



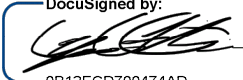
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**ATKL Brasiliana K/S
Amerika Plads 29
2100 Copenhagen
Business Registration No
41 43 44 65**

Annual report 2021

The Annual General Meeting adopted the annual report on 8 April 2022

Chairman of the General Meeting

DocuSigned by:


0B12ECD700474AD...

Name: Casper Gordon Christiansen

ATKL Brasiliana K/S

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Fund details

Fund

ATKL Brasiliana K/S

Amerika Plads 29

2100 Copenhagen

Business Registration No: 41 43 44 65

Founded: 15 June 2020

Registered in: Copenhagen

Financial year: 1 January 2021 - 31 December 2021

Telephone: +45 70 70 51 51

Internet: www.cipartners.dk

General Partner

ATKL Brasiliana GP ApS

Fund Manager

Copenhagen Infrastructure Partners P/S

Approved Manager of Alternative Investment Funds (FSA number: 23104)

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 ATKL Brasiliana K/S for the financial year 1 January 2021 - 31 December 2021.

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 2021 and of the results of its operations and the cash flows for the financial year 1 January 2021 - 31 December 2021.

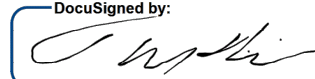
We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Copenhagen, 8 April 2022

On behalf of ATKL Brasiliana GP ApS

DocuSigned by:

8A4501E6BAC1485...
Ole Kjems Sørensen

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137AE90DD3C04FF...
Thomas Hinrichsen

Independent auditor's report

To the shareholders of ATKL Brasiliana K/S

Opinion

We have audited the financial statements of ATKL Brasiliana K/S for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. 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 Management'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, 8 April 2022

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56



Bill Haudal Pedersen
State-Authorised Public Accountant
Identification No (MNE) 30131



Michael Thorø Larsen
State-Authorised Public Accountant
Identification No (MNE) 35823

Management commentary

	2021	2020*
	<u>USD'000</u>	<u>USD'000</u>
Financial highlights		
Key figures		
Operating profit/(loss) (EBIT)	(429)	(68)
Financial items, net	(7)	0
Profit/(loss) for the year	(436)	(68)
Equity	101	(68)
Assets total	2,957	975
Ratios		
Liquidity ratio (%)	0.1	1.3
Solvency ratio (%)	3.4	-
Return on equity (%)	(2,588.48)	-

* This is the Fund's first financial year and comprise the period 15 June 2020 - 31 December 2020.

Primary activity

ATKL Brasiliana K/S was established in June 2020 and is managed by Copenhagen Infrastructure Partners P/S. The General Partner of ATKL Brasiliana K/S is ATKL Brasiliana GP ApS .

At Fund close on 15 June 2020, the Limited Partners had committed USD 2m to ATKL Brasiliana K/S for infrastructure investments in primarily South America.

Investments

No investment projects have yet reached financial close.

Development in activities and finances

Accumulated net income end of 2021 amounted to a loss of USD (504t) (2020: (68t). Hereafter total Limited Partners' capital end of 2021 amounted to USD 605 (2020: 0).

Challenges persist in many CI NMF I target markets, due to continued COVID-19 driven challenges such as FX volatility relative to the USD, supply chain inflation (steel, polysilicon) and bottlenecks (shipping costs and time), energy policy implementation delays and travel restrictions. The reasons for the greater impact on CI NMF I target markets than developed markets include generally more fragile economies, regulatory frameworks under transition, and less resilient healthcare systems / lack of access to vaccines.

Management commentary (continued)

Despite these challenges the CI NMF I project pipeline continues to grow and investments are firming up across multiple markets. To mitigate delays reserve projects are being progressed in Brazil. Further backup projects are being added in Brazil and Chile to increase certainty of meeting fund investment and return targets

Uncertainty relating to recognition and measurement

ATKL Brasiliana K/S develops and 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 Fund Manager and the General Partner on the balance sheet date.

