



ADVANTAGE Infrastruktur 2021 II
P/S

Bredgade 40
1260 Copenhagen
CVR No. 42283509

Annual report 29.03.2021 -
31.12.2021

The Annual General Meeting adopted the
annual report on 18.05.2022

A handwritten signature in blue ink, appearing to read 'Anders Stubkjær Dalhoff'. The signature is fluid and cursive, written over a horizontal line.

Anders Stubkjær Dalhoff
Chairman of the General Meeting

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Entity details

Entity

ADVANTAGE Infrastruktur 2021 II P/S

Bredgade 40

1260 Copenhagen

Business Registration No.: 42283509

Date of foundation: 29.03.2021

Registered office: Copenhagen

Financial year: 29.03.2021 - 31.12.2021

Board of Directors

Carsten Rønfeldt

Anders Stubkjær Dalhoff

Steffen Risager

Executive Board

Anders Stubkjær Dalhoff

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of ADVANTAGE Infrastruktur 2021 II P/S for the financial year 29.03.2021 - 31.12.2021.

The annual report is presented in accordance with 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 29.03.2021 - 31.12.2021.

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, 03.05.2022

Executive Board

Anders Stubkjær Dalhoff

Board of Directors

Carsten Rønfeldt

Anders Stubkjær Dalhoff

Steffen Risager

Independent auditor's report

To the Shareholders of ADVANTAGE Infrastruktur 2021 II P/S

Opinion

We have audited the financial statements of ADVANTAGE Infrastruktur 2021 II P/S for the financial year 29.03.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with 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 29.03.2021 - 31.12.2021 in accordance with 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 for 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, 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 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 Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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 Management.
- 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.

Statement on the management commentary

Management 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, 03.05.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Thorø Larsen

State Authorised Public Accountant
Identification No (MNE) mne35823

Management commentary

Primary activities

ADVANTAGE Infrastruktur 2021 II P/S (ADVANTAGE Infrastruktur II) is a feeder alternative investment fund for ICP 2020 II K/S (ICP 2020 II) with a geographical focus on global infrastructure investments in Americas, Europe, and Asia. ICP 2020 II K/S has made two commitments (ISQ Global Infrastructure Fund III and ISQ ICP Co-investment L.P) and is thereby fully committed. ADVANTAGE Infrastruktur II was established 29 March 2021 and this annual report therefore covers the period from 29 March 2021 to 31 December 2021.

Development in activities and finances

The financial year resulted in a loss of USD 1.37 million which is in line with both management expectations and a function of the expected so-called J-curve shape of an infrastructure portfolio. Besides the overall negative results of the portfolio fund – see below, the result was burdened by management fee, establishment cost and due diligence cost associated with the completion of the portfolio fund commitment.

The overall result on investments in the portfolio fund was negative by USD 0.69 million. Establishment cost, legal and tax due diligence cost and other administrative expenses in the form of management fee and fund operating expenses amounted to USD 0.17 million whereafter the overall result was negative by USD 0.86 million. Since inception the portfolio fund have in general performed according to plan.

ADVANTAGE Infrastruktur II's own external expenses in the form of management fee, establishment cost, due diligence cost associated with the completion of the portfolio fund commitment and fund operating expenses amounted to USD 0.51 million.

In the financial year an aggregate amount of USD 79.7 million was paid-in by the limited partners corresponding to 100.0% of the limited partners' committed capital. An aggregate amount of USD 7.3 million was contributed to the portfolio fund during the financial year corresponding to 9.2% of the commitments to the portfolio fund. An amount of USD 0.0 million was distributed from the portfolio fund during the financial year.

Particular risks

Financial risk

The objective of ADVANTAGE Infrastruktur II is to provide capital to ICP 2020 II, which objective is to provide capital to the two portfolio funds, and thereby finance the underlying investments in competitive global infrastructure companies in Americas, Europe, and Asia. The highest factor of risk is the changes in the valuations of the companies in which ICP 2020 II's portfolio funds invest in, which are based on both the development in earnings and the valuations of comparable listed companies. The portfolio valuations are based on an estimate and therefore subject to some degree of uncertainty.

Interest rate risk

ADVANTAGE Infrastruktur II is less sensitive to the changes in interest rate levels.

Foreign exchange currency risk

ADVANTAGE Infrastruktur II's portfolio fund commitment is made in USD. As the capital in ADVANTAGE Infrastruktur II is in USD, the currency risk is considered insignificant.

