated with the Frontier Facility scheme.

## Note 16 - Current liabilities and guarantees

### Other current liabilities

Included in other current liabilities is an item of NOK 118.9 million to the Dutch bank FMO in connection with the acquisition of interests in the African Forestry Impact Fund held by Norfund at year-end.

### Guarantees

As part of its activities, Norfund has issued 6 guarantees totalling NOK 108 million. An annual assessment is made by the project manager of whether the guarantee is at risk of being invoked, and a proportional provision is made accordingly. As at 31.12.24, no allocation had accordingly been made for guarantee commitments.

### Other commitments

In connection with the exit from SN Power AS, there are some latent guarantee commitments which have been notified, but not invoked, by Scatec ASA. It is uncertain whether the claims will be invoked, and in the event, whether they are justified. As the probability is not high, and the size of the claim is uncertain, no allocation has been made in the accounts for this commitment.

Through its activities, Norfund is from time to time involved in discussions and ongoing processes with local tax authorities. These may concern both tax claims and reimbursement claims. No grounds have been found for making a provision in the accounts as a result of these processes.

## Note 17 - Risk management and use of financial instruments

Norfund has a mandate whereby investments made by the company are required to be additional, in that they provide access to capital and expertise to companies that would not otherwise have received such financing because of the high risk involved. Norfund's investments are evaluated through an extensive selection process that consists of checking against Norfund's mandate, and performing thorough risk assessments and analyses of legal, financial, commercial and ESG-related factors. The Investment Committee and/or the Board of Directors take the final decision regarding investment.

Efforts are made to diversify portfolio risk by achieving portfolio breadth in terms of countries, industries, business partners, instruments and time of making investments. Norfund exercises active ownership in the largest investments in its portfolio through representation on boards, investment committees or other governance bodies

Norfund is exposed to several different types of risk, including liquidity risk, credit risk, currency risk, interest-rate risk and other market risk, as well as political risk. The financial risk management has been established to identify and analyse these risks, and to establish appropriate risk limits and risk controls. Norfund regularly reviews the established risk management guidelines and the system that has been established to ensure that changes in markets are reflected in the risk limits.

The Board has adopted Norfund's zero tolerance policy, which is based on the risk Norfund is willing to take in order to deliver on its mandate. This includes country risk and political risk. The risk that efforts are actively made to minimise consists of those factors that Norfund can influence in how it chooses its investment partners and how the investment process and other operational processes in the activity are carried out. This includes the risk of corruption, for which risk-reducing measures have been established in the form of working systematically to prevent, detect and immediately respond to cases. Minimizing and managing risk associated with ESG and questions concerning the integrity of our business partners are based on best practice for development finance institutions (DFIs). Norfund's approach to risk is summarized in a Risk Appetite Statement adopted by the Board and published on Norfund's website.

### Market risk

Market risk is an umbrella term for the risk of losses occurring as a consequence of changes in conditions, exchange rates or prices that impact the earning ability of the companies in which we have invested. Norfund's mandate is to invest in developing countries, which entails higher risk, as the macroeconomic conditions and uncertainty are complex and mixed. Future returns depend among other things on the ability to manage and mitigate risk in all phases of an investment.

### Fixed income

Norfund's income is also substantially affected by fluctuations in the fixed income market, as 30% of the investment portfolio is in the form of loans, 57% of which have a floating interest rate, with SOFR + margin making up the largest proportion. In addition, Norfund has significant cash holdings and a bond portfolio (see Note 13) which accrue interest. Thus the interest rate level has a substantial direct effect on Norfund's operating and financial revenue.

### Credit risk

Norfund has a significant number of loans, and individual semi-annual reviews are conducted of the borrowers' financial standing, history and other relevant factors. If default on a loan is considered highly likely, it is written down. A loan is regarded as non-performing when a payment has not been made within 60 days of the due date. In the event of default, our total investment in the borrower is evaluated.

Norfund does not carry any general loss provisions for the loan portfolio, but makes specific provisions for each individual loan; see also Note 12.

### Liquidity risk

Liquidity risk is the risk of Norfund being unable to fulfil its commitments, which are therefore monitored closely in relation to available liquidity. To ensure strong financial freedom of manoeuvre, Norfund aims to maintain a real and solid liquidity reserve that must at least cover future committed investments plus a minimum amount. Liquidity is strengthened through annual allocations from the Owner, and through repayments from the investment portfolio in the form of interest, repayment of the principal, dividends and exits from companies. Norfund does not use debt instruments in its liquidity management.

The liquidity reserve consists of bank deposits, short-term fixed deposits in banks with terms of up to one year, liquidity loans, and a bond portfolio. Deposits in anything other than Norfund's relationship banks must be in accordance with the investment mandate laid down by the Board, which regulates amounts and time frames.

The Finance Department monitors Norfund's liquidity and adapts the investment of resources with a view to securing an appropriate return pending future investments.

### Currency risk

Norfund's operations are strongly exposed to currency risk, as allocations are made in NOK while investments largely take place in other currencies, USD being by far the largest. In consequence, costs associated with investments will also largely be in currencies other than NOK.

Norfund's base currency is NOK, so Norfund's future returns and gains/losses for accounting purposes will be strongly influenced by the exchange rate between NOK and other currencies. Investments are subject to a greater or lesser degree to fluctuations in the exchange rate between USD and the local currency in the individual country, which in turn may affect the results and values of investments in these companies in Norfund's balance sheet.

Three-month forward contracts are used to hedge the portion of the bond portfolio denominated in EUR and GBP against USD; see Note 13.

Norfund's liquid assets are mainly deposited in NOK-denominated, interest-bearing accounts in Norges Bank, while its USD-denominated liquid assets are mainly deposited in DNB and other liquidity placements.

### Exchange rates used in conversion

		31/12/24	31/12/23	Change during the year
US dollar	USD	11.353	10.172	11.6 %
South African rand	ZAR	0.601	0.552	8.8 %
Indian rupee	INR	0.133	0.122	8.4 %
Kenyan shilling	KES	0.088	0.065	36.3 %
Ugandan shilling	UGX	0.003	0.003	15.5 %
Mozambican metical	MZN	0.178	0.161	10.8 %
Bangladeshi taka	BDT	0.095	0.093	2.5 %
Ghana shilling	GHS	0.775	0.849	-8.7 %
Tanzania shilling	TZS	0.005	0.004	15.4 %
Euro	EUR	11.795	11.241	4.9 %

**Operational risk**

Operational risk is the risk of financial losses occurring as a consequence of errors in internal processes and systems, human error or as a consequence of external events such as criminality or natural disasters. Management of operational risk has become increasingly important in Norfund in recent years, as the company and the complexity of both organization and portfolio have grown.

