

A.P. Møller Capital – Emerging Markets Infrastructure II Co- Investment K/S

*Esplanaden 50
DK 1263 Copenhagen*

Business Registration No. 43 05 97 42

**Annual Report for the period 15 February – 31 December
2022**

Chairman 
Simon Krogh

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Adopted at the annual general meeting on 24 May 2023

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STATEMENT BY THE GENERAL PARTNER

The General Partner has today discussed and approved the Annual Report of A.P Møller Capital – Emerging Markets Infrastructure II Co-investment K/S for the financial year 15 February - 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 15 February - 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 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 II Co-Investment 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 15 February - 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 II Co-Investment K/S for the financial year 15 February - 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.

INDEPENDENT AUDITOR'S REPORT

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.

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.

INDEPENDENT AUDITOR'S REPORT

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

Company	A.P. Møller Capital – Emerging Markets Infrastructure II Co-Investment K/S
Business Registration No.	43 05 97 42
Address	Esplanaden 50 DK 1263 Copenhagen
Financial Year	15 February – 31 December 2022
Fund Manager	A.P. Møller Capital P/S Authorised Manager of Alternative Investment Funds (FSA no.: 23.129)
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Depository	Intertrust Depository Services (Denmark) A/S c/o Harbour House Sundkrogsgade 21 DK-2100 Copenhagen
General Partner (Authorised to sign for the Company)	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 II Co-Investment K/S was established in February 2022 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 emerging markets 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 II Co-Investment 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 II Co-Investment K/S had made no investments.

Development in activities and finances

Total Comprehensive income for the year is according to expectations. The result reflects value adjustments of investments both due to performance of the portfolio companies and development in currencies, as well as management fee and the expenses of the Company.

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

Management confirms that the Company is going concern and 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.

There have been no changes in the matters below during the reporting period:

- The total committed capital in the Alternative Investment Fund;
- Arrangements for managing the Fund's liquidity;
- The Fund's risk profile and risk management systems;
- 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 allowing for the leverage.

Investments and activities planned for 2023

No specific investments in scope for 2023. The investment pipeline consist of a broad range of promising projects with strong offerings and value propositions, well positioned for growth.

Consolidated financial statements

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

STATEMENT OF COMPREHENSIVE INCOME

	<u>Note</u>	<u>2022</u> <u>USD</u>
Other external costs		<u>-19,112</u>
Operating profit/(loss) (EBIT)		-19,112
Financial income		<u>9</u>
Net profit/(loss) for the year		-19,103
Total comprehensive income for the year		<u>-19,103</u>

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2022</u> <u>USD</u>
ASSETS		
Cash and cash equivalents		<u>297</u>
Total cash and cash equivalents		<u>297</u>
Total current assets		<u>297</u>
Total assets		<u>297</u>
EQUITY AND LIABILITIES		
Contributed capital		0
Retained earnings/(losses)		<u>-19,103</u>
Total equity		<u>-19,103</u>
Trade payables		18,857
Due to group entities	4	<u>543</u>
Total short-term liabilities		<u>19,400</u>
Total liabilities		<u>19,400</u>
Total liabilities and equity		<u>297</u>

STATEMENT OF CHANGES IN EQUITY

	Contributed capital	Reserve for hedges	Retained earnings	Equity
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Equity 15 February 2022	0	0	0	0
Profit/loss for the year	<u>0</u>	<u>0</u>	<u>-19,103</u>	<u>-19,103</u>
Total comprehensive income for the year	0	0	-19,103	-19,103
Limited partners equity total 31 December 2022	0	0	-19,103	-19,103

CASH FLOW STATEMENT

	2022
	USD
Operating profit/(loss) (EBIT)	-19,112
Change in working capital	19,400
Financial income received	<u>9</u>
Cash flow from operating activities	<u>297</u>
Net increase in cash and cash equivalents	<u>297</u>
Cash and cash equivalents at the beginning of the year	0
Cash and cash equivalents at the end of the year	<u>297</u>

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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.

Explanation on omitting consolidated financial statements

A.P. Møller Capital – Emerging Markets Infrastructure II Co-Investment K/S has one investor and holds no portfolio investments in subsidiaries. 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

Balance sheet

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 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 operating activities furthermore include cash flows from purchase or sale of portfolio companies.

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. 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:

NOTES TO THE FINANCIAL STATEMENTS

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 Company considers the currency risk 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.

3. Personnel expenses

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

Average number of employees 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>19,129</u>	<u>14,041</u>
Average number of employees	<u>34</u>	<u>32</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>3,687</u>	<u>3,113</u>
Number of employees in the above	<u>9</u>	<u>9</u>

NOTES TO THE FINANCIAL STATEMENTS

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 risk takers earned remuneration of USD 819k (2021: 3 FTEs earned remuneration of USD 387), 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, as well as for A.P. Møller Capital - Emerging Markets Infrastructure II Co-Investment K/S

4. Related party transactions

The following transactions has occurred with other related parties:

	<u>2022</u>
	<u>USD</u>
Funding, A.P. Møller Capital P/S	543
Total transactions with related parties	<u>543</u>

NOTES TO THE FINANCIAL STATEMENTS

5. Subsequent events occurring after end of the reporting period

No events of importance to the Annual Report have occurred during the period from the balance sheet date until the presentation of the Financial Statements

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Finn Louis Meyer

Direktør

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