

**CI Artemis K/S
Langelinie Allé 43
2100 Copenhagen
Business Registration No
32 33 40 59**

Annual report 2018

The Annual General Meeting adopted the annual report on 27.05.2019

Chairman of the General Meeting



Name: Thomas Hinrichsen

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Fund details

Fund

CI Artemis K/S
Langelinie Allé 43
2100 Copenhagen

Business Registration No: 32 33 40 59
Registered in: Copenhagen
Financial year: 1 January 2018 - 31 December 2018

Telephone: +45 70 70 51 51
Internet: www.cipartners.dk

General Partner

CI Artemis GP ApS

Fund Manager

Copenhagen Infrastructure Partners I K/S

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by the General Partner on the annual report

The General Partner has today considered and approved the annual report of CI Artemis K/S for the financial year 1 January 2018 - 31 December 2018.

The annual report is presented in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Limited Partnership's financial position at 31 December 2018 and of the results of its operations and the cash flows for the financial year 1 January 2018 - 31 December 2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 20.05.2019

On behalf of CI Artemis GP ApS



Henrik Frydendal Havmose



Thomas Hinrichsen

Independent auditor's report

To the shareholder of CI Artemis K/S

Opinion

We have audited the financial statements of CI Artemis K/S for the financial year 01.01.2018 - 31.12.2018, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

General Partner's responsibilities for the financial statements

The General Partner is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as the General Partner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report

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 and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner.
- Conclude on the appropriateness of the General Partner's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Independent auditor's report

Statement on the management commentary

The General Partner is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

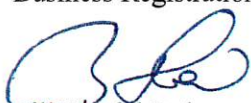
Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 20.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56



Biff Håudal Pedersen
State-Authorised Public Accountant
Identification No (MNE) mne30131



Michael Thorø Larsen
State-Authorised Public Accountant
Identification No (MNE) mne35823

Management commentary

	<u>2018</u> EUR'000	<u>2017</u> EUR'000	<u>2016</u> EUR'000	<u>2015</u> EUR'000
Financial highlights				
Key figures				
Operating profit/(loss) (EBIT)	49,962	33,352	30,769	26,292
Profit/(loss) for the year	49,954	33,340	30,766	26,283
Equity	290,348	298,694	425,069	416,025
Assets total	315,341	298,713	425,089	416,058
Ratios				
Solvency ratio (%)	92.1	99.9	99.9	99.9

Primary activity

CI Artemis K/S (CI A) was established in February 2014 and is managed by Copenhagen Infrastructure Partners I K/S (CIP I K/S). The General Partner of CI A is CI Artemis GP ApS.

The Limited Partner, PensionDanmark, has committed EUR 392.1m to CI A for a single infrastructure investment in Germany.

Investments

End of 2018, CI A holds an investment in DolWin 3.

DolWin 3

In 2014, CI A entered into a joint venture which will construct, own and operate the transmission system DolWin 3. DolWin 3 is currently under construction and COD is expected in 2019.

Development in activities and finances

Income from investments in 2018 amounts to EUR 50.8m.

Profit for the year amounts EUR 50m, which is in accordance with expectations. This profit reflects income from the investment, partly offset by fund transaction costs and administrative expenses charged to profit or loss during the period.

The Limited Partner's paid-in capital to the Fund end of 2018 amounts to EUR 381m, equalling 97% of the committed capital of EUR 392m. Accumulated distributions to Limited Partner amounted to EUR 241m since fund initiation and accumulated net income end of 2018 amounted to EUR 150m. Hereafter total limited partnership capital end of 2018 amounted to EUR 290m.

Management commentary (continued)

Uncertainty relating to recognition and measurement

CI A invests in infrastructure projects structured to provide stable cash flows, but where transferability and cash flows may to a certain extent still be affected by changes in market conditions. Consequently, the fair value of the investments is based on estimates and a number of assumptions made by the General Partner on the balance sheet date.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Outlook

Expectations for the Limited Partnership are positive.

No further investments are expected to be made.