Information according to the Alternative Investment Fund Managers Directive

According to Article 22 of the Alternative Investment Fund Managers Directive, Alternative Investment Funds (AIF) must make certain disclosures to investors in connection with the presentation of financial statements.

During the financial period covered by the financial statements, there have been no significant changes in the matters below:

- The Fund's Investment strategy;
- Valuation principles of the Fund's investments;
- New arrangements for managing the Fund's liquidity;
- The Fund's risk profile and the risk management systems implemented by the Fund Manager used to manage the Fund's risks;
- There have been no amendments to the maximum level of leverage which the Fund Manager can use on behalf of the Fund. Nor has there been any changes in the right to use collateral or any guarantee accordance with the agreement allowing for the leverage.

Events after the balance sheet date

The recent development in Ukraine marks a historical event that has and further will redefine the global power structures and energy markets. The situation is unpredictable, but most likely will be prolonged and increase in severity. The situation has resulted in increased volatility for the global economy in terms of commodity prices, supply chain issues, inflation, interest rates etc. The ongoing conflict does not affect the valuations per 31 December 2021, and the Fund Manager is currently assessing how the conflict will impact the Fund.

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

Management commentary (continued)

Outlook

The outlook for the Limited Partnership depends on the results of the investments. Expectations for the Limited Partnership are in general positive. Profit for 2022 is expected to be in the range of USD 0-5m.

Sustainability disclosures

This financial product was closed prior to Regulation (EU) 2019/2088. As a result, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic objectives.

Statement of comprehensive income

	<u>Notes</u>	<u>2021 USD'000</u>	<u>2020* USD'000</u>
Interest income		17	0
Realised gains/(losses)		(1)	0
Net Increase/(decrease) in unrealised gains/(losses) from financial assets and liabilities at fair value		(119)	0
Net foreign exchange gains/losses)		0	16
Operating income		(103)	16
Administrative expenses	3	(326)	(84)
Operating expenses		(326)	(84)
Operating profit/(loss) (EBIT)		(429)	(68)
Financial income	4	2	0
Financial expenses	5	(9)	0
Profit/(loss) for the year		(436)	(68)
Other comprehensive income		0	0
Comprehensive income		(436)	(68)

* This is the Fund's first financial year and comprise the period 15 June 2020 - 31 December 2020.

Balance sheet at 31 December 2021

	<u>Notes</u>	<u>2021</u> <u>USD'000</u>	<u>2020</u> <u>USD'000</u>
Equity investment	6	2,747	783
Receivables from investment	6	<u>207</u>	<u>179</u>
Investments		<u>2,954</u>	<u>962</u>
 Non-current assets		 <u>2,954</u>	 <u>962</u>
Other short-term receivables		0	1
Prepayments		<u>0</u>	<u>8</u>
Receivables		<u>0</u>	<u>9</u>
 Cash		 <u>3</u>	 <u>4</u>
 Current assets		 <u>3</u>	 <u>13</u>
 Assets		 <u><u>2,957</u></u>	 <u><u>975</u></u>

Balance sheet at 31 December 2021

	<u>Notes</u>	<u>2021</u> <u>USD'000</u>	<u>2020</u> <u>USD'000</u>
Limited partnership capital	7	605	0
Retained earnings		<u>(504)</u>	<u>(68)</u>
Equity		<u>101</u>	<u>(68)</u>
Other payables	8	<u>2,855</u>	<u>1,043</u>
Current liabilities other than provisions		<u>2,855</u>	<u>1,043</u>
Liabilities other than provisions		<u>2,855</u>	<u>1,043</u>
Equity and liabilities		<u><u>2,957</u></u>	<u><u>975</u></u>

Statement of changes in equity

	Limited partnership capital USD'000	Retained earnings USD'000	Total USD'000
Equity at 1 January 2021	0	(68)	(68)
Contribution from Limited Partners	605	0	605
Profit/(loss) for the year	0	(436)	(436)
Equity at 31 December 2021	605	(504)	101

	Limited partnership capital USD'000	Retained earnings USD'000	Total USD'000
Contribution from Limited Partners	0	0	0
Profit/(loss) for the year	0	(68)	(68)
Equity at 31 December 2020	0	(68)	(68)

The investors have committed themselves to contributing up to USD 2.2m to the Fund. At 31 December 2021, the investors have contributed a net amount of USD 0.6m out of the combined contribution commitment, causing the balance commitment to stand at USD 1.6m.

