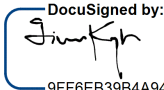


# **A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S**

*Esplanaden 50  
DK 1263 Copenhagen*

**Business Registration No. 42 58 37 90**

**Annual Report for the period 4 August 2021 – 31 December  
2022**

Chairman   
9FF6EB39B4A9429  
*Simon Krogh*

Adopted at the annual general meeting on 27 April 2023

## CONTENTS

---

Statement by the General Partner .....	2
Independent auditor's report .....	3
Company information .....	5
Management's review .....	6
Statement of comprehensive income .....	8
Balance sheet 31 December .....	9
Statement of changes in equity for the years 2021 and 2022 .....	10
Cash flow statement .....	11
Notes to the financial statements .....	12

## STATEMENT BY THE GENERAL PARTNER

---

The General Partner has today discussed and approved the Annual Report of A.P Møller Capital – Emerging Markets Infrastructure Fund II K/S for the financial year 4 August 2021 - 31 December 2022.

The Annual Report has been prepared in accordance with the International Financial Reporting Standards, which is approved by EU and further disclosure requirements in the Danish Financial Statements Act and disclosure requirements in accordance with the Danish Alternative Investment Fund Managers Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 4 August 2021 - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed herein.

The General Partner recommends the annual report for adoption at the annual general meeting.

Copenhagen, 13 April 2023

On behalf of the General Partner:

**A.P. Møller Capital – Emerging Markets Infrastructure Fund II GP ApS**

---

Finn Louis Meyer  
Director

---

Henrik Dahl  
Director

## INDEPENDENT AUDITOR'S REPORT

---

### To the Shareholders of A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S

#### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations and cash flows for the financial year 4 August 2021 - 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further disclosure requirements in the Danish Financial Statements Act and in the Danish Alternative Investment Fund Managers Act.

We have audited the Financial Statements of A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S for the financial year 4 August 2021 - 31 December 2022, which comprise statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act and the Danish Alternative Investment Fund Management Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act and in the Danish Alternative Investment Fund Managers Act. We did not identify any material misstatement in Management's Review.

#### 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 International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and in the Danish Alternative Investment Fund Managers 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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.

Copenhagen, 13 April 2023

### **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

---

Thomas Wraae Holm  
State Authorised Public Accountant  
mne30141

---

René Otto Poulsen  
State Authorised Public Accountant  
mne26718

## COMPANY INFORMATION

---

<b>Company</b>	A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S
<b>Business Registration No.</b>	42 58 37 90
<b>Address</b>	Esplanaden 50 DK 1263 Copenhagen
<b>Financial Year</b>	4 August 2021 – 31 December 2022
<b>Fund Manager</b>	A.P. Møller Capital P/S Authorised Manager of Alternative Investment Funds (FSA no.: 23.129)
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
<b>Depository</b>	Intertrust Depository Services (Denmark) A/S c/o Harbour House Sundkrogsgade 21 DK-2100 Copenhagen
<b>General Partner (Authorised to sign for the Company)</b>	A.P. Møller Capital – Emerging Markets Infrastructure Fund II GP ApS Esplanaden 50 DK 1263 Copenhagen

## MANAGEMENT'S REVIEW

---

### Primary activity

A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S was established in August 2021 and is managed by A.P. Møller Capital P/S. The Company's primary objective is to generate capital appreciation and yield through equity and equity-related investments in infrastructure related assets and activities in Africa and South East Asia with focus on transportation and logistics, as well as energy and utilities. Infrastructure and infrastructure related assets are in this connection defined as assets and activities that provide, or assist in providing, the basic physical and organizational structures applied for the good functioning of a society or enterprise. The Company aims to create long-term value for its investors through active ownership and value creation in the portfolio companies with such assets and activities.

The General Partner of A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S authorised to sign for the Company is A.P. Møller Capital – Emerging Markets Infrastructure Fund II GP ApS.

### Investments

At the end of 2022, A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S had made no investments however, one investment has been signed in 2022 where closing is expected to take place in 2023 and one additional investment has been signed in Q1 2023 where closing is also expected during 2023.

### Development in activities and finances

Total Comprehensive income for the year is according to expectations. The result reflects management fee and the expenses of the Company incurred in accordance with the Limited Partnership Agreement.