Statement of comprehensive income

	<u>Notes</u>	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
Interest income		13,671	18,772
Realised gains/(losses)		20,300	48,801
Net increase/(decrease) in unrealised gains from financial assets and liabilities at fair value		<u>16,795</u>	<u>(33,012)</u>
Operating income		<u>50,766</u>	<u>34,561</u>
Administrative expenses	3	<u>(804)</u>	<u>(1,209)</u>
Operating expenses		<u>(804)</u>	<u>(1,209)</u>
Operating profit/(loss) (EBIT)		<u>49,962</u>	<u>33,352</u>
Financial expenses	4	<u>(8)</u>	<u>(12)</u>
Profit/(loss) for the year		<u>49,954</u>	<u>33,340</u>
Other comprehensive income		<u>0</u>	<u>0</u>
Comprehensive income		<u><u>49,954</u></u>	<u><u>33,340</u></u>

Balance sheet at 31 December 2018

	<u>Notes</u>	<u>2018 EUR'000</u>	<u>2017 EUR'000</u>
Equity investment	5	116,426	99,630
Receivables from investment entity	5	197,854	197,208
Investments		<u>314,280</u>	<u>296,838</u>
Fixed assets		<u>314,280</u>	<u>296,838</u>
Cash		<u>1,061</u>	<u>1,875</u>
Current assets		<u>1,061</u>	<u>1,875</u>
Assets		<u><u>315,341</u></u>	<u><u>298,713</u></u>

Balance sheet at 31 December 2018

	Notes	2018 EUR'000	2017 EUR'000
Limited partnership capital	6	380,529	380,529
Retained earnings		<u>(90,181)</u>	<u>(81,835)</u>
Equity		<u>290,348</u>	<u>298,694</u>
Payables to group enterprise		24,976	0
Other payables	7	<u>17</u>	<u>19</u>
Current liabilities other than provisions		<u>24,993</u>	<u>19</u>
Liabilities other than provisions		<u>24,993</u>	<u>19</u>
Equity and liabilities		<u>315,341</u>	<u>298,713</u>

Statement of changes in equity

	Limited partnership capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity at 1 January 2018	380,529	(81,835)	298,694
Distribution to Limited Partner	-	(58,300)	(58,300)
Profit/(loss) for the year	-	49,954	49,954
Equity at 31 December 2018	380,529	(90,181)	290,348

	Limited partnership capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity at 1 January 2017	380,529	44,539	425,068
Distribution to Limited Partner	-	(159,714)	(159,714)
Profit/(loss) for the year	-	33,340	33,340
Equity at 31 December 2017	380,529	(81,835)	298,694

Cash flow statement for 2018

	<u>Notes</u>	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
Operating profit		49,962	33,352
Income from investment		(50,766)	(34,561)
Working capital changes	8	<u>24,973</u>	<u>(1)</u>
Cash flows from ordinary activities		<u>24,169</u>	<u>(1,210)</u>
Financial expenses	4	<u>(8)</u>	<u>(13)</u>
Cash flows from operating activities		<u>(8)</u>	<u>(13)</u>
Acquisition of equity investment	5	0	(134)
Distributions from receivables from investment entity	5	13,025	110,913
Distributions from equity investment	5	<u>20,300</u>	<u>48,801</u>
Cash flows from investing activities		<u>33,325</u>	<u>159,580</u>
Distributions to Limited Partner		<u>(58,300)</u>	<u>(159,714)</u>
Cash flows from financing activities		<u>(58,300)</u>	<u>(159,714)</u>
Increase/decrease in cash		(814)	(1,357)
Cash beginning of year		<u>1,875</u>	<u>3,232</u>
Cash end of year		<u>1,061</u>	<u>1,875</u>

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Notes

1. Accounting policies

Reporting class

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and further disclosure requirements of the Danish Financial Statements Act governing reporting class C enterprises (medium-size).

CI Artemis K/S is a Limited Partnership based in Denmark.

The accounting policies applied to these financial statements are consistent with those applied last year.

There have been lesser reclassifications of the comparative figures in the fiscal year without significantly affecting the equity or profit for the year.

The financial statements are presented in euro (EUR), which is the functional currency of the Fund.

The financial statements are presented on the basis of historical cost, except for the equity investment and receivables from investment entity, which are measured at fair value. Historical cost is based on the fair value of the consideration given in exchange for assets.

Judgements made by the General Partner in the application of IFRSs that have had significant effects on the financial statements are disclosed, where applicable, in the relevant notes to the financial statements.

Defining materiality

If a line item is not individually material, it is aggregated with other items and notes of a similar nature in the financial statements or in the notes. There are substantial disclosure requirements throughout IFRS. The General Partner provides specific disclosures required by IFRS unless the information is considered immaterial to the economic decision-making of the users of these financial statements or not applicable.