The identification, management and control of operational risk is a management task, and is coordinated through Norfund's Enterprise Risk Management System. In accordance with this system, semi-annual reviews are conducted of the risk picture and action plans of all the company's risk-owners, with appurtenant reporting to the Board.

Norfund places emphasis on a culture of transparency and awareness, leadership, authorization hierarchies, clear descriptions of procedures and clearly defined areas of responsibility as elements of our framework for managing operational risk.

Norfund's risk exposure and the management thereof are followed up by the company's external internal auditor, and reports are submitted regularly to the Board and the Risk and Audit Committee..

**Note 18 – Events since balance-sheet date**

The geopolitical situation has changed considerably in recent years. The outlook, both global and for the Norwegian economy, is shrouded in uncertainty. There is increased risk of extensive trade barriers and the threat picture has intensified. This has a bearing on Norfund's area of responsibility and investment options.

Apart from this fundamentally turbulent world picture, there have been no major events since balance sheet date that affect the assessments forming the basis for our submission of the financial statements.

To the General Meeting of Norfund

## INDEPENDENT AUDITOR'S REPORT

### *Opinion*

We have audited the financial statements of Norfund (the Company), which comprise the balance sheet as at 31 December 2024, the income statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

### *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 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### *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 Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and 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 information in the Board of Directors' report nor the other information accompanying the financial statements.

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

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

*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 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 a true and fair view.

We communicate with the Board of Directors 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, 26 March 2025  
Deloitte AS

**Roger Furholm**  
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.





Annual report

# Business Support

2024



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# Letter from the CEO

**Despite challenging years marked by the pandemic, inflation and debt crises, Norfund's committed portfolio has seen steady growth and had an increase of 19 percent in 2024.**

In these turbulent times, Business Support is an important tool for Norfund to strengthen the development effects of our investment activities. We experienced an increasing demand for Business Support projects, reflecting a growing investment portfolio and increased focus on climate related projects. Being a responsible investor in challenging markets and sectors requires more than just finance. This technical assistance facility, financed by the Norwegian Ministry of Foreign Affairs (MFA), enables Norfund to assist investees in enhancing sustainability in the most challenging markets and sectors across the globe. Although Norfund experienced a reduction in funding for Business Support in 2024, the facility still managed to reach over one quarter of Norfund's direct investees, prioritizing smaller projects and initiatives.

Norfund aims to be a responsible owner across all investment sectors, contributing with expertise, establishing sound corporate governance, and setting high standards for financial, and environmental and social (E&S) practices. Business Support is a key instrument for reaching Norfund's direct investees to enhance their impact but also impacting indirect investees through supporting Technical Assistance Facilities (TAFs) managed by our Fund Managers. This approach enables us to reach even broader, as reflected in the case of [AFMF's Business Improvement Facility](#). The case on [Gender Based Violence and Harassment \(GBVH\) training](#) gives an example of an approach using programs to reach recurring needs for investees across sectors and markets, in this case with the objective of strengthening how investees identify and manage GBVH risks in the workplace.

Furthermore, we have strengthened our efforts on how we assist investees to assess climate risks and opportunities, as well as supporting their ambition to reach net-zero. Business Support continues to be an important tool to implement

activities and initiatives in this area, assisting Norfund's portfolio to take more informed decisions and implement necessary actions regarding their exposure to climate risk and their climate footprint.

With this report, I am pleased to present the results of Norfund's Business Support portfolio in 2024.



**Tellef Thorleifsson**

Chief Executive Officer  
March, 2025

## Key figures

**Business Support's activity in 2024 showcased a broad and diverse portfolio equipped to meet the varied challenges and opportunities faced by our investees.**

**67** Direct investees supported

**138** Indirect investees supported

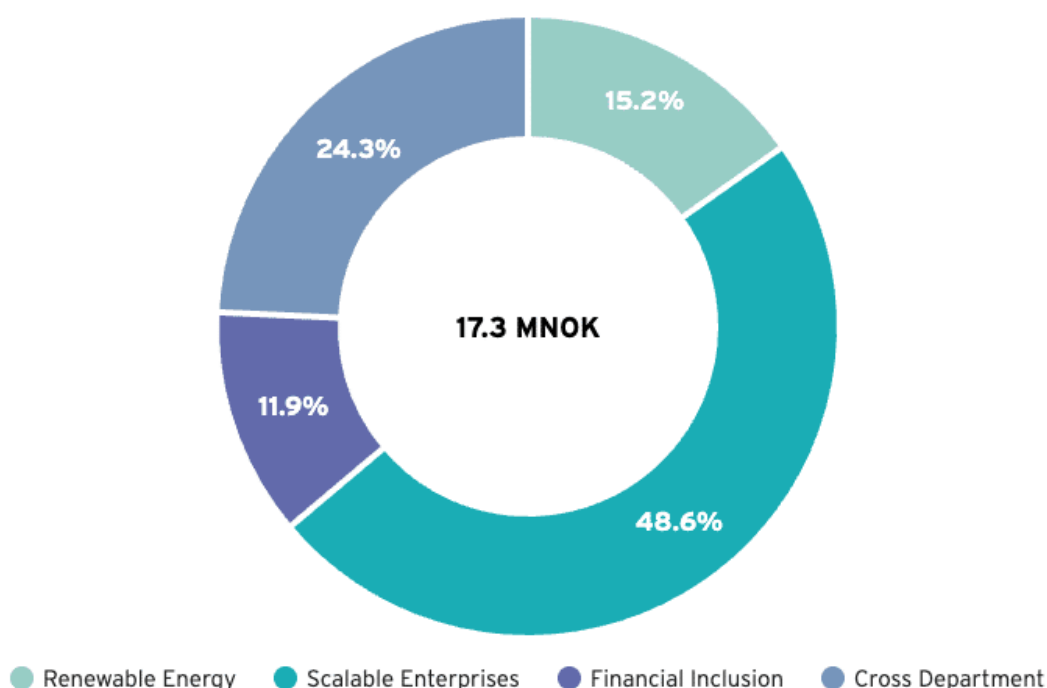
**59** Active projects

**21** Approved projects

In 2024, Norfund approved 21 projects, marking an increase from the 17 projects approved in 2023. However, the total funding decreased from 19.7 MNOK in 2023 to 17.3 MNOK in 2024. This shift reflects a trend toward smaller-scale projects, to try to maintain reach and deliver on a growing demand for technical assistance, despite a reduced budget. Business Support continued to reach over one quarter of Norfund's direct investments.