Cash flow statement for 2021

	<u>Notes</u>	<u>2021 USD'000</u>	<u>2020 USD'000</u>
Operating profit/(loss)		(429)	(68)
Income from investments		103	0
Working capital changes	9	1,822	1,034
Total financial items		<u>0</u>	<u>0</u>
Cash flows from ordinary activities		<u>1,496</u>	<u>966</u>
Financial income	4	2	0
Financial expenses	5	<u>(9)</u>	<u>0</u>
Cash flows from operating activities		<u>(7)</u>	<u>0</u>
Acquisition of equity investments	6	(2,065)	(783)
Increase of receivables from investments	6	(30)	(179)
Capitalized expenses		0	0
Net change in unrealized gains/(losses) on investment		<u>0</u>	<u>0</u>
Cash flows from investing activities		<u>(2,095)</u>	<u>(962)</u>
Increase/(decrease) of Credit facility		0	0
Contributions from Limited Partners		<u>605</u>	<u>0</u>
Cash flows from financing activities		<u>605</u>	<u>0</u>
Increase/decrease in cash		(1)	4
Cash beginning of year		<u>4</u>	<u>0</u>
Cash end of year		<u><u>3</u></u>	<u><u>4</u></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 disclosure requirements of the Danish Financial Statements Act governing reporting class B enterprises with certain provisions from class C.

ATKL Brasiliana K/S is a Limited Partnership based in Denmark.

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

The financial statements are presented in U.S. dollars (USD), which is the functional currency of the Fund.

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

All amounts in the financial statements are presented in whole USD thousand. Every figure is rounded off separately and, for that reason, minor differences between the stated totals and the sum of underlying figures may occur.

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

ATKL Brasiliana K/S 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 has more than one investment.
- 2) The Fund has more than one investor, and its investors are not related parties. Please refer to the description in note 15 to the financial statements.
- 3) The Fund’s investments take the form of equity instruments or similar investments, and the Fund can also exit the investment, if relevant.

Standards and Interpretations not yet in force

All 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 2021 have been applied when preparing the financial statements.

The General Partner further believes that other amended Standards and Interpretations, which have not entered into force, will not have 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 makes 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 (USD, U.S. dollars), 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 one 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 investments at fair value through profit or loss is accrued on a time-proportionate basis, by reference to the principal receivables from investments and at the effective interest rate applicable. The interest is calculated based on the net carrying amount on initial recognition.

Operating income from receivables and investments

Operating income from receivables and investments consists of unrealised fair value adjustments, dividends, accrued interest, net foreign exchange gains or losses related to receivables and investments and profit or loss from the disposal of portfolio investments or receivables.

Income realised from the disposal of investments is calculated as the difference between net 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 investments.

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

Investments and receivables from investments

Financial assets and liabilities are recognised at fair value through profit and 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, investments and receivables from investments are measured at fair value.

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

Investments consist of equity investments and receivables from investments consist of loans and shareholder loans. Furthermore, investments consist of capitalised development costs, which increase the fair value of the investments. 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. Receivables from investments are measured at fair value under IFRS 9.

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 12.

Other short-term receivables

Receivables relate to the Fund's ordinary business activities and are mainly from other companies in the Copenhagen Infrastructure Partners structure.

Receivables are measured at amortised cost, usually equalling nominal value. The value is reduced by write-downs for expected losses based on generally accepted models under IFRS 9, including the Fund's historical experience in credit losses etc.