The most significant accounting policies are set out overleaf.

Notes

1. Accounting policies (continued)

Report on the omission of preparation of consolidated financial statements

CI A has omitted to prepare consolidated financial statements under the provisions of IFRS 10 and IAS 27 as the Limited Partnership qualifies as an investment entity. The definition is as follows:

"An investment entity is defined as an entity which commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both".

In view of the circumstances described below, the General Partner believes that the Fund satisfies the definition of an investment entity:

- 1) The Fund obtains funds for the purpose of providing investment management service.
- 2) The Fund and the investor are not related parties. Please refer to the description in note 12 to the financial statements.
- 3) The Fund's investments take the form of equity instrument. The Fund can exit the investment, if relevant.

Standards and Interpretations not yet in force

All of the new and amended Standards and Interpretations which are relevant to the Fund and which came into force with effect for financial years beginning 1 January 2018 have been applied when preparing the financial statements.

At the date of the issue of these financial statements, a number of new or amended Standards and Interpretations have not entered into force. This includes in particular IFRS 16 regarding leasing with effect for financial years beginning 1 January 2019. The General Partner believes that IFRS 16 will not impact significantly on the financial statements for the coming financial years as the Fund has not entered into significant leases.

The General Partner further believes that other amended Standards and Interpretations, which have not entered into force, will not have any significant impact on the financial statements, and they will not be adopted early.

Significant accounting policies and estimates

As part of the preparation of the financial statements, the Fund Manager and the General Partner make a number of accounting judgements which form the basis of presentation, recognition and measurement of the Fund's assets and liabilities. The most significant accounting judgements are evident from note 2 to the financial statements.

Notes

1. Accounting policies (continued)

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Fund, and the value of the asset can be measured reliably. Assets are derecognised in the balance sheet when it is no longer probable that future economic benefits will flow to the Fund.

Purchase and sale of financial assets and liabilities are recognised in the balance sheet at the commitment date.

Liabilities are recognised in the balance sheet when the Fund has a legal or constructive obligation as a result of an event before or on the balance sheet date, and it is probable that future economic benefits will flow out of the Fund, and the value of the liability can be measured reliably. Liabilities are derecognised in the balance sheet when it is no longer probable that economic benefits will have to be given up to settle the liability.

On initial recognition, assets and liabilities are measured at cost, however, investment assets are measured at fair value on initial recognition, typically equalling cost exclusive of directly incurred expenses (direct transaction costs). Measurement subsequent to initial recognition is effected as described below for each financial statement item. Allowance is made for events occurring from the balance sheet date to the date of presentation of the annual report, and which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income is recognised in the statement of comprehensive income when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

Items included in the financial statements of the Fund are measured in the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements of the Fund are presented in the currency unit (EUR, euro), which is the Fund’s functional and presentation currency.

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Notes

1. Accounting policies (continued)

Statement of comprehensive income

Revenue recognition

Dividend income is recognised when the Fund's rights to receive the payments have been established, normally being the ex-dividend date.

Interest on receivables from the investment entity at fair value through profit or loss is accrued on a time-proportionate basis, by reference to the principal receivables from the investment entity and at the effective interest rate applicable. The interest is calculated based on the net carrying amount on initial recognition.

Income from receivables and investment

Income from receivables and investment consists of unrealised fair value adjustments, dividends, accrued interest and profit or loss from the disposal of investment or receivables.

Income realised from the disposal of the investment is calculated as the difference between net selling price and cost at the time of acquisition. Previously, unrealised fair value adjustments related to the investment disposed of during the year were recycled to the effect that, in net terms, profit for the year was affected by the difference between the selling price and the fair value at the beginning of the financial year.

Administrative expenses

All expenses are recognised in the statement of comprehensive income on the accrual basis.

Administrative expenses comprise expenses incurred during the financial year not directly related to the Fund's investment activities.

General due diligence costs and general administration etc including management fees have been expensed by the amounts attributable to this financial year, whereas certain development costs have been capitalised in order to increase the value of the equity investment or receivables from investment.

Financial income and expenses

Financial income and expenses comprise interest income and various expenses, and net exchange rate adjustments on transactions in foreign currencies.

Interest income and interest expenses are stated on an accruals basis using the principal interest rate.

Income taxes

Under current Danish law governing the Fund, it is not independently taxable because the Fund's profit/loss for the year is included in the Limited Partner's taxable income.