## Investment areas

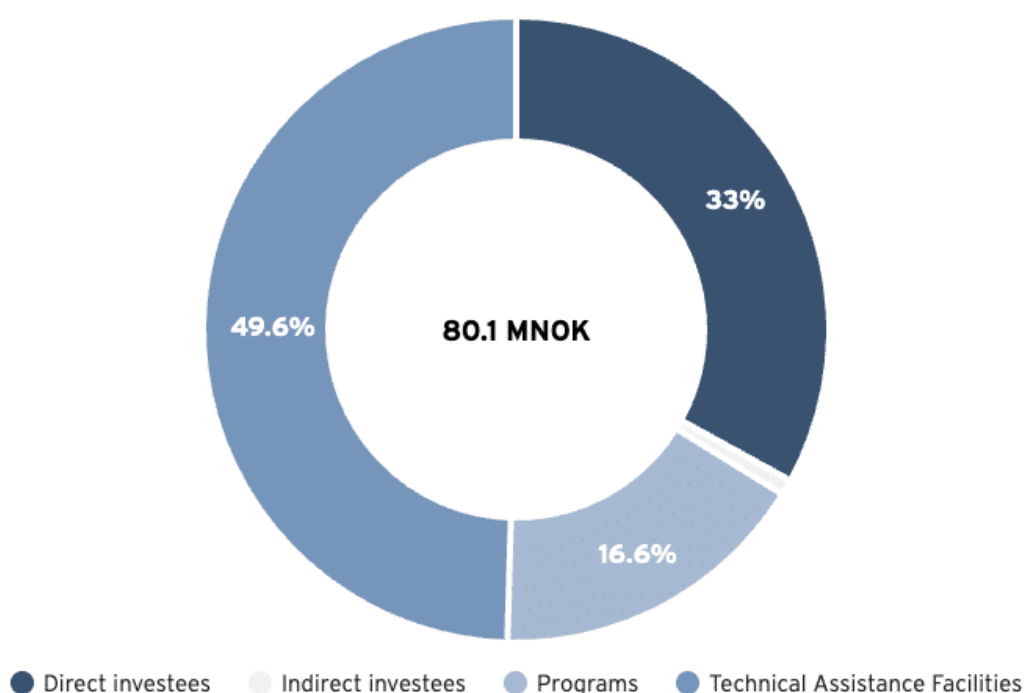
Approved amount per investment area



During the year, Norfund's Business Support demonstrated broad engagement across all departments and regions. Of the approved projects, 24% were cross-departmental, addressing recurring themes relevant to multiple portfolio companies. A notable example is the new pilot project on Road Traffic Management, which accounted for nearly half of the cross-departmental initiatives. Road traffic presents a significant risk in the markets in which Norfund invests, and affects our investees' employees, contractors and the communities in which they operate. The remaining cross-departmental projects primarily focused on Diversity, Equity, and Inclusion (DEI), including programs designed to upskill board members, management, and employees on these critical topics.

## Project types

### Active portfolio per project type



A significant highlight of 2024 was the expanded support to Technical Assistance Facilities (TAFs). These facilities are managed by our Fund Managers and target Norfund's indirect investees. TAFs received 49% of Norfund's total project funding, showcasing their critical role in enhancing impact and leveraging local expertise. They are uniquely positioned to reallocate grants to portfolio companies, enhancing their capacity, performance, and contribution to sustainable development.

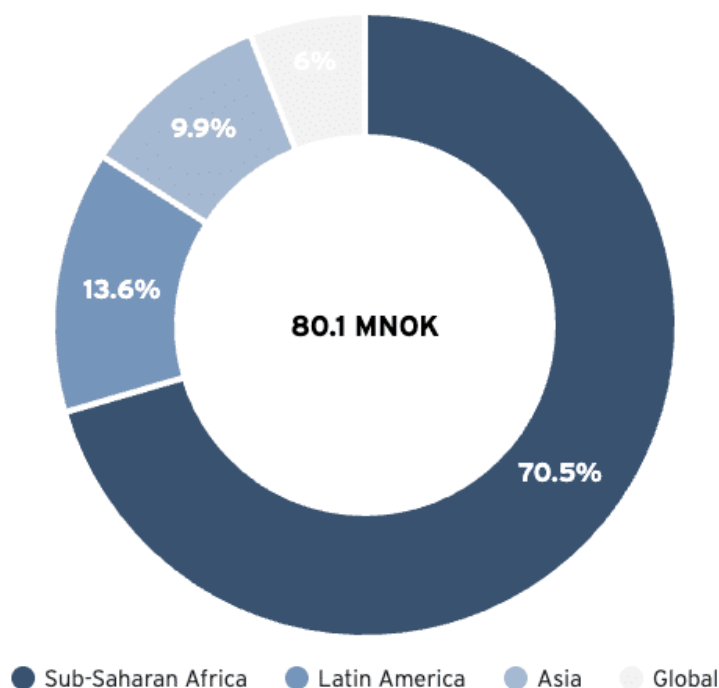
By supporting TAFs, Norfund extends its reach across various industries, sectors, regions, and fund sizes. While TAFs support a diverse range of recipients, the majority are SMEs and ventures that often otherwise faces financial barriers. In 2024, TAF initiatives impacted 108 indirect investees. Notably, all departments

except Renewable Energy engaged in TAF-supported projects. This is due to lack of fund investments in this sector.

[Read more about Norfund's support to Technical Assistance Facilities](#)

## Geographical split

### Active portfolio per region



Aligned with Norfund's KPI of committing 50% of investments to Sub-Saharan Africa, Business Support exceeded this target, with 70% of the active portfolio allocated to the region. Of those 70% allocated to Sub-Saharan Africa, the highest receiving regions are East Africa (51%) and West Africa (31%), followed by Southern Africa (12%) and Central Africa (6%). It should be noted that even though the committed projects in Asia are relatively low, there are 11 active projects in this region, and we also experienced an increase during the year.

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## Project categories

Business Support projects are categorized into three categories, Enterprise Improvements, Local Community Development and Project Development. In 2024, all approved projects fell under the “Enterprise Improvement” category, involving a broad range of activities such as Environmental & Social (E&S) and OHS improvements, corporate governance & business integrity, gender equality, and climate-related solutions. It is worth noting that categorization can be complex, as projects often span multiple themes. For instance, initiatives supporting smallholder farmers, classified under “Enterprise Improvement,” could also align with local community development. Consequently, no new projects were initiated under “Local Community Development” or “Project Development” categories. However, previously initiated local community development projects were concluded, such as two renewable energy projects in collaboration with Enel in India.

