

## **Copenhagen Infrastructure Energy Tran- sition Fund I US QFPF K/S**

**Amerika Plads 29**

**2100 Copenhagen**

**Business Registration No**

**43 52 35 11**

**Annual report 2022**

The Annual General Meeting adopted the annual report on 4 May 2023

### **Chairman of the General Meeting**

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Name: Aurore Perleau

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## **Fund details**

### **Fund**

Copenhagen Infrastructure Energy Transition Fund I US QFPF K/S

Amerika Plads 29

2100 Copenhagen

Business Registration No: 43 52 35 11

Founded: 16 September 2022

Registered in: Copenhagen

Financial year: 16 September 2022 - 31 December 2022

Telephone: +45 70 70 51 51

Internet: [www.cipartners.dk](http://www.cipartners.dk)

### **General Partner**

Copenhagen Infrastructure ETF I GP ApS

### **Fund Manager**

Copenhagen Infrastructure Partners P/S

Approved Manager of Alternative Investment Funds (Danish 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 Copenhagen Infrastructure Energy Transition Fund I US QFPF K/S for the financial year 16 September 2022 – 31 December 2022.

The annual report is presented in accordance with International Financial Reporting Standards as adopted by the EU and additional 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 2022 and of the results of its operations and the cash flows for the financial year 16 September 2022 – 31 December 2022.

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, 17 April 2023

### **On behalf of Copenhagen Infrastructure ETF I GP ApS**

Jakob Baruël Poulsen

Christian Troels Skakkebæk

Mogens Thorninger

Bo Foged

Thomas Hinrichsen

## **Independent auditor's report**

### **To the shareholders of Copenhagen Infrastructure Energy Transition Fund I US QFPF K/S**

#### **Opinion**

We have audited the financial statements of Copenhagen Infrastructure Energy Transition Fund I US QFPF K/S for the financial year 16.09.2022 - 31.12.2022, 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 31.12.2022 and of the results of its operations for the financial year 16.09.2022 - 31.12.2022 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 Company 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.

#### **General Partner's responsibilities for the financial statements**

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

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

## **Independent auditor's report**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

**Independent auditor's report**

**Statement on the management commentary and statement on the supplementary report provided for in the Sustainable Finance Disclosure Regulation (SFDR)**

The General Partner is responsible for the management commentary as well as for the supplementary report on disclosures in accordance with the SFDR etc., hereinafter referred to as “the supplementary report”.

Our opinion on the financial statements does not cover the management commentary or the supplementary report, 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 the supplementary report and, in doing so, consider whether the management commentary and the supplementary report 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 and the supplementary report 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 or the supplementary report.

Copenhagen, 17 April 2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56

Bill Haudal Pedersen  
State-Authorised Public Accountant  
Identification No (MNE) mne30131

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

## Management commentary

**2022\***  
**EUR'000**

### Financial highlights

#### Key figures

Operating profit/(loss) (EBIT)	(1,848)
Financial items, net	(37)
Profit/loss for the year	(1,885)
Equity	(1,885)
Assets total	670

#### Ratios

Liquidity ratio (%)	-
Solvency ratio (%)	-
Return on equity (%)	-

\* This is the Fund's first financial year and comprise the period 16 September 2022 – 31 December 2022.

### Primary activity

Copenhagen Infrastructure Energy Transition Fund I US QFPF K/S (CI ETF I US QFPF) was established in September 2022 and is managed by Copenhagen Infrastructure Partners P/S (CIP P/S). The General Partner of CI ETF I US QFPF is Copenhagen Infrastructure ETF I GP ApS.

At fund close on 18 August 2022, the Limited Partners had committed EUR 78m to CI ETF for infrastructure investments in primarily OECD countries in Western Europe, North America and the Asia-Pacific region (Australia, New Zealand, Japan and South Korea) and other countries with favourable power-to-x (PtX) site conditions.

CI ETF I US QFPF is part of a fund group consisting of 8 funds with a total commitment of EUR 3,135m. The group invests with a shared investment strategy and includes the following funds Copenhagen Infrastructure Energy Transition Fund I DK A K/S, Copenhagen Infrastructure Energy Transition Fund I DK B K/S, Copenhagen Infrastructure Energy Transition Fund I K/S, Copenhagen Infrastructure Energy Transition Fund I SCSp, Copenhagen Infrastructure Energy Transition Fund I US Non-QFPF K/S, Copenhagen Infrastructure Energy Transition Fund I US Non-QFPF SCSp, Copenhagen Infrastructure Energy Transition Fund I US QFPF K/S and Copenhagen Infrastructure Energy Transition Fund I US QFPF SCSp. The Limited Partners receives an internal consolidated report in the fund group, and the results from this report cannot be view on a stand-alone basis.