Cash

Cash comprises cash in bank deposits.

Notes

1. Accounting policies (continued)

Performance shares

Performance share depends on the yield of the underlying investments throughout the lifecycle of the fund. The amount allocated to performance shares is based on the principle that the investments are realized at the balance date at a price corresponding to the estimated fair value of the assets.

Some specific commitment classes have an associated special right to receive Fund Performance Return (Carried Interest/Performance shares) which is calculated based on the overall performance net of cost and expenses of the portfolio of all investments (the Fund) as 15% of net cash flows exceeding the agreed 8% minimum return (the Hurdle Rate). Fund Performance Return is paid out with ordinary distributions based on adjusted economic rights which reflect an annual allocation of Fund Performance Return as if such Fund Performance Return had been re-invested into the Fund at the net present value at the time of such re-investment.

The accumulated performance share is allocated to equity in note 4 and is accounted for under income from investments in the profit and loss.

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.

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 investments.

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

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.

Notes

1. Accounting policies (continued)

Ratios		Calculation formula	Ratios reflect
Liquidity ratio (%)	=	$\frac{\text{Current assets} \times 100}{\text{Current liabilities other than provisions}}$	The entity's financial strength.
Solvency ratio (%)	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The entity's financial strength.
Return on equity (%)	=	$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$	The entity's profitability.

2. Significant accounting estimates, assumptions and uncertainties

The Fund develops and invests in infrastructure assets (unlisted equity investments), the market price of which depends both on entity-specific affairs and market conditions, including power prices, commodity prices, exchange rates and construction risk within the different investments. For further information about the impact of accounting estimates on the annual report, please refer to the Sensitivity analysis section at note 12.

Furthermore, the valuation and hence fair value of the long-term receivables are affected by changes in the risk-free interest rate and the general cost of risk in the market. As a result, income from investments, including the unrealised value adjustments, accrued interest and the fair value of investments are subject to estimation and uncertainty. For further information about the financial risks related to the investments, please refer to note 11.

This uncertainty may be higher during periods of high volatility in the financial markets, and economic trends affect earnings of the underlying companies as well. Furthermore, the uncertainty is affected by the construction risk within the different investments, and also the uncertainty related to the construction of the projects taking place within relevant time frames or milestones.

The methods applied and the assumptions underlying the determination of the fair value in unlisted equity investments are described in note 12 to the financial statements.

3. Administrative expenses

The Fund has no employees.

Administrative expenses include management fee and investment advisory fee for the period to Copenhagen Infrastructure Partners P/S, in accordance with the Limited Partnership Agreement and management agreement. For further information about management fee and investment advisory fee, please refer to note 13.

According to Article 107 of the AIFM Directive, alternative investment funds must disclose information about the total remuneration of the entire staff of the Fund Manager and the number of beneficiaries.

Notes

3. Administrative expenses (continued)

Furthermore, remuneration to material risk-takers must be disclosed. For information about remuneration, please refer to the annual report of the Fund Manager, Copenhagen Infrastructure Partners P/S.

The Fund Manager must also disclose the information necessary to provide an understanding of the risk profile of the Fund and the measures that the Fund Manager takes to avoid or manage conflicts of interest between the Fund Manager and the Limited Partners. The Board of Directors has adopted a remuneration policy in order to ensure that the employees and Management are remunerated according to the Danish Executive Order on remuneration policy and disclosure requirements on remuneration for managers of alternative investment funds, etc.

The remuneration policy ensures, among other matters, that the following is applied in relation to remuneration at the Fund Manager:

- Promoting of sound and effective risk management, which does not encourage excessive risk-taking.
- Consistency with the principles regarding the protection of the Limited Partners and measures in order to avoid conflicts of interest.