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## Project Enel Thar & Coral

### Local community development

Large-scale infrastructure projects, such as renewable energy plants, can profoundly impact the nearby communities. Especially in underdeveloped and rural areas where local communities are expected to withstand most of the impacts during construction and operation of renewable energy projects that will ultimately evacuate power to urban centres. In many cases, these communities already face significant challenges, such as poverty, inadequate infrastructure, and limited access to basic services like education, healthcare, and clean water. Properly understanding the community context, building good local community relations and supporting positive community outcomes is crucial to avoiding mistrust and resistance from the local communities, and to contribute to benefit sharing and sustainable development.



Sustainability and community development are integral parts of Norfund's approach to renewable energy projects. Norfund's Business Support is a tool that can enhance this. Evidence of this can be seen in the Enel Thar and Enel Coral wind and solar power plants in India. Since 2020, prior to construction start, Norfund's Business Support and technical assistance from Enel have funded several local community initiatives in both projects that were identified through an extensive Community Needs Assessment.

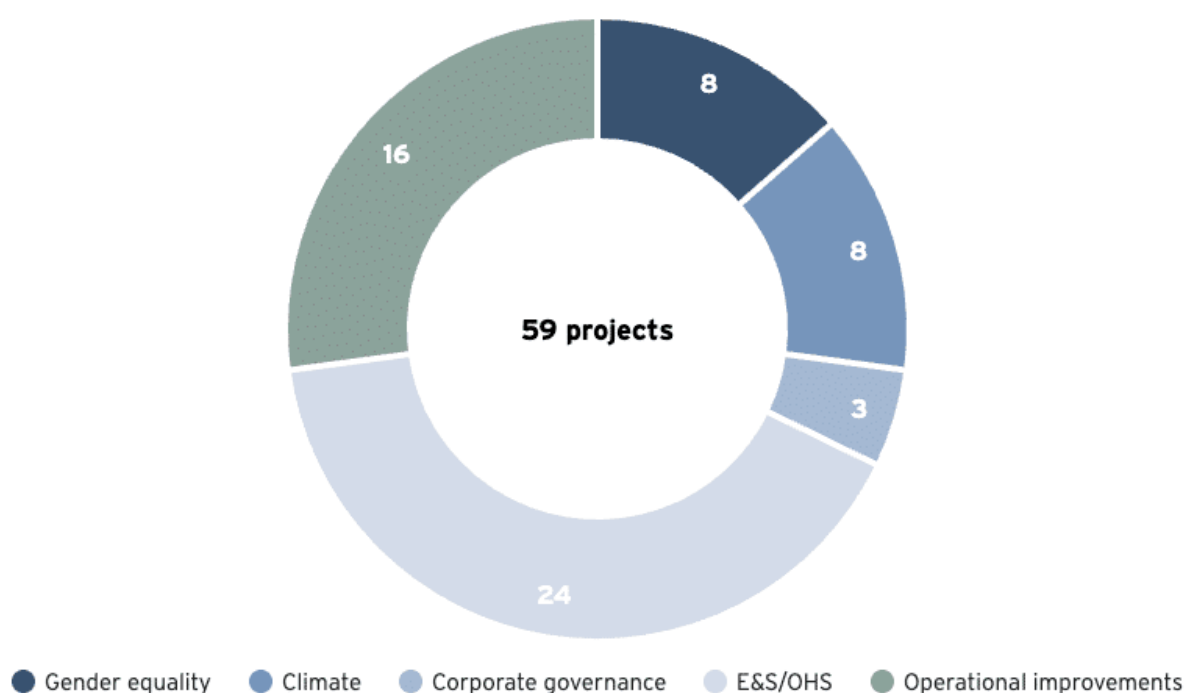
Through this grant funding, over 200 community development initiatives in 32 villages were implemented over a four-year period, directly benefiting more than 4,200 households. These efforts included improving local schools by adding sanitation facilities, digital learning tools, and playgrounds, and enhancing education for students. Women's empowerment programs trained women in skills like stitching, literacy, and kitchen gardening, while several households gained better access to water through rainwater harvesting systems. Additionally, numerous farmers received livestock vaccinations to strengthen their livelihoods.

Actively engaging communities from the beginning and addressing their most urgent needs is critical for successful project development. This is also reflected in the "[Evaluation of Norfund's investments in renewable energy](#)", where the Enel projects are mentioned as examples of secondary impact in Norfund's renewable energy investments.

# Results 2024

Despite global economic instabilities, Norfund's Business Support portfolio has steadily grown and diversified, providing value beyond capital to our investees. In 2024, Business Support approved 21 new projects, reaching 59 active projects divided into five thematic areas.

Active projects per thematic area



## Climate

Climate change poses a significant threat to global development, disproportionately impacting developing countries. In response, Norfund has

advanced its commitment to supporting the transition to net zero. All new financing shall be aligned with the objective of the Paris Agreement, the portfolio shall be aligned with net-zero pathways, and all new investments shall be assessed for climate risks and opportunities. Business Support has been and will be a key tool for operationalizing efforts and ambitions related to climate, and we have seen an increase in these types of projects. The ambition for the facility in 2024 was to reach even more investees with climate-related projects, but it has taken more time than expected to understand what initiatives are effective and to scale on best practices, hence we have not managed to build up a sizable portfolio. Further, due to the reduction in funding for the facility, Norfund has not been able to prioritize this as planned.

The climate-related projects we have supported include assessing climate risk and implementing plausible adaptation and resilience measures. Further, we have supported some selected investees on measuring and understanding their carbon footprint and implementing emission reduction initiatives.

[Read more about Business Support's effort on climate through the BECIS case](#)

**27** assessments conducted

**298** staff members trained

on climate and environment. These assessments, procedures and trainings are interventions ranging from carbon footprint measurement, net-zero strategies and climate risks assessments. This will enable investees and indirect investees in Norfund's portfolio to take more informed decisions regarding their climate risks and climate footprint.

## E&S/OHS

Supporting direct and indirect investees on projects covering Environmental and Social (E&S) aspects of their business, or Occupational Health and Safety (OHS) continues to be a key thematic area for the Business Support Facility, accounting for 41% of the active portfolio. These projects result in better E&S management of the investee, with stronger processes and procedures, that in turn improve employee safety, reduces work-place risks, and create better and safer working conditions. Examples of this include supporting the development of Environmental and Social Management Systems (ESMS) for several of our investees, such as TransAfrica, Banco Cuscatlan, and Banco BDI, and several more indirect investees. As a result, our investees have not only enhanced their compliance with regulatory requirements but also improved their overall operational efficiency and stakeholder relations, contributing to long-term positive impacts on both the environment and society.