Paid-in capital to the Company at the end of 2022 corresponds to 0% of the committed capital as of the balance sheet date, before recycling pursuant to Clause 5.4 of the Limited Partnership Agreement. Total equity of the Company reflects the Company's paid-in capital, distributions, revaluation reserve and retained earnings since inception.

Management confirms that the 2022 financial statements have been prepared on a going concern basis.

### Information in relation to the Alternative Investment Fund Managers Directive

Alternative investment funds have to make a number of disclosures in connection with their financial statements, according to the Alternative Investment Fund Managers Directive Article 22.

As this is the first reporting period, there have changes in the matters below, during the reporting period:

- The total committed capital in the Alternative Investment Fund has increased;
- Arrangements for managing the Fund's liquidity;
- The Fund's risk profile and risk management systems has been adopted;
- Maximum level of leverage which the Fund Manager can use on behalf of the Fund, incl. the right to use collateral or any guarantee with the agreement has been determined in the LPA.

### Investments and activities planned for 2023

Two investments have been signed during 2022 and Q1 2023. Focus in the year ahead will be on growing the pipeline and committing the remaining capital.

## MANAGEMENT'S REVIEW

---

### **Consolidated financial statements**

The Company meets the conditions of being an investment entity and is exempt from preparing consolidated financial statements for 2021/2022. For further explanation, please refer to the accounting policies.

### **Supplementary report – Periodic disclosure for Article 9 Financial products**

A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S seeks to deliver attractive risk-adjusted returns supporting sustainable economic growth by investing in transport infrastructure and energy in Africa and South / Southeast Asia. The Company is an Article 9 fund under the Sustainable Finance Disclosure Regulation ((EU) 2019/2088) ("SFDR"). Seeking majority ownership of assets or strategic minority positions, the Company will have sustainable investments, as defined in Article 2(17) of the SFDR, as its objective. Once an investment has been closed, which is expected during 2023, the Company will report on the attainment of the environmental and social objectives and sustainability performance of the Company in accordance with the periodic reporting referred to in the SFDR.



## STATEMENT OF COMPREHENSIVE INCOME

---

	<u>Note</u>	<u>2021/2022</u> USD ('000)
Other external costs	7	<u>-8,629</u>
<b>Operating profit/(loss) (EBIT)</b>		<b>-8,629</b>
Financial expenses		<u>-515</u>
<b>Net profit/(loss) for the year</b>		<b>-9,144</b>
<b>Total comprehensive income for the year</b>		<b><u>-9,144</u></b>

## BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2022</u> <u>USD ('000)</u>
<b>ASSETS</b>		
Other receivables		5,177
Prepayments		49
Other investments		<u>5</u>
<b>Total receivables</b>		<b><u>5,231</u></b>
Cash and cash equivalents		<u>1</u>
<b>Total cash and cash equivalents</b>		<b><u>1</u></b>
<b>Total current assets</b>		<b><u>5,232</u></b>
<b>Total assets</b>		<b><u>5,232</u></b>
<b>EQUITY AND LIABILITIES</b>		
Retained earnings/(losses)	5	<u>-9,144</u>
<b>Total equity</b>		<b><u>-9,144</u></b>
Trade payables		70
Due to group entities		4,754
Short-term loan facility		<u>9,552</u>
<b>Total short-term liabilities</b>		<b><u>14,376</u></b>
<b>Total liabilities</b>		<b><u>14,376</u></b>
<b>Total liabilities and equity</b>		<b><u>5,232</u></b>

## STATEMENT OF CHANGES IN EQUITY

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Equity</b>
	<u>USD ('000)</u>	<u>USD ('000)</u>	<u>USD ('000)</u>
<b>Equity 4 August 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>
Profit/loss for the year	0	-9,144	-9,144
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>-9,144</b>	<b>-9,144</b>
Net contributions from Limited Partners	0	0	0
<b>Total transactions with Limited Partners</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Limited partners equity total 31 December 2022</b>	<b>0</b>	<b>-9,144</b>	<b>-9,144</b>

## CASH FLOW STATEMENT

---

	<b>2021/2022</b> USD ('000)
Operating profit/(loss) (EBIT)	-8,629
Change in working capital	-407
Financial expense paid	<u>-515</u>
<b>Cash flow from operating activities</b>	<b><u>-9,551</u></b>
Paid in contributed capital	0
Loans received	<u>9,552</u>
<b>Cash flow from financing activities</b>	<b><u>9,552</u></b>
<b>Net increase in cash and cash equivalents</b>	<b><u>1</u></b>
Cash and cash equivalents at the beginning of the year	0
<b>Cash and cash equivalents at the end of the year</b>	<b><u>1</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