### Investments

No investment projects have yet reached financial close. The fund has a number of investments under development, cf. note 6.

## Management commentary (continued)

### Development in activities and finances

The conditions in the financial markets became more volatile during 2022, with increasing power prices, inflation, interest rates and fluctuations in the currency markets.

The global energy crisis continues to impact the power markets as the Russia-Ukraine war impacts the short-term market volatility, especially within the European/UK gas and power markets and global commodity markets which impacts the Limited Partnership. After peaking in August 2022, power price levels fell across most markets. The levels are now at levels last seen in the spring of 2022, though this is still significantly above the long-term price levels. Long term prices in Europe have remained largely unchanged which impacts the long-term power purchase agreements needed to fuel PtX factories.

The United States Inflation Reduction Act (IRA), which was signed into law in August 2022 including a USD 369bn support scheme for clean energy deployment in the US, creates opportunities and implies increased competition for European and other non-US PtX projects.

CI ETF I US QFPF projects in Europe are well positioned to address the European effort to become independent from Russian gas. On the output side, the relatively high energy prices continue to drive up hydrogen and ammonia prices, making green hydrogen competitive with its fossil-based counterparts at the current price levels.

Interest rates increased across all markets as central banks fight high inflation, which impacts, all investment discount rates as they increased in line with market interest rates, representing a higher return requirement on invested capital, thus affecting the valuation negatively at year end.

The income from investments (Operating income) in 2022 amounts to a loss of EUR (0.1m) and the Profit/(loss) for the year amounts to a loss of EUR (2m), which is in accordance with the expectation as the Fund is in the investment period and developing investment opportunities.

Limited Partners' paid-in capital to the Fund at the end of 2022 amounted to EUR 0m, equalling 0% of the committed capital of EUR 78m. Accumulated distributions to Limited Partners amounted to EUR 0m since fund initiation and accumulated net income end of 2022 amounted to EUR (2m). Hereafter total Limited Partners' capital end of 2022 amounted to EUR (2m).

### Uncertainty relating to recognition and measurement

CI ETF I US QFPF 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.

## Management commentary (continued)

### 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;
- The percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature;
- 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

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

### Outlook

The outlook for the Limited Partnership depends on the results of the investments.

Expectations for the Limited Partnership are in generally positive, and the fund is expected to make further investment during 2023. During the investment period the result is expected to be negative.

### Supplementary report on disclosures in accordance with the SFDR etc.

The financial product is classified as being a financial product referred to in Article 9(2) of Regulation (EU) 2019/2088 on sustainability related disclosures in the financial services sector, having a sustainable investment objective.

The product level periodic disclosure – Annex V of the Regulation (EU) 2022/1288, is found in Appendix 1.

## Statement of comprehensive income

	<u>Notes</u>	<u>2022*</u> <u>EUR'000</u>
Net increase/(decrease) in unrealised gains/(losses) from financial assets and liabilities at fair value		(54)
<b>Operating income</b>		<b>(54)</b>
Administrative expenses	3	(1,794)
<b>Operating expenses</b>		<b>(1,794)</b>
<b>Operating profit/(loss) (EBIT)</b>		<b>(1,848)</b>
Financial income	4	4
Financial expenses	5	(41)
<b>Profit/(loss) for the year</b>		<b>(1,885)</b>
<b>Other comprehensive income</b>		<b>0</b>
<b>Comprehensive income</b>		<b>(1,885)</b>

\* This is the Fund's first financial year and comprise the period 16 September 2022 – 31 December 2022.

**Balance sheet at 31 December 2022**

	<u>Notes</u>	<u>2022</u> <u>EUR'000</u>
Equity investments	6	<u>669</u>
<b>Investments</b>		<u><b>669</b></u>
<b>Non-current assets</b>		<u><b>669</b></u>
<b>Cash</b>		<u><b>1</b></u>
<b>Current assets</b>		<u><b>1</b></u>
<b>Assets</b>		<u><u><b>670</b></u></u>

**Balance sheet at 31 December 2022**

	<u>Notes</u>	<u>2022 EUR'000</u>
Limited partnership capital	7	0
Retained earnings		<u>(1,885)</u>
<b>Equity</b>		<b><u>(1,885)</u></b>
Other payables	8	<u>2,555</u>
<b>Current liabilities</b>		<b><u>2,555</u></b>
<b>Liabilities</b>		<b><u>2,555</u></b>
<b>Equity and liabilities</b>		<b><u><u>670</u></u></b>

## Statement of changes in equity

	<b>Limited partnership capital EUR'000</b>	<b>Retained earnings EUR'000</b>	<b>Total EUR'000</b>
Contribution from Limited Partners	0	0	0
Profit/(loss) for the year	0	(1,885)	(1,885)
<b>Equity at 31 December 2022</b>	<b>0</b>	<b>(1,885)</b>	<b>(1,885)</b>

The investors have committed themselves to contributing up to EUR 78m to the Fund. At 31 December 2022, the investors have contributed a net amount of EUR 0m out of the combined contribution commitment, causing the balance commitment to stand at EUR 78m.