**19** procedures implemented

**759** staff members trained

related to E&S/OHS. These projects mainly focuses on Environmental and Social Management Systems (ESMS) in line with the IFC Performance Standards. Consequently, how the companies work with and manage E&S risks in their companies has been strengthened, both at individual- and company level.

## Gender Equality

Gender equality is not only a fundamental human right, but also a necessary component to achieve a sustainable future. Overcoming gender barriers enables access to untapped pools of talent and resources, and [studies](#) show that companies with gender diversity are 21% more likely to outperform their peers. Additionally, companies with the greatest proportion of women on executive committees earns a [47 percent](#) higher rate of return on equity than companies with no women executives.

To address the gender gap, Norfund is committed to addressing gender equality in our investments and we use active ownership to promote equal opportunities for men and women across all levels in our portfolio companies. Business Support can be a driver for this, for instance, by providing leadership training for female staff in our portfolio companies. Furthermore, during 2024, Norfund, in collaboration with other DFI's, kicked off a training focusing on Gender Based Violence and Harassment (GBVH) for our investees.

[Read more about Business Support's effort on gender equality through the GBVH case](#)

**8** assessments conducted

**553** staff members trained

linked to gender equality for our direct and indirect investees. Topics such as inclusion, gender bias, gender lens investing and gender-based violence and harassment (GBVH) has been covered in the assessments, procedures and trainings.

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## Corporate Governance

Good corporate governance is essential for Norfund to achieve financial, sustainability and development goals. It refers to the structures and processes for the direction and control of companies. Sound corporate governance adds value to investments and reduces the risks for other investors. As part of this, Business Support has assisted assessments and reviews of corporate governance, which also include Business Integrity (BI) reviews and strengthening of investees procedures and processes on topics like Know Your Customer (KYC) and Anti-Money Laundering (AML).

**3** active projects

in 2024 targeted Anti-Money Laundering risk assessments and Know-Your-Customer/Business Integrity reviews. As a result, our investees are better equipped to comply with sound corporate governance practices.

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## Operational Improvements

The thematic area Operational Improvements cover a wide range of projects that enhances the development effects of Norfund's direct and indirect investees, but that are more linked to the operation of the company. Examples can amongst others include digitalisation processes and leadership trainings. It also includes support to Technical Assistance Facilities (TAF) in Norfund's fund investments, and projects that aim to build capacity and train staff in the portfolio companies.

For more information about our support to TAFs, see our [case on AFMF's Business Improvement Facility](#).

Projects that are targeting local communities surrounding Norfund's investments and projects targeting value chains with smallholder farmers that are linked to Norfund's portfolio companies are also included under this thematic area.

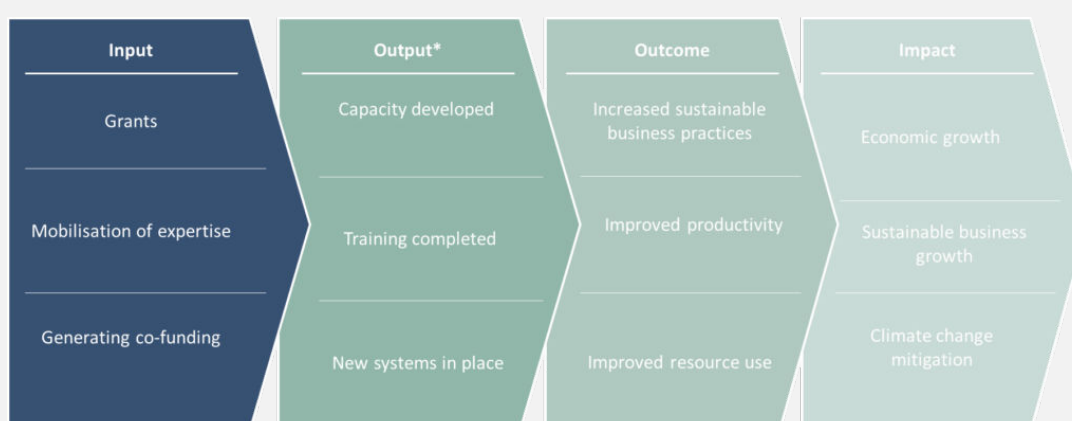
**9087** smallholder farmers reached

with capacity building, training, and other inputs. These farmers have increased their productivity and have increased livelihoods.

## Creating Value Beyond Capital

Norfund's Business Support portfolio is diverse in types of projects and what results they deliver. The composition of the projects in the portfolio depends on new investments, and emerging themes and focus areas of Norfund's fund managers, investees and other stakeholders. Despite challenging years marked by the pandemic, inflation and debt crises, Norfund's committed portfolio has seen steady growth and had an increase of 19 percent in 2024. Norfund's Business Support portfolio has followed, and is experiencing increased demand for supporting new projects, assisting in enhancing the development effects of our investees. The results for 2024 are as expected, and similar to previous years, and we have not been able to scale the facility, its reach and results due to reduction in funding to the facility. Business Support continues to be an important tool for value addition, assisting Norfund in providing non-financial value to investees that capital markets cannot, resulting in improved development outcomes.

### Business Support's Simplified Theory of Change on Enhancement of Development Effects

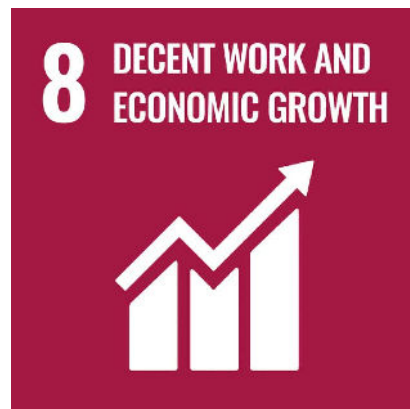


*\* Business Support portfolio is diverse, these are only examples of output.*



# Amplifying impact through fund investments

**By supporting the ASEAN Frontier Markets Fund (AFMF), Business Support is creating significant impact by providing Technical Assistance to local SMEs in Cambodia and Laos, enhancing their financial performance and ESG efforts through the Business Improvement Facility (BIF3).**



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## Empowering SMEs in Frontier Markets: The Impact of AFMF's Business Improvement Facility III

The ASEAN Frontier Markets Fund (AFMF) is one of Norfund's many fund investments, primarily providing growth capital to local SMEs in Cambodia and Laos. While building out the nascent private capital markets in frontier ASEAN countries, they maintain rigorous ESG standards in their investments. Both at time of investment, and throughout the holding period, AFMF enables their portfolio companies to enhance their financial performance, as well as improving their efforts on ESG. This is achieved through their technical assistance facility "Business Improvement Facility III"