---

	<b>Page</b>
1. Summary of significant accounting policies	13
2. Critical accounting estimates and judgments	17
3. Financial risks and financial instruments	17
4. Fair value estimation	18
5. Limited partners equity	23
6. Personnel expenses	23
7. Related party transactions	24
8. Subsequent events	25
9. Contingent liabilities	25

## NOTES TO THE FINANCIAL STATEMENTS

---

### 1. Summary of significant accounting policies

#### **General information**

The Annual Report of the Company has been prepared in accordance with the provisions of the International Financial Reporting Standards which are approved by the EU and further disclosure requirements according to the Danish Financial Statements Act for Class B (small entities) including certain requirements from reporting class C, and disclosure requirements in accordance with the Danish Alternative Investment Fund Managers Act.

The Annual Report is prepared in USD which is the functional currency of the Company.

Since it is the Company's first annual report, no comparison figures are shown.

The most significant elements of the accounting principles applied are described below.

#### **New standards, amendments and interpretations not yet adopted**

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 2022 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 any significant impact on the financial statements, and they will not be adopted early.

#### **Explanation on omitting consolidated financial statements**

A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S has multiple unrelated investors. The Company has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- 1) The Company has obtained funds for the purpose of providing investors with professional investment management services,
- 2) the Company's business purpose, which was communicated directly to investors, is investing for capital appreciation and investment income and
- 3) the investments are measured and evaluated on a fair value basis.

As the Company meets the conditions above, it is exempt from consolidating its subsidiaries. Instead, it records its investments in portfolio companies as financial assets at fair value through profit or loss.

#### **Foreign currency translation**

Transactions denominated in foreign currencies are translated at the exchange rates at the date of the transaction.

Receivables, liabilities, and other items in foreign currencies which have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Realised and unrealised exchange rate adjustments are included in the income statement as financial income/expenses.

## NOTES TO THE FINANCIAL STATEMENTS

---

### ***Carried interest expense/recovery***

In accordance with the Limited Partner Agreement (LPA), A.P. Møller Capital P/S, its Affiliates and members, officers, and employees of A.P Møller Capital P/S and its Affiliates, acting via one or several carried interest vehicles (“the Carried Interest Entitled Unitholders”) are entitled to receive a share of the realized profits of the Company.

The carried interest is measured at amortised cost and calculated based on the fair value of the investments of the Company as measured at the reporting date. Carried interest represents incentive for services and should give rise to a liability as soon as the services are rendered and not only when gain is realised by the Company. Therefore, based on the calculation described above, the Company recognises a financial liability based on the estimated fair value of its assets at the balance sheet date. Carried interest is paid when the particular payment distribution arrangements as set out in the LPA are met.

## NOTES TO THE FINANCIAL STATEMENTS

---

### **Balance sheet**

#### ***Receivables***

Receivables are measured at amortised cost. Write-downs for bad debt are based on individual assessment of receivables.

For financial assets that do not have a significant financing component, e.g. trade receivables, a simplified approach is permitted. For receivables, the loss is measured on initial recognition and throughout the lifetime of the receivable at an amount equal to lifetime expected credit loss.

#### ***Liabilities***

Liabilities are measured at amortised cost equal to nominal value.

### **Comprehensive income statement**

#### ***Other external costs***

Other external costs comprise management fee for the period calculated according to the Limited Partnership Agreement and expenses for managing the operations of the company, including audit costs, legal advisors and other general expenses.

#### ***Financial items***

Financial income and expense and similar items are recognised in the income statement with the amounts relating to the reporting period. Net financials include interest income and expense and realised and unrealised exchange rate gains and losses on foreign currency transactions.

#### ***Cash Flow Statement***

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from financing activities comprise cash flows from payments/distributions and contributions to and from shareholders/limited partners.

Cash and cash equivalents comprise "cash and cash equivalents". The cash flow statement cannot be immediately derived from the published financial records.

## **2. Critical accounting estimates and judgements**

A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, include the fair value of investments and the valuation techniques applied, however, not exhaustive.

The valuation techniques are encompassed with uncertainties as regard to the applied assumptions. Please refer to note 4 for further details on the valuation process.



## NOTES TO THE FINANCIAL STATEMENTS

---

### 3. Financial risks and financial instruments

The General Partner is ultimately responsible for the overall risk management for the Company but has delegated the responsibility to the Fund Manager, A.P. Møller Capital P/S.