Distributions to Limited Partners comprises return of capital and realised gain. Return of capital is presented as part of Limited Partnership capital whereas realised gain / loss is presented as part of retained earnings.

Committed capital will be contributed to the Fund when capital is called to serve costs or performing investments. The Commitments shall be honoured by payments by the Limited Partners on a pro rata basis according to their respective Commitments into a Deposit Account of the Partnership as and when required by a written notice to the Limited Partners. Additional specific conditions for capital contributions or recycling of distributions are laid out in the Limited Partnership Agreement.

Refer to note 7 for further regarding the rights, preferences and restrictions attached to the shares.

**Cash flow statement for 2022**

	<u>Notes</u>	<u>2022</u> <u>EUR'000</u>
Operating profit/(loss)		(1,848)
Income from investments		54
Working capital changes	9	<u>2,555</u>
<b>Cash flows from ordinary activities</b>		<u><b>761</b></u>
Financial income	4	4
Financial expenses	5	<u>(41)</u>
<b>Cash flows from operating activities</b>		<u><b>(37)</b></u>
Acquisition of equity investments	6	<u>(723)</u>
<b>Cash flows from investing activities</b>		<u><b>(723)</b></u>
<b>Increase/decrease in cash</b>		<b>1</b>
Cash beginning of year		<u>0</u>
<b>Cash end of year</b>		<u><u><b>1</b></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.

Copenhagen Infrastructure Energy Transition Fund I US QFPF K/S is a Limited Partnership based in Denmark.

The financial period runs from 1 January to 31 December of each year. This is the Fund's first financial year and comprise the period 16 September 2022 - 31 December 2022, and hence no comparative figures have been presented.

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

The financial statements are presented on the basis of historical cost, except for the investments, 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 EUR thousands. 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. Disclosures required by IFRS are provided 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 below.

## Notes

### 1. Accounting policies (continued)

#### Report on the omission of preparation of consolidated financial statements

CI ETF I US QFPF has omitted to prepare consolidated financial statements under the provisions of IFRS 10 as the Limited Partnership qualifies as an investment entity. The definition of an investment entity is an entity that:

1. Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
2. Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
3. Measures and evaluates the performance of substantially all of its investments on a fair value basis.

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

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 instrument. The Fund can 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 16 September 2022 have been applied when preparing the Financial Statements.

These Standards have not had an impact on the Fund's Annual Accounts.

There are no other Standards, Interpretations or amendments to existing Standards that are not yet effective that would be expected to have an impact on the Fund.

#### Significant accounting judgement and estimates

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

#### 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.

## Notes

### 1. Accounting policies (continued)

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

Liabilities are recognised in the balance sheet when the Fund has a legal or constructive obligation as a result of an event prior to 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 affected 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 the reporting period.

#### Foreign currency translation

The functional currency reflects the currency in which the Limited Partners have committed themselves to the Fund as well as the currency in which the Fund pays the Fund Manager for carrying out investment related services. Investments and loans are carried out in different currencies and hence considered less relevant in terms of influencing the choice of functional currency. The financial statements of the Fund are presented in the currency unit Euro (EUR), which is the Fund's functional and presentation currency.

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

### Statement of comprehensive income

#### Revenue recognition

Dividend income is recognised when the Fund's rights to receive the payments have been established.

## Notes

### 1. Accounting policies (continued)

#### Operating income from investments

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

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 an accrual basis.

Administrative expenses comprise expenses incurred during the reporting period not directly related to the Fund's investment activities. The Fund pays the Fund Manager an annual fee for carrying out investment related activities and administration. The fee is calculated in accordance with the criteria set out in the Limited Partnership Agreement.

Administrative expenses which can be directly allocated to specific investments are recognised in the underlying project companies when the investment structure is formally in place. For investment structures which are not yet formally in place, the administrative expenses are initially recognised at Fund level and subsequently the administrative expenses are re invoiced to the project companies when the investment structure is in place.