### The Business Improvement Facility III (BIF3)

BIF3 is a vital component of EMIA's managed funds including AFMF, designed to support portfolio companies in enhancing their performance and adopting sustainable practices. In their preceding funds, the fund manager EMIA successfully launched BIF1 and BIF2, and mobilized around US\$2.4M of which about US\$1.8M were from its LPs' TA grants and US\$0.62M directly co-funded by its portfolio companies. The funds have supported 17 SME portfolio companies

with more than 60 projects. With this matching grant approach, the companies demonstrated financial commitment, reinforcing their ownership and dedication to continuous improvement. The impact of BIF1 and BIF2 has been evident, and thanks to these initiatives, the companies have achieved significant milestones such as the formulation of long-term business strategies, successful new product launches, improved performance efficiency, implementation of environmental and social impact assessments, and enhanced adoption of ESG standards as well as certified carbon trading scheme, among others. While 30% of the projects in BIF1 and 2 were targeting ESG improvements, BIF3 will have an even greater focus on climate, gender equality and social impact.



*"BIF3 not only continues the impactful work of its predecessors but also places a stronger emphasis on ESG, ensuring that climate, gender equality, and social impact are at the forefront of our initiatives,"*

*Savin Mao, EMIA, CIO and chair of ESG committee*

Norfund's support to TAFs is particularly crucial in markets like Cambodia and Laos, where the private capital ecosystem faces significant challenges. These markets often struggle to attract private capital investors due to gaps in the ecosystem, such as limited growth-stage funding and a lack of established financial markets. In ASEAN, research has shown that firms that disclose their ESG practices have been found to attract more investment and achieve higher profitability. By enhancing the sustainability and financial viability of AFMF's

portfolio companies, BIF3 makes these businesses more attractive to potential investors. This targeted support helps bridge the gaps in the private capital ecosystem, attracting much-needed investment in these challenging markets.

## Enhancing safety and quality at Full Well Logistics

Full Well Logistics, a Cambodian company incorporated in 1998, offers dry and cold storage along with trucking services. As part of the Business Improvement Facility III, AFMF has initiated and co-financed two critical projects to enhance Full Well Logistics' operational safety and quality standards.

Full Well Logistics is undertaking a comprehensive fire safety audit for its warehouse facilities. This audit aims to ensure compliance with both local and international fire safety standards. By identifying and mitigating potential fire hazards, the audit will significantly enhance the safety of employees, visitors, and the surrounding community, ultimately protecting lives and property and derisking the company for potential international investors.

In addition to the fire safety audit, Full Well Logistics is also focusing on developing a robust Quality, Health, Safety, and Environment (QHSE) management system. This project involves establishing comprehensive QHSE policies and procedures, conducting risk assessments, and providing training for staff. These initiatives are designed to ensure that Full Well Logistics not only complies with regulatory requirements but also adopts best practices in safety and quality management. The impact of these efforts will be seen in improved operational efficiency, reduced risks, and a safer working environment for all employees.

Through these proactive steps under BIF3, Full Well Logistics is setting a strong foundation for safety and quality, ensuring a secure and efficient operation that benefits both the company and its stakeholders.

### Intervention facts

**Norfund's support:** USD 100.000

**Norfund's cost share:** 19 %

**Intervention period:** Mar 2024 - Mar 2027

## **Why Norfund supports Technical Assistance Facilities (TAFs)**

Norfund leverages TAFs to enhance our impact and utilize local expertise. In 2024, 49% of our total project funds were allocated to TAFs. Our fund's TAFs receive grants from Norfund, which are then reallocated to the fund's portfolio companies to boost their capacity, performance, and impact. This approach allows us to:

- Strengthen our fund managers.
- Enhance their capacity for providing Technical Assistance.
- Utilize their local expertise in specific sectors.
- Extend our reach to a growing number of companies, beyond our direct capacity.

By supporting TAFs, Norfund can effectively amplify its impact, ensuring that our investments are not only financially successful but also contribute to sustainable development in the regions we operate.

# Managing Gender-Based Violence & Harassment

Business Support is financing a two-day training program on managing Gender-Based Violence and Harassment (GBVH) risks in the workplace for its investees, resulting in safer workplaces and improved well-being for survivors.



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## Managing Gender Based Violence and Harassment risks in the workplace

Gender-based violence and harassment (GBVH) cause serious harm on individuals, with lasting physical, emotional, and psychological consequences. This in turn poses significant social and commercial risks for the private sector, especially in Norfund's markets, where knowledge and processes for addressing such risks are often limited. [A 2018 WHO study](#) revealed that nearly 1 in 3 women worldwide have experienced physical and/or sexual violence by an intimate partner or non-partner. In the wake of COVID-19 and often otherwise, socioeconomic impacts overwhelmingly hit women harder than men, and gender-sensitive measures are essential for narrowing persistent gender gaps. Despite its prevalence, GBVH remains a sensitive and often taboo topic that requires tailored approaches rather than one-size-fits-all solutions.



*GBVH Training, Accra, Ghana - November 12-13 2024*

Recognizing this critical issue, Norfund's Business Support is financing a two-day physical training program on managing GBVH risks in the workplace for a selection of Norfund's investees. Initiated by British International Investment (BII) and co-funded with Norfund and other Development Finance Institutions (DFIs), including DEG, Proparco, and DFC, this program aims to empower our portfolio companies to prevent and address GBVH effectively, fostering safer workplaces while mitigating risks to productivity, reputation, and survivor well-being. By raising awareness on this topic, employees are empowered to implement best practices and speak up if situations or actions arise. Over a two-year period, Norfund has secured 35 seats for training courses occurring in Asia and Sub-Saharan Africa.

***"GBVH is a key risk in our markets and mitigation initiatives are highly sought after in West Africa. Assisting investees in identifying, addressing, and preventing GBVH risks reflects Norfund's commitment to gender equality as one of our four cross-cutting issues. This strategic approach contributes to broader societal progress and strengthens sustainability of our portfolio companies"***

***-Mfon Essien, E&S Manager, Norfund***

## Program content

The trainings are conducted by Social Development Direct (SDD), a leading British consultancy on gender equality and social inclusion. With their strong know-how of pragmatic training, they achieve real implementations in the participants companies. The intended audience of the training is people who assess GBVH risks and/or manage incident response, for instance Human Resources, E&S, or similar functions. This enables them to carry on their insights and implement practices to reduce GBVH risks in their organizations. The content of the training include:

- An introduction to GBVH and key concepts, including reference to international standards and national legislation
  - Assessing GBVH risks in the workplace - why and how to do this well
  - Incident management and investigations - essential principles and key process to incident management
  - Strengthening GBVH policies and a survivor-centered approach to GBVH
- Grievance mechanisms - what they are, barriers to reporting and establishing mechanisms that are survivor-centered



## Results 2024

2024 marks a successful year of training, having completed cohort 1. Trainings were held in Kenya, India and Ghana with great feedback from 9 participants funded by Norfund. Additionally, several more participants from our portfolio companies participated, but sponsored by other DFIs, that are also co-investors in the participants' companies. Participants report applying the knowledge from the trainings into their internal policies and personnel inductions, as well as use of the materials and tools in internal trainings. The attendees also bring an increased awareness on the topic back to their workplaces, and this can in turn enhance reporting channels' effectiveness.