The Company invests according to the investment policy that has been agreed with the Limited Partners. This includes investing in equity or equity related investments in infrastructure assets that provide the basic physical and organizational structures applied for the good functioning of a society in Africa and Southeast Asia. The primary sectors are transport and logistics as well as energy and utilities.

The Fund Manager has adopted a risk management framework for the Company. This includes tools to identify, measure, report and mitigate risks so as to minimize their potential adverse impact on the Company's performance.

The Company is exposed to several financial risks, which are highlighted below:

#### ***Currency risk***

The Company is denominated in USD but can invest in other currencies. The Fund Manager is regularly monitoring the effect of the currency fluctuations on its performance and is implementing hedging in cases where currency risk increases. The currency risk is considered as part of the whole investment risk and hence, the Company does not separately hedge the currency risk relating to its investments in portfolio companies.

#### ***Market risks***

A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S is exposed to market risk arising from changes in market variables such as interest rates, foreign exchange rates, equity and commodity prices, or an issuer's creditworthiness. Further, the Fund is exposed to political risk such as political instability, risk of civil unrest and violence, frequent corporate law changes, immature judiciary systems, expropriation risk and corruption. The investment recommendations are reviewed and approved by the Fund Manager before the investment decisions are implemented. To manage the market price risk, the Fund Manager reviews the performance of the portfolio companies on a quarterly basis and is often in contact with the management of the portfolio companies for business and operational matters.

The portfolio of investments will be well diversified among various industries. However, the investments are based in Africa and Southeast Asia and a negative event in the African or Southeast Asian capital markets where A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S holds investments would most likely affect the financing and/or exit possibilities in general.

#### ***Interest rate risks***

The Company is less sensitive to changes in the interest level, so the interest rate risk is not considered material. Cash carries current interest at fixed-term deposits.

#### ***Liquidity risk and capital risk management***

A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S will be exposed to liquidity risk resulting from inability to sell or liquidate a project/ platform company. Given the long-term nature of the Company, the liquidity risk at this time is considered to be low.

The capital of the Company is represented by the net assets attributable to the partners. The Company's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for partners and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities. In order to maintain or adjust the capital structure, the Fund Manager may call unfunded commitment from the limited partners or distribute funds to the limited partners.

## NOTES TO THE FINANCIAL STATEMENTS

---

### ***Credit risks***

The Company has no significant receivables, why the credit risk is not considered material. In addition, the Company is exposed to credit risk in case of inability to drawdown uncalled commitments from investors. However, due to the 1<sup>st</sup> close investors being primarily major institutional investors, the credit risk is assessed as low. The Fund Manager will be monitoring the credit quality of the investors on a continuous basis.

## **4. Fair value estimation**

### ***Methods and assumptions in determining fair value***

#### ***The valuation process***

The valuations are prepared by the investment team and are reviewed on a quarterly basis and in connection with each investment and divestment. The Fund Manager has established a Valuation Committee that is responsible for the valuations, including application and implementation of the Valuation Policy and for control and approval of all valuations made.

The Committee meets on quarterly basis or whenever deemed necessary to: (i) determine and approve the Fair Value of investments held by the Company; (ii) review the models and techniques used for the quarterly valuation process; and (iii) monitor the material aspects of the Company's Valuation Policy and Procedures. The valuation committee considers the appropriateness of the valuation model itself, the significant and key inputs as well as the valuation results using various valuation methods and techniques generally recognized as standard within the industry.

The Company's Risk Management function reviews the valuation models, the Policy and procedures, the appropriateness in relation to the Company's risk profile and, where relevant, provides support. Additionally, as member of the Valuation Committee, the Risk Manager monitors that the Valuation Policy and designated valuation methodologies are applied accurately and consistently and will escalate to the Compliance function for further investigation if deemed that this is not the case.

In determining the continued appropriateness of the chosen valuation techniques, the Valuation Committee may perform back-testing to consider the various models' actual results and how they have historically aligned with the market transactions.

The fair value of investments in portfolio companies that are not quoted in an active market are determined by using valuation techniques described below. The Company's Fund Manager seeks to adhere both to Invest Europe and to the IPEV Valuation Guidelines, which are in line with IFRS.