Administrative expenses that do not relate to the Fund's investment activities or is investment specific are recognised as expense by the Fund. Such costs comprise among others financial, legal and tax advisory, audit, bookkeeping, travel costs and General Partner fee.

#### 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 recognised on an accrual basis.

#### 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 Partners' taxable income.

## Notes

### 1. Accounting policies (continued)

#### Balance sheet

##### Investments

Financial assets and liabilities are recognised at fair value through profit or loss when the Fund becomes party to the contractual provisions of the instrument. Recognition takes place on the commitment date 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 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. Furthermore, investments consist of capitalised development costs, which increase the fair value of the investments. Capitalised development costs consist of expenses related to early-stage design and development of infrastructure investments and primarily relates to advisory services provided to fund projects such as project structuring, contracting and de-risking etc. On initial recognition, both types of investment are measured at fair value, and subsequently measured at fair value with recognition of fair value adjustments through profit or loss.

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

For further information about the measurement of fair values, please refer to note 12.

Development projects before FID comprise capitalised investment costs, contributions, management fee 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.

Development phase normally ranges from 1-4 years depending on asset type and is characterised by contracts for revenue (off-take), costs (O&M), and CAPEX (EPC, equipment a.o.) are not yet in place. Also, binary risks related to obtaining permits, grid connection, offtake solution, etc. characterises the development phase. When all main contracts are finalised and signed, and permits are obtained the individual asset reaches FID. From this point the investment is valued applying an DCF-model and capitalisation of further development ceases. The stage of each investment is assessed quarterly as part of the valuation process.

## Notes

### 1. Accounting policies (continued)

As mentioned above under administrative expenses most project specific expenses are recognised in the project company.

#### Cash

Cash comprises cash in bank deposits.

#### Other financial liabilities

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

#### Cash flow statement

The cash flow statement of the Fund is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Fund's cash 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 cash changes in the size or composition of the contributed capital and cash payment of distributions to the Limited Partners.

Cash comprises cash in bank deposits.

### Financial highlights

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

Ratios		Calculation formula	Ratios reflect
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.

## Notes

### 2. Significant accounting estimates, assumptions and uncertainties

The Fund develops and invests in infrastructure assets (unlisted equity investments and receivables), the market price of which depends both on entity-specific affairs and market conditions, including power prices, commodity prices, exchange rates and construction risks 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 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 the uncertainty related to the construction of the projects taking place within relevant time frames or milestones.

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

### 3. Administrative expenses

The Fund has no employees.

Administrative expenses include management 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, please refer to note 13.

According to Article 107 of the AIFMD Level 2 Regulation and section 61 (5 and 6) of the Alternative Investment Fund Managers etc. Act, alternative investment funds must disclose information about the total remuneration of the entire staff of the Fund Manager and the number of beneficiaries. Furthermore, remuneration to material risk-takers must be disclosed.

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.

## Notes

### 3. Administrative expenses (continued)

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.

In accordance with section 61 (5 and 6) of the Alternative Investment Fund Managers etc. Act, information regarding salaries paid to employees of the fund manager is disclosed in the Annual Report for 2022 for Copenhagen Infrastructure Partners P/S, Business Reg. No. 37 99 40 06.

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

### 4. Financial income

	<b>2022</b> <b>EUR'000</b>
Net foreign exchange gain	4
<b>Financial income</b>	<b>4</b>

### 5. Financial expenses

	<b>2022</b> <b>EUR'000</b>
Other interest	(41)
<b>Interest expenses for financial liabilities</b>	<b>(41)</b>

## Notes

### 6. Investments

	<b>Development projects before FID* EUR'000</b>	<b>Investments EUR'000</b>	<b>Receivables from investments before FID* EUR'000</b>	<b>Receivables from investments EUR'000</b>
Fair value at 16 September 2022	0	0	0	0
Contributions	723	0	0	0
Value adjustment	(54)	0	0	0
<b>Fair value at 31 December 2022</b>	<b>669</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*Project development costs comprises investments costs, contributions, management fee etc. These costs are capitalised because these development projects are expected to create future cash flow to the limited partners and hence are similar to equity investments. When a project leaves development before FID phase it is transferred to investments and measured at fair value through profit or loss statement. No costs are capitalised on receivables from investments and therefore no transfer from development projects before FID is recognised.

Refer to note 1 for further regarding capitalised costs.

<b>Investment</b>	<b>Corporate form</b>	<b>Registered in</b>	<b>Equity interest %</b>	<b>Profit/(loss)* EUR'000</b>	<b>Equity* EUR