*GBVH Training, Nairobi, Kenya - November 5-6 2024*

***"Changes have already been implemented [in the organization]"***

***-Norfund-funded participant, Cohort 1, Kenya***

SDD conducted evaluations from participants in cohort 1. The feedback showed that all participants agreed or strongly agreed that the concepts were clearly



explained, and that examples and exercises were realistic. Furthermore, 100% of participants in Kenya and India, and 94% in Ghana agreed or strongly agreed that the training materials provided are useful. Lastly, 100% in Ghana, 96% in Kenya and 84% in India agreed to a large or very large extent that the training provided knowledge that is actionable within their specific role.

## Going forward

Looking ahead, Norfund is committed to expanding the reach and impact of the GBVH training program. For the second cohort, trainers have been confirmed in Bangladesh, South Africa, Indonesia and Cote d'Ivoire. Additionally, in 2025, we are planning to conduct trainings in Senegal as well as repeat trainings in countries such as Kenya and India. These sessions will build on the valuable feedback provided by the first cohort, ensuring that the training content is continuously improved and tailored to meet the specific needs of each region. By incorporating this feedback, we aim to enhance the effectiveness of the training and further empower our investees to manage GBVH risks in the workplace.

### Intervention facts

**Norfund's support:** 62,000 USD

**Intervention period:** May 2024 - Dec 2026

**Number of participants sponsored in 2024:** 9

# Sustainable biomass energy production in Asia

With Business Support, BECIS has developed a new credible and transparent standard to include a wider variety of local biomass feedstocks for its bioenergy production in Asia - while ensuring that the biomass is developed in a sustainable manner.



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## Opening for more sustainable biomass energy-production in Asia

Biomass energy comes from various feedstock sources: residues from trees, plants, - agriculture and industry, as well as from other kinds of biological waste. When used in conjunction with other green technologies, such as solar panels or wind turbines, biomass can help create a truly renewable energy system. However, bioenergy has some drawbacks. When implemented without a sustainability perspective, their production can among others strain local food supplies, contribute to reduced biodiversity and even increase Co2 emissions. If bioenergy is to be a part of the solution to tackling climate change, it has to be developed sustainably.

***“Bioenergy is acknowledged to be an essential tool for reaching net zero emissions, but only when delivered under the right conditions.”***

***Dr Christian Rakos, President of the World Bioenergy Association***

Berkeley Energy Commercial Industrial Solutions (BECIS) is a Norfund investee that has several operating and planned biomass plants in India and Southeast Asia. The plants use a variety of biomass feedstocks depending upon the dynamics of local markets in each country. BECIS reached out to Norfund Business Support with an application for development of a new internal, credible, third-party verified, and transparent corporate standard to cover the wide variety of biomass feedstocks it uses. Some of the biomass feedstocks are already certifiable under the well-known Roundtable on Sustainable Biofuels standard (RSB) while others are not.

The application was approved, and a pilot project was implemented in Indonesia and Thailand with the following phases:

- **Discovery Phase:** BECIS' existing sourcing program was assessed with respect to the RSB and other framework requirements such as Bonsucro, IFC Performance Standards, and IFC E&S Risk guidelines in the AgroCommodity Supply Chain.
- **Program Development:** A new sourcing program - BECIS Responsible Sourcing Criteria (BRSC) - was developed to measure and ensure that all locally sourced biomass feedstocks still meet international principles for Environment, Labor, Social, and Governance.
- **Training for targeted BECIS staff:** As soon as the framework was established, training was provided by external party to BECIS Bioenergy plants in Indonesia, Thailand, Philippines, India, and Cambodia.
- **Pilot audits:** In three plants in Indonesia and one plant in Thailand, pilot audits were conducted
- **Third-Party Assurance:** The new developed BECIS Responsible Sourcing Criteria were assured by a third party.

Today, the new BECIS Responsible Sourcing Criteria (BRSC) applies to BECIS and all its first and second tier suppliers involved in the supply, transport, storage, and handling of biomass feedstocks.



*Biomass Energy & Biomass Fuels. Photo: BECIS*

## Results

BECIS is committed to ensuring sustainability across its operations, and as part of this effort, the company has been actively working on bioenergy certification. The development of this certification program has been a critical step in making BECIS more sustainable by ensuring that none of its biomass feedstocks lead to negative environmental or social impacts. This includes preventing harmful practices such as deforestation, reduced food production, the use of child labor, etc. The program helps BECIS demonstrate its dedication to responsible sourcing and environmental stewardship.

Looking ahead, BECIS plans to continue this certification process in 2025 for additional bioenergy plants. This expansion is part of an ongoing effort to ensure that all bioenergy plants under BECIS's management meet rigorous sustainability standards, including responsible and sustainable energy production.

BECIS is servicing industrial customers, including several multinationals such as Heineken, Danone and Nestle. The new standard has allowed BECIS to meet their customers' and stakeholders' expectations for responsible sourcing certification - while reducing future certification costs.

Ultimately, the industry performance will be improved by minimizing supply chain risks related to ESG and sustainability criteria.