Liquidity risk

ADVANTAGE Infrastruktur II's cash resources as of 31 December 2021, include cash and cash equivalents and outstanding commitments from the limited partners and are deemed sufficient to cover ADVANTAGE Infrastruktur II's current liabilities.

Outlook

The recent development in Ukraine marks a historical event that has and further will redefine the global 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 furthermore, management is not aware of any substantial effect on valuations after the balance sheet date.

The result for 2022 is expected to be negative to zero as a function of the expected so-called J-curve shape of an infrastructure portfolio.

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

Income statement for 2021

	Notes	2021 USD
Fair value adjustments of other investment assets	2	(860,828)
Other external expenses	3	(474,753)
Gross profit/loss		(1,335,581)
Other financial income		657
Other financial expenses		(32,053)
Profit/loss for the year		(1,366,977)
Proposed distribution of profit and loss:		
Retained earnings		(1,366,977)
Proposed distribution of profit and loss		(1,366,977)

Balance sheet at 31.12.2021

Assets

	Notes	2021 USD
Other investments		6,437,638
Financial assets		6,437,638
Fixed assets		6,437,638
Prepayments		5,000
Receivables		5,000
Cash		71,934,736
Current assets		71,939,736
Assets		78,377,374

Equity and liabilities

	Notes	2021 USD
Contributed capital		80,074
Share premium		79,654,926
Retained earnings		(1,366,977)
Equity		78,368,023
Other payables		9,351
Current liabilities other than provisions		9,351
Liabilities other than provisions		9,351
Equity and liabilities		78,377,374
Events after the balance sheet date	1	
Contingent liabilities	4	
Related parties with controlling interest	5	

Statement of changes in equity for 2021

	Contributed capital USD	Share premium USD	Retained earnings USD	Total USD
Increase of capital	80,074	79,654,926	0	79,735,000
Profit/loss for the year	0	0	(1,366,977)	(1,366,977)
Equity end of year	80,074	79,654,926	(1,366,977)	78,368,023

The investors have committed a total of USD 79.74 million, which have been paid in as of 31.12.2021.

Notes

1 Events after the balance sheet date

Refer to management commentary for a description of the current development in Ukraine.

2 Fair value adjustments of other investment assets

The unrealised losses on investments in the financial year consist of a total of USD 860,828 in fair value adjustments based on latest audit financial statement from the Master fund ICP 2020 II K/S.

3 Other external expenses

The Company has no employees.

Management has not received remuneration.

4 Contingent liabilities

There is a remaining investment commitment of a total of USD 72.44 million to the Master fund.

In addition there are no guarantees or other contingent liabilities of the Company.

5 Related parties with controlling interest

Manager

Manager from 29.03.2021

ADVANTAGE Investment Partners A/S, Bredgade 40, 1260 Copenhagen.

Transactions: Management fee.

General Partner

General Partner from 29.03.2021:

ADVANTAGE Private Equity 2020 I GP ApS, Bredgade 40, 1260 Copenhagen.

Transactions: General partner fee.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Reporting currency is U.S. Dollars (USD).

Non-comparability

This is the Company's first financial year and comprise the period 29.03.2021 - 31.12.2021, and hence no comparative figures have been presented.

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 Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

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

Income statement

Fair value adjustments of other investment assets

Fair value adjustments of other investment assets comprise adjustments for the financial year of the Entity's investment assets measured at fair value at the balance sheet date.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including management fee, audit, etc.

Other financial income

Other financial income comprises interest, and net exchange rate adjustments on transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest, and net exchange rate adjustments on transactions in foreign currencies.

Balance sheet**Other investments**

Other current asset investments comprise unlisted investments measured at fair value and are measured in accordance with the IPEV Valuation Guidelines or similar guidelines depending on the country of domicile of the portfolio funds, according to which investments are measured at the fair value. Revaluations are included in the profit and loss account.

Investments in unlisted private equity funds are valued on the basis of the latest reporting received from the respective sub-funds. The reports from the funds contain a valuation of the private equity fund, including a valuation of each individual portfolio company. The value of a private equity fund consists of the sum of the values of the portfolio companies in which the fund has invested in, and the value of other net assets. Refer to note 4 for further.

Outstanding investment commitments at the balance sheet date are disclosed as contingent liabilities in the notes.

The Company only holds investments in unlisted equity.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

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

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Steffen Risager

Bestyrelsesmedlem

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NEM ID 

Anders Stubkjær Dalhoff

Adm. direktør

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NEM ID 

Anders Stubkjær Dalhoff

Bestyrelsesmedlem

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Carsten Rønfeldt

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