Notes

1. Accounting policies (continued)

Balance sheet

Investment and receivables from investment

Financial assets and liabilities are recognised at fair value through profit or loss when the Fund becomes party to the contractual provisions of the instrument. Recognition takes place on the trading day when the Fund purchases or sells an investment under a contract whose terms require delivery of the investment within the time frame established by the market.

On initial recognition, equity investment and receivables from the investment entity are measured at fair value.

Financial assets and liabilities are derecognised when the contractual rights to the cash flows from the investment have expired or the Fund has transferred substantially all risks and rewards of ownership.

Investment consist of equity investment and receivables from investment entity consist of shareholder loan. Furthermore, investment consist of capitalised development costs, which increase the fair value of the investment. On initial recognition, both types of investment are measured at fair value, and subsequently measured at fair value with recognition of fair value adjustments through profit or loss.

The fair value is calculated equivalent to an estimated fair value that is determined based on market information, IPEV Valuation Guidelines and generally accepted valuation techniques, including benchmarking, DCF or other relevant methods, which are considered to provide the best estimate of the fair value.

For further information about the measurement of fair values, please refer to note 11.

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement of the Fund is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Fund's cash equivalents at the beginning and the end of the financial year.

Notes

1. Accounting policies (continued)

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items and working capital changes.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of investment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and payment of distributions to the Limited Partner.

Cash comprises cash and short-term securities with an insignificant price risk less short-term bank loans.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Ratios		Calculation formula	Ratios reflect
Solvency ratio (%)	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The entity's financial strength.

2. Significant accounting estimates, assumptions and uncertainties

The Fund develops and invests in infrastructure assets (unlisted equity investment and receivables), the market price of which depends both on entity-specific affairs and market conditions, including to a certain extent power prices, commodity prices, exchange rates and construction risk within the investment. Furthermore, the valuation and hence fair value of the long-term receivables and equity investment are affected by changes in the risk-free interest rate other than the general cost of risk in the market. As a result, income from investment, including the unrealised value adjustments, accrued interest and the fair value of investment are subject to estimation and uncertainty. For further information about the financial risks related to the investment, please refer to note 10.

The methods applied in and the assumptions underlying the determination of the fair value in unlisted equity investment are described in note 11 to the financial statements.

Notes

3. Administrative expenses

The Fund has no employees.

Administrative expenses include management fee and investment advisory fee for the period to Copenhagen Infrastructure Partners I K/S, in accordance with the LPA and management agreement. For further information about management fee and investment advisory fee, please refer to note 12.

	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
4. Financial expenses		
Other interest, foreign exchange loss etc	(7)	(12)
General Partner fee	(1)	(1)
Interest expenses for financial liabilities	<u>(8)</u>	<u>(13)</u>

	<u>Investment</u> <u>EUR'000</u>	<u>Receivables from</u> <u>investment entity</u> <u>EUR'000</u>	<u>Total</u> <u>EUR'000</u>
5. Investment			
Fair value at 31 December 2017	99,630	197,208	296,838
Distributions	(20,300)	(13,025)	(33,325)
Value adjustment	37,096	13,671	50,767
Fair value at 31 December 2018	<u>116,426</u>	<u>197,854</u>	<u>314,280</u>

	<u>Investment</u> <u>EUR'000</u>	<u>Receivables from</u> <u>investment entity</u> <u>EUR'000</u>	<u>Total</u> <u>EUR'000</u>
Investment			
Fair value at 31 December 2016	132,508	289,349	421,857
Distributions	(48,801)	(110,913)	(159,714)
Contributions	134	0	134
Value adjustment	15,789	18,772	34,561
Fair value at 31 December 2017	<u>99,630</u>	<u>197,208</u>	<u>296,838</u>

Notes

5. Investment (continued)

<u>Investment</u>	<u>Corporate form</u>	<u>Registered in</u>	<u>Equity interest %</u>	<u>Profit/(loss)* EUR'000</u>	<u>Equity* EUR'000</u>
CI Artemis HoldCo	A/S	Copenhagen	100	65,984	102,168

* Based on the latest annual report adopted by the AGM (2017).

Consistently with the accounting policies, the Fund regularly adjusts the value of the investment to best estimate of fair value. This means that the proportionate share of profit or loss of the investment is not recognised in profit or loss of the Fund. Instead, the value adjustment of the investment's fair value is taken to profit or loss of the Fund.