## **Intervention facts**

**Norfund's support:** USD 23.500

**Norfund's cost share:** 45%

**Intervention period:** Oct 2023 - Oct 2024

# Project list

Project name	Company	Region	Department	Year	SDG	Amount (USD)
260 Brands - Leadership Training*	260 Brands	Zambia	SE - A&M**	2024	8.2	8 500
Adenia V - TAF	Adenia Capital V	Sub-Saharan Africa	SE - Funds	2023	8	165 000
Advans Myanmar - Capacity Development	Advans Myanmar	Myanmar	Financial Inclusion	2021	8.1	159 000
AFMF - BIF III	ASEAN Frontier Markets Fund	Southeast Asia	SE - Funds	2024	8	100 000
AgDevCo - TAF	AgDevCo	Sub-Saharan Africa	SE - A&M**	2021	8.2	1 000 000
Agri-Vie II - TAF	Agri-Vie II	Sub-Saharan Africa	SE - Funds	2023	8	200 000
AktivCo - ESMS Development	AktivCo	Cameroon	Renewable Energy	2024	12.6	75 500
Amret - Diversity & Inclusion Project	Amret	Cambodia	Financial Inclusion	2024	5	22 500
Antler - Increasing Financial Literacy and ESG	Antler East Africa Fund I	East Africa	SE - Funds	2024	12.6	100 000
Arise - TAF	Arise	Sub-Saharan Africa	Financial Inclusion	2019	8.1	250 000
Ascent II	Ascent Rift Valley Fund II	East Africa	SE - Funds	2021	8.3	185 000
Banco BDI - ESMS Development	Banco BDI	Dominican Republic	Financial Inclusion	2023	12.6	20 000
Banco Cuscatlan - ESMS Development	Banco Cuscatlan	El Salvador	Financial Inclusion	2022	12.6	17 500
Baobab+ - Credit Management*	Baobab+	West Africa	Renewable Energy	2024	7	32 500
BECIS - Biomass Certification*	BECIS	India	Renewable Energy	2023	8.2	23 500
BII - ESG training 2023-2024*	Multiple	Africa	Multiple	2022	12.6	60 000
BII - ESG Training IV 2024-2026	Multiple	Africa	Multiple	2024	12.6	67 000
BII - GBVH Trainings 2024-2025	Multiple	Global	Multiple	2024	5.2	62 000

Project name	Company	Region	Department	Year	SDG	Amount (USD)
BPI - TAF	Business Partners International Africa	Sub-Saharan Africa	SE - Funds	2024	8	250 000
CASEIF IV - TAF	CASEIF IV	Latin America	SE - Funds	2021	5	150 000
CBI - Staff Training & CSR	Continental Blue Investment Ltd.	Ghana	SE - A&M**	2023	9.5	110 000
Central America Sector Initiative - Climate and ESG	Multiple	Latin America	Multiple	2020	12.6	450 000
City Bank - Net Zero Strategy*	City Bank Limited	Bangladesh	Financial Inclusion	2023	13	17 500
CRDB Bank - Capacity Development	CRDB Bank DRC	DR Congo	Financial Inclusion	2022	5	33 000
d.light - Carbon Credit Portable Lamp	d.light	Kenya	Renewable Energy	2024	7	100 000
EcoEnterprises - TAF	EcoEnterprises Partners III, LP	Latin America	SE - Funds	2022	13	170 000
EcoWise Nigeria	OH Ecosystems Ltd.	Nigeria	SE - A&M**	2023	8.2	350 000
ENEL Coral - Local Community Development*	ENEL	India	Renewable Energy	2020	11	194 000
ENEL Thar - Local Community Development*	ENEL	India	Renewable Energy	2021	11	175 000
FDL - Agricultural Technical Training	FDL	Nicaragua	Financial Inclusion	2024	13	119 500
Female Future Program Support 2020-2024	Multiple	Africa	Multiple	2020	5	45 000
Female Future Program Support 2025-2028	Multiple	Africa	Multiple	2024	5	60 000
Hela - Career Progression Trainings	Hela Investment Holdings	Kenya	SE - A&M**	2023	5.5	30 000
Lilongwe Dairy - Smallholder Support	Lilongwe Dairy	Malawi	SE - A&M**	2022	2.2	250 000
Locfund Next - TAF	Locfund Next	Latin America	Financial Inclusion	2021	8.2	250 000
Marginpar - Leadership and Team Development - Phase II	Marginpar Group	Kenya	SE - A&M**	2024	8.5	46 500
Marginpar - Kaizen Implementation*	Marginpar Group	Kenya, Ethiopia	SE - A&M**	2019	8.2	138 500
NDB - AML risk assessment	National Development Bank	Sri Lanka	Financial Inclusion	2022	16.6	24 000



Project name	Company	Region	Department	Year	SDG	Amount (USD)
NDB - E&S Audit*	National Development Bank	Sri Lanka	Financial Inclusion	2023	12.6	12 500
NME - Strengthening E&S	Nouvelle Mici Embaci	Ivory Coast	SE - A&M**	2024	12.6	21 500
Norsad - KYC and BI Review	Norsad	Botswana	Financial Inclusion	2024	16	32 500
Novastar - Cross Portfolio Capacity Development*	Novastar Ventures East Africa Fund	East Africa	SE - Funds	2021	8.3	50 000
Novastar - TAF 2021-2022*	Novastar Ventures East Africa Fund	East Africa	SE - Funds	2021	8.3	250 000
OSV Fund III - Thryve ESMS development	Thryve.Earth	Global	SE - Funds	2024	12.6	20 000
Phatisa Food Fund II - TAF	Phatisa Food Fund II	Sub-Saharan Africa	SE - A&M**	2022	8.2	250 000
RedSun - Improving the Water Treatment System	Redsun Raisins and Nuts	South Africa	SE - A&M**	2024	6	140 000
Road Safety Management	Multiple	Global	Multiple	2024	3.6	210 000
Sahel SME Fund - Investor Readiness Program*	Multiple	Mali	SE - Funds	2023	8.3	150 000
SAMANU - Backward Integration	SAMANU	Ethiopia	SE - A&M**	2023	2.3	340 000
SEEA - E&S Training*	Schneider Electric Energy Access Asia	Asia	Renewable Energy	2023	12.6	10 500
Solon Capital Holdings - Strengthening Safeguarding	Solon Capital Holdings	West Africa	SE - Funds	2024	4.1	40 000
Spear II - TAF*	Spear Africa Holding II	Sub-Saharan Africa	SE - Funds	2018	12.6	500 000
Technoserve CASA Partnership*	Multiple	Sub-Saharan Africa	Multiple	2021	9.2	200 000
The Boardroom Africa	Multiple	Sub-Saharan Africa	Multiple	2023	5.5	50 000
TransAfrica - Strengthening E&S Management*	Transafrica Water Systems Ltd.	East Africa	Green Infrastructure	2022	12.6	12 000
W2AF - TAF	Water Access Accelerator Fund	Global	Green Infrastructure	2023	6.1	165 000
XSML ARF III - TAF	African Rivers Fund III	Sub-Saharan Africa	SE - Funds	2022	8.3	250 000
XSML ARF IV - TAF	African Rivers Fund IV	Sub-Saharan Africa	SE - Funds	2024	8.3	50 000



Project name	Company	Region	Department	Year	SDG	Amount (USD)
Xurya Indonesia - BI and E&S Development	Xurya	Indonesia	Renewable Energy	2024	12.6	40 000

\* Completed in 2024

\*\* SE - Agri & Manufacturing