- **Discounted Cash Flow (DCF)**: Present value of future free cash flows, discounted at the Weighted Average Cost of Capital ("WACC"), or Cost of Equity when starting point is Equity Value.
- **Multiples Approach**: Appropriate and reasonable multiples from comparable recent transactions or quoted comparables applied to a performance measure (such as revenue and earnings) given the size, risk profile and earnings growth prospects
- **Industry Valuation Benchmarks**: Industry-specific valuation benchmarks, such as price per MW/km/barrel, mostly used as a sanity check of values produced using other techniques
- **Available Market Prices**: Assets traded in an active market valued at the most representative point in bid / ask spread

## NOTES TO THE FINANCIAL STATEMENTS

- **Net Asset Value:** Enterprise value derived by assessing liquidation value of assets (and liabilities)
- **Price of Recent Investment (Calibration):** Calibrate the price of recent investments using the techniques above and apply market inputs to calculate inputs such as WACC, multiples, etc.

The DCF approach is the primary approach applied to assess the fair values as of 31 December 2022.

### **Fair value hierarchy for financial instruments**

International Financial Reporting Standards require A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: inputs are quoted (unadjusted) in active markets for identical assets or liabilities that A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S can access at the measurement date;

Level 2: inputs are inputs other than quoted prices included within level 1 that are observable for the assets or the liability, either direct or indirect;

Level 3: inputs are unobservable inputs that have been applied in valuing the respective asset or liability.

The determination of what constitutes “observable” requires significant judgement by A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are involved in the relevant market.

The following table shows the classification of the financial instruments, measured at fair value. The values are classified in respect of the fair value hierarchy.

	Level 1 USD ('000)	Level 2 USD ('000)	Level 3 USD ('000)	Total USD ('000)
<b>2022</b>				
Unquoted investments (portfolio Companies)	0	0	0	0
<b>Financial instruments, measured at fair value</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### **Development in Level 3 financial instruments**

	1 January 2022 USD ('000)	Acquisitions USD ('000)	Value Adjustments USD ('000)	31 December 2022 USD ('000)
Unquoted investments (portfolio Companies)	0	0	0	0
<b>Financial instruments, measured at fair value</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## NOTES TO THE FINANCIAL STATEMENTS

---

### ***Significant unobservable inputs at level 3***

Investments classified within level 3 have been valued based on significant unobservable inputs, as they trade infrequently. As quoted market prices are not available for these investments, the Fund Manager has used the valuation techniques described in this note to determine fair value. In order to assess the valuation made for investments within level 3, the Fund Manager reviews the performance of the portfolio companies. Furthermore, the Fund Manager is regularly in contact with the management of the portfolio companies in order to make assessments of business and operational matter which are considered in the valuation process.

### ***Sensitivity analysis***

The fair value of the Company's investments is affected by developments in the applied Cost of Equity and future earnings expectations for these investments. A decline or increase in the material unobservable inputs stated above and changes in macroeconomic conditions might have a direct effect on the calculation of the investments.

Due to the nature of the investments the effects are subject to some uncertainty, as other factors can in some scenarios have a reverse effect.

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 Company'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 Company's right to receive dividend from or have loans 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.

No annual reports have been published for the entities with N/A

### **5. Limited partners equity**

Limited Partners' and General Partner's total committed capital is USD 594,000,000 of which USD 594,000,000 is not yet called.

The Limited Partnership capital has been divided into three classes. These classes are class A investors (i.e. investors not included in class B and C), class B investors and Class C investors.

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Personnel expenses

The Company (A.P. Møller Capital – Emerging Markets Infrastructure II K/S) has no expenses to personnel.

Average number of employees 2021/2022, 0.

According to article 61, section 3, number 5 in the Danish Alternative Investment Fund Managers Act, alternative investment funds must disclose information about the total remuneration of the entire staff of the Fund Manager (A.P. Møller Capital P/S) and the number of beneficiaries. Furthermore, remuneration to material risk-takers must be disclosed:

	2022	2021
	USD	USD
	('000)	('000)
Wages and salaries	12,936	10,243
Pensions	462	311
Other social security costs	45	44
Special payroll tax based on total payroll	-398	-487
Other administration expenses	<u>6,085</u>	<u>3,931</u>
	<u><b>19,129</b></u>	<u><b>14,041</b></u>
<b>Average number of employees</b>	<u><b>34</b></u>	<u><b>32</b></u>
Hereof remuneration to Management and Board of Directors:		
Board of Directors	129	84
Management:		
Fixed	3,372	2,903
Variable	0	0
Pension	<u>186</u>	<u>127</u>
	<u><b>3,687</b></u>	<u><b>3,113</b></u>
Number of employees in the above	<u>9</u>	<u>9</u>

Three of the Board of Directors receive remuneration. Management is not entitled to variable salary or pension, except for DIFC Workplace Savings Plan (DEWS).