The methods applied by the Fund to measure the investment are evident from note 11 to the financial statements.

In accordance with the requirements of IFRS 12, certain disclosures must be provided for an investment company's non-consolidated subsidiaries, and the following information is deemed relevant in this respect:

The Fund's investment is not classified as an investment entity under IFRS 10 because it is engaged in developing or owning infrastructure projects. There are no restrictions on the Fund's right to receive dividend from or have loans etc repaid by the investment, except that distributions from current operating activities of the equity investment must be made allowing for debt servicing by such companies. The Fund has not provided its investment with financial support during the financial year outside the contractual basis.

6. Limited partnership capital

The limited partnership capital has not been divided into classes.

	<u>2018 EUR'000</u>	<u>2017 EUR'000</u>
7. Other payables		
Other payables	17	19

The carrying amount of payables relates to investment, legal fees, auditor's fees, travel costs, etc.

The amount recognised is equal to the fair value of the liabilities.

Notes

	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
8. Working capital changes		
Change in payables	24,973	(1)
	<u>24,973</u>	<u>(1)</u>
9. Financial instruments		
Categories of financial instruments:		
Investment	116,426	99,630
Receivables from investment	197,854	197,208
Financial assets measured at fair value through profit or loss	<u>314,280</u>	<u>296,838</u>
Payables to group enterprise	24,976	-
Other payables	17	19
Financial liabilities measured at amortised cost	<u>24,993</u>	<u>19</u>

All financial liabilities are due for payment within 12 months.

10. Financial risk management

The General Partner is ultimately responsible for the overall risk management within the Fund, but has delegated the responsibility to the Fund Manager.

The Fund pursues an investment strategy approved by the Limited Partner and invests in infrastructure project.

The Fund's risk management processes include identification, measurement, monitoring, reporting and mitigation of the identified risks to minimise the potential negative effects at fund level.

Key financial risk factors and exposure regarding the financial statements for 2018 can be categorised as follows:

Financial risk factors

Liquidity risks

	<u>Less than</u> <u>1 year</u> <u>EUR'000</u>	<u>Between</u> <u>1 and 5 years</u> <u>EUR'000</u>	<u>After</u> <u>5 years</u> <u>EUR'000</u>	<u>Total</u> <u>EUR'000</u>
Payables to group enterprise	24,976	-	-	24,976
Other payables	17	-	-	17
31 December 2018	<u>24,993</u>	<u>-</u>	<u>-</u>	<u>24,993</u>

Notes

10. Financial risk management (continued)

	Less than 1 year EUR'000	Between 1 and 5 years EUR'000	After 5 years EUR'000	Total EUR'000
Other payables	19	-	-	19
31.12.2017	19	-	-	19

The liquidity risk is considered insignificant. No indication of the Limited Partner's inability to contribute the remaining fund commitment exists.

Credit risks

Credit risk relates to the risk of non-performing receivables and impairment of the Fund's loans provided to the infrastructure project.

The maximum credit risk related to receivables equals the carrying amount. There is no indication of non-performing receivables at the balance sheet date.

Likewise, there is no impairment of receivables e.g. at the balance sheet date as it is assessed that the debtor will fulfil the individual facility agreements.

The Fund is not exposed to any significant credit risks from a single counterparty at 31 December 2018.

Interest rate risk

The Fund has no external debt at the balance sheet date, and therefore no interest rate risk is related to the liabilities.

Currency risk

The Fund is denominated in EUR. All cash flows, including drawdowns and distributions, take place in EUR. Consequently, the Limited Partner is not exposed to currency risk through the Fund.

Commodity prices

The Fund's market price exposure is limited as it is significantly mitigated through fixed price agreements, hedges and capital structure protection. However, major changes in certain market prices may to some extent impact certain investments. The overall market price exposure is considered low, though.

When the Fund has a market price and/or commodity price exposure, changes in such risk factors impact the fair value of the individual investment.

Notes

11. Financial instruments measured at fair value

The fair value of the investment is measured on a quarterly basis, or more frequently if significant changes occur.

The Fund Manager has implemented procedures and methodology to ensure that the valuation is carried out consistently over time.

Methods applied in and assumptions underlying the determination of fair value of the investment

The fair value of the equity investment and receivables from the investment entity has been estimated by applying methods that best reflect the risks and the stage of the investment, e.g. assumptions related to power prices, inflation rates, technical availability and discount rate.