The Fund Manager (Copenhagen Infrastructure Partners P/S) serves as fund manager for ATKL Brasiliana K/S, CI Artemis II K/S, CI III Dutch AIV K/S, CI III US AIV Non-QFPF Blocker K/S, CI III US AIV QFPF K/S, CI IV AIV Lux B SCSp, CI IV AIV Lux Non-QFPF SCSp, CI IV AIV Lux QFPF SCSp, CI IV Sponsor Investor K/S, CI IV US AIV Non-QFPF K/S, CI IV US AIV QFPF K/S, CI NMF I CIV K/S, CI NMF I F&F K/S, Copenhagen Infrastructure Energy Transition Fund I K/S, Copenhagen Infrastructure III A K/S, Copenhagen Infrastructure III B ApS, Copenhagen Infrastructure III K/S, Copenhagen Infrastructure IV Dutch K/S, Copenhagen Infrastructure IV Feeder Fund SCSp, Copenhagen Infrastructure IV K/S, Copenhagen Infrastructure IV SCSp, Copenhagen Infrastructure New Markets Fund I K/S, NMF Brazil K/S, PDLP Brasilien K/S

In accordance with section 61 (5 and 6) of the Alternative Investment Fund Managers etc. Act, information regarding salaries paid to employees of the investment manager is disclosed in the Annual Report for 2021 for Copenhagen Infrastructure Partners P/S, Business Reg. No. 37 99 40 06.

No carried interest is paid out by the AIF during the financial period.

	2021	2020
	DKK'000	DKK'000
4. Financial income		
Foreign exchange gains	2	0
Financial income	2	0

Notes

5. Financial expenses

Other interest, foreign exchange loss etc	(8)	0
General Partner fee	(1)	0
Interest expenses for financial liabilities	(9)	0

6. Investments

	Development projects before FID* USD'000	Investments USD'000	Receivables from investments USD'000
Investment			
Fair value at 31 December 2020	783	0	179
Acquisitions and development costs (net)	2,065	0	30
Value adjustment	(100)	0	(3)
Fair value at 31 December 2021	2,747	0	207

	Development projects before FID* USD'000	Investments USD'000	Receivables from investments USD'000
Investments			
Fair value at 15 June 2020	0	0	0
Acquisitions and development costs (net)	767	0	179
Value adjustment	16	0	0
Fair value at 31 December 2020	783	0	179

*Development projects before FID comprise capitalised investment costs, contributions etc. related to the design and development of early stage infrastructure investments, where e.g. equity and loan commitment has not been fully settled, but where the Investment Committee of the Fund has initiated and approved the development of the project based on a detailed business case. It is considered that it gives the most true and fair picture to capitalise these investments costs, contributions etc., because these development projects are expected to create future cash flow to the limited partners and hence similar to equity investments.

Notes

6. Investments (continued)

<u>Investment</u>	<u>Corporate form</u>	<u>Registered in</u>	<u>Equity interest %</u>	<u>Profit/(loss) USD'000</u>	<u>Equity USD'000</u>
CIP Investimentos	N/A	Brazil	34.22	-	-
I Fundos De Investimentos EM Participacoes Multistrategia					

Since the Fund's main activity is investing in infrastructure investments, listing all investment entities related to the Fund would result in a comprehensive list consisting of multiple pages of entities. In order to maintain the integrity of the true and fair view of the annual report, the list of entities to which the Fund has an equity interest has been limited to the entities to which the Fund has a direct ownership.

No values in equity and profit/loss have been stated for entities for which no audited financial disclosures are available, cf. Section 97A (3) in the Danish Financial Statements Act.

Consistently with the accounting policies, the Fund regularly adjusts the value of the investments to the best estimate of fair value. This means that the proportionate share of operating profit or loss for the Companies is not recognised in profit or loss of the Fund, but rather a fair value adjustment of the investment.

The methods applied by the Fund to measure investments are evident from note 12 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 investments are not classified as investment entities under IFRS 10 because they are all 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 investments, except that distributions from current operating activities of the equity investments must be made allowing for debt servicing by such companies. The Fund has not provided its investments with financial support during the financial year outside the contractual basis.