The individual remuneration to the Executive management and the Board of Directors, has been published separately on our website <https://apmollercapital.com/en/>

### Remuneration of other material risk takers

A.P. Møller Capital P/S is required to identify all employees whose professional activities could have a material impact on the risk profile of A.P. Møller Capital P/S in accordance with current legislation. Other material risk takers do not include members of the Board of Directors or the Executive Leadership Team. At the end of 2022, 6 other material risk takers were designated (end of 2021: 3 other material risk takers). During 2022, 6 full-time equivalents (FTEs) were designated as other material risk takers (2021: 3 FTEs). The 6 FTEs designated as other material

## NOTES TO THE FINANCIAL STATEMENTS

---

risk takers earned remuneration of USD 819k (2021: 3 FTEs earned remuneration of USD 387k), with fixed remuneration amounting to USD 794k and variable amounting to USD 25k (2021: USD 366k and USD 21k respectively).

The Board of Directors of the Fund Manager A.P. Møller Capital P/S has further adopted a remuneration policy in order to ensure that the employees and Management are remunerated according to among others the Danish Executive Order on remuneration policy and disclosure requirements on remuneration for managers of alternative investment funds.

The adopted remuneration policy is especially meant to promote the following in relation to the Fund Manager, A.P. Møller Capital P/S:

- That the Company shall be able to attract, develop and retain high-performing and motivated employees in a competitive international market,
- That employees, including the Partners, shall be offered competitive and market aligned remuneration packages,
- That employees, including the Partners, shall feel encouraged to create sustainable results and manage sustainability risks, and
- That a sound risk management culture is promoted and that excessive risk-taking is not induced.

A.P. Møller Capital P/S acts as Fund Manager for Africa Infrastructure Fund I K/S and A.P. Møller Capital - Emerging Markets Infrastructure Fund II K/S

No carried interest has been paid out by A.P. Møller Capital – Emerging Markets Infrastructure Fund II K/S during the financial period.

### 7. Related party transactions

The following transactions has occurred with other related parties on an arm's length principle:

	2022
	USD ('000)
GP Fee/Funds, A.P. Møller Capital - Emerging Markets Infrastructure Fund II GP ApS	3
Management fee, A.P. Møller Capital P/S	4,083
Project costs / Fund expenses, A.P. Møller Capital P/S	9,968
Loan facility, APMH Invest A/S	<u>9,552</u>
<b>Total transactions with related parties</b>	<b><u>23,606</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

---

### **8. Subsequent events occurring after end of the reporting period**

One investment has been signed in 2022 where closing is expected to take place in 2023 and one additional investment has been signed in Q1 2023 where closing is expected during 2023. No other events of importance to the Annual Report have occurred during the period from the balance sheet date until the presentation of the Financial Statements

### **9. Contingent liabilities**

As of 31 December 2022, the Company has entered into commitments to signed investments that have not yet been called amounting to USD 55m.

# PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registeret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

## Finn Louis Meyer

Direktør

På vegne af: AP Moller

Serienummer: fc12fc23-ef2f-4e12-8c55-d653cc2520ff

IP: 2.105.xxx.xxx

2023-04-14 07:59:46 UTC



## Henrik Dahl

Direktør

På vegne af: AP Moller

Serienummer: d7351cce-6f8f-4268-8e37-ea99eb5981c5

IP: 194.126.xxx.xxx

2023-04-14 12:28:38 UTC



## René Otto Poulsen

Statsautoriseret revisor

På vegne af: PwC

Serienummer: CVR:33771231-RID:24479570

IP: 83.136.xxx.xxx

2023-04-15 08:38:31 UTC



## Thomas Wraae Holm

Statsautoriseret revisor

På vegne af: PwC

Serienummer: CVR:33771231-RID:18972118

IP: 83.136.xxx.xxx

2023-04-15 11:07:25 UTC



Penneo dokumentnøgle: 322YE-XZ0XT-7V2AY-EDEDS-885NT-10VIEW

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstemplet med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

### Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service** <penneo@penneo.com>. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser i indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validator>