In general, the fair value is determined in accordance with IPEV Valuation Guidelines and generally accepted valuation techniques, including DCF models, benchmarking or other relevant method.

The valuation of the equity investment and receivables from the investment entity is based on the same methods, as the equity investment and receivables are exposed to the same risks.

Fair value hierarchy for financial instruments measured at fair value in the balance sheet

Below, financial instruments measured at fair value are classified using the fair value hierarchy:

- Quoted prices in active markets for identical instruments (Level 1).
- Quoted prices in active markets for similar assets or liabilities or other valuation methods under which all material inputs are based on observable market data (Level 2).
- Valuation techniques under which any material inputs are not based on observable market data (Level 3).

It is the Fund's policy to incorporate the classification of financial assets (changes/transfers between Levels 1 and 3) in the financial statements if their classification changes during the financial year. There have not been any transfers between the levels during the financial year and all investments are classified as Level 3 investments.

Material unobservable inputs for Level 3

Financial instruments measured at fair value in the balance sheet are based on valuation techniques that include material unobservable inputs. Material unobservable inputs mean in this context that the valuation is dependent on a return requirement that contains a number of components that cannot be observed on trading markets, for example project-specific risks and illiquidity prices.

Notes

11. Financial instruments measured at fair value (continued)

	Level 1	Level 2	Level 3	Total
	EUR'000	EUR'000	EUR'000	EUR'000
2018				
Unlisted shares, equity investment	0	0	116,426	116,426
Receivables from investment entity	0	0	197,854	197,854
Financial assets measured at fair value through profit or loss	0	0	314,280	314,280
	Level 1	Level 2	Level 3	Total
	EUR'000	EUR'000	EUR'000	EUR'000
2017				
Unlisted shares, equity investment	0	0	99,630	99,630
Receivables from investment entity	0	0	197,208	197,208
Financial assets measured at fair value through profit or loss	0	0	296,838	296,838

Sensitivity analysis

The fair value of the Fund's investment is affected by developments in the applied discount rate and future earnings expectations for this investment. A decline or increase in the material unobservable inputs stated above and changes in macroeconomic conditions might have a direct effect on the valuation of the investment. As a result of the investment currently being under construction, no discount rate range is disclosed.

No sensitivity analysis has been made for DoIWin 3, as it is currently under construction.

Please refer to note 6 for a specification of fair value investments.

12. Related parties

Related parties with a controlling interest

The Limited Partnership has no investors or related parties with a controlling interest.

	2018	2017
	EUR'000	EUR'000
Related party transactions		
The General Partner receives a fee for its liability towards CI A as per the Articles of Association		
Payment to the General Partner	1	1

Notes

12. Related parties (continued)

	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
Copenhagen Infrastructure Partners I K/S (the Fund Manager) is considered a related party of the Fund due to direct or indirect control and transactions		
Management fee	<u>755</u>	<u>1,177</u>
CI A receives interest on the shareholder loan granted to CI Artemis HoldCo A/S		
Interest	<u>13,671</u>	<u>18,772</u>

Receivables from investment entity

A shareholder loan has been granted on market terms, which is expected to be settled by future cash payments. The Fund has no guarantees or similar collateral in connection with loans.

	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
Committed loan capital	260,127	260,127
Contributions	<u>260,127</u>	<u>260,127</u>
Outstanding commitment	<u>0</u>	<u>0</u>
Payables to group enterprise		
Payables to CI Artemis HoldCo A/S	<u>24,976</u>	<u>0</u>

There are no other key relationships, which are considered material to the financial statements.

13. Contingent liabilities

The Fund has the following contingent liabilities or guarantees at 31 December 2018:

- An outstanding commitment of EUR 11.5m.
- If the investment performance is above certain specific thresholds two years after start of operations, DKK 15.0m will be payable to the Fund Manager. Thereafter DKK 1.5m per year in 9 years will be payable if certain specific thresholds are met on an annual basis.

14. Investors

The Limited Partnership has registered the following Limited Partners as holding more than 5% of the voting rights or nominal value of the contributed capital:

PensionDanmark Pensionsforsikringsaktieselskab, Langelinie Allé 43, 2100 Copenhagen.

Notes

15. Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

16. Authorisation of the annual report for issue

At the meeting held on 20 May 2019 the General Partner authorised this annual report for issue on 27 May 2019.

The annual report will be submitted to the Limited Partnership's Limited Partner for adoption at the Annual General Meeting on 27 May 2019.