Notes

7. Limited Partnership capital

Some specific commitment classes have an associated special right to receive Fund Performance Return (Carried Interest) which is calculated based on the overall performance net of cost and expenses of the portfolio of all investments (the Fund) as 15% of net cash flows exceeding the agreed 8% minimum return (the Hurdle Rate).

Fund Performance Return is paid out with ordinary distributions based on adjusted economic rights which reflect an annual allocation of Fund Performance Return as if such Fund Performance Return had been re-invested into the Fund at the net present value at the time of such re-investment.

	<u>2021</u> <u>USD'000</u>	<u>2020</u> <u>USD'000</u>
8. Other payables		
Other payables	2,855	1,043

The carrying amount of payables relates to investments, legal fees, auditor's fees, travel costs, etc. The amount recognised is equal to the fair value of the liabilities.

Other payables fall due for payment within 12 months.

9. Working capital changes

Change in receivables	9	(9)
Change in payables	1,813	1,043
	<u>1,822</u>	<u>1,034</u>

10. Financial instruments

Categories of financial instruments:

	<u>2021</u> <u>USD'000</u>	<u>2020</u> <u>USD'000</u>
Equity investments	2,747	783
Receivables from investment	207	179
Financial assets measured at fair value through profit or loss	<u>2,954</u>	<u>962</u>
Other short-term receivables	0	1
Prepayments	0	8
Receivables	<u>0</u>	<u>9</u>
Other payables	2,855	1,034
Financial liabilities measured at amortised cost	<u>2,855</u>	<u>1,034</u>

Notes

10. Financial instruments (continued)

All financial liabilities are due for payment within 12 months.

Historically, no losses on receivables have been realised, hence no provisions for expected credit loss (ECL) have been recognised in the statement of comprehensive income. The risks of the Fund are considered limited.

11. 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 partners and invests in infrastructure projects.

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

Key financial risk factors and exposure regarding the financial statements for 2021 can be categorised as follows:

Financial risk factors

Liquidity risks

	Less than 1 year USD'000	Between 1 and 5 years USD'000	After 5 years USD'000	Total USD'000
Other payables	2,855	—	—	2,855
31 December 2021	2,855	—	—	2,855

	Less than 1 year USD'000	Between 1 and 5 years USD'000	After 5 years USD'000	Total USD'000
Other payables	1,034	0	0	1,034
31 December 2020	1,034	0	0	1,034

The Fund manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Funds liquidity risk is considered insignificant as liabilities are payable within one year. In addition, no indication of the Limited Partners' inability to contribute the remaining fund commitment exists as well as future income from investments is expected to settle the outstanding amount.

Notes

11. Financial risk management (continued)

Credit risks

Credit risk relates to the risk of non-performing receivables and impairment of the Fund's receivables from investments provided to the infrastructure projects.

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

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

The Fund recognises a loss allowance and provisions for expected credit losses when there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on receivables has increased significantly since initial recognition, the Fund compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. As of 31 December 2021, no loss allowance for expected credit losses have been made.

Credit risk related to cash and cash equivalent is considered immaterial. Furthermore, all applied bank connections have a high and sound credit rating.

The Fund is not exposed to any significant credit risk from a single counterparty at 31 December 2021, since the portfolio of the Fund consists of a number of counterparties and infrastructure projects.

Interest rate risk

The fund has no external debt as of the balance sheet date, and therefore no interest rate risk connected to the liabilities.

A sensitivity analysis of the Fund's investments including applied discount rates for both equity investments and shareholder loans are detailed in note 12.

Currency risk

The Fund is denominated in USD. A majority of cash flows take place in USD, however management fee is paid in DKK at a fixed rate. Consequently, the Limited Partners are not exposed to currency risk through the Fund. No hedging is made at fund level. No derivatives have been recognized on the balance sheet date in the Fund.

Notes

12. Financial instruments measured at fair value

The fair value of the investments are measured on a quarterly basis, or more frequent if significant changes occur.

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

Methods applied in and assumptions underlying the determination of fair values of investments

The fair value of each investment and receivables from investments has been estimated by applying methods that best reflect the risks and the stage of each 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. For projects which are before financial close, cost, including capitalised development costs, is considered the best estimate for fair value. The valuation approach incorporates all of the factors that market participants would take into account in pricing a transaction, such as cash flows, discount rates and yield curves assumptions.

The valuation of equity investments and receivables from investments is based on the same methods, as equity investments and receivables from investments 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 input 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 input. 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. Due to the early-stage in the development phase for the Fund's investments, management has assessed the cost price as the best estimate of fair value.

Notes

12. Financial instruments measured at fair value

	<u>Level 1</u> <u>USD'000</u>	<u>Level 2</u> <u>USD'000</u>	<u>Level 3</u> <u>USD'000</u>	<u>Total</u> <u>USD'000</u>
2021				
Unlisted shares, equity investment	0	0	2,747	2,747
Receivables from investment	0	0	207	207
Financial assets measured at fair value through profit or loss	0	0	2,954	2,954
	<u>Level 1</u> <u>USD'000</u>	<u>Level 2</u> <u>USD'000</u>	<u>Level 3</u> <u>USD'000</u>	<u>Total</u> <u>USD'000</u>
2020				
Unlisted shares, equity investment	0	0	783	783
Receivables from investment	0	0	179	179
Financial assets measured at fair value through profit or loss	0	0	962	962

Sensitivity analysis

The fair value of the Fund's investments is affected by developments in the applied discount rate and future earnings expectations for this investments. 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 investments. As a result of the investments currently being under early development, no discount rate range is disclosed and no sensitivity analyses has been made.

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

13. Related parties

Related parties with a controlling interest

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

Related party transactions

	<u>2021</u> <u>USD'000</u>	<u>2020</u> <u>USD'000</u>
The General Partner receives a fee for its liability towards CI NMF I K/S as per the Articles of Association		
Payment to the General Partner	1	0

Notes

13. Related parties (continued)

	<u>2021</u> <u>USD'000</u>	<u>2020</u> <u>USD'000</u>
Copenhagen Infrastructure Partners P/S (the Fund Manager) is considered a related party of the Fund due to direct or indirect control and transactions		
Management fee	(28)	71

For 2021 there have been a reallocation of management fee between the parallel funds, which has a net positive effect for 2021.

Management fee is calculated based on a fraction of the gross commitment in underlying investments over the total commitment in the Fund.

14. Contingent liabilities

The Fund has made cross guarantees with Copenhagen Infrastructure New Markets Fund I K/S.

Please refer to the description in note 10 regarding risk on provisions on the outstanding commitment.

15. 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:

<u>Limited Partner</u>	<u>Residence</u>	<u>Ownership percentage</u>
Arbejdsmarkedets Tillægspension	Vænge 8, 3400 Hillerød	71.43%
Kommunal Landspensjonskasse Gjensidig Forsikringsselskap	Dronning Eufemias Gate 10, 0191 Oslo	28.57%

16. Events after the balance sheet date

The recent development in Ukraine marks a historical event that has and further will redefine the global power structures and energy markets. The situation is unpredictable, but most likely will be prolonged and increase in severity. The situation has resulted in increased volatility for the global economy in terms of commodity prices, supply chain issues, inflation, interest rates etc. The ongoing conflict does not affect the valuations per 31 December 2021, and the Fund Manager is currently assessing how the conflict will impact the Fund.

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

Notes

17. Authorisation of the annual report for issue

At the meeting held on 8 April 2022 the General Partner authorised this annual report for issue on 8 April 2022.

The annual report will be submitted to the Limited Partnership's Limited Partners for adoption at the Annual General Meeting on 8 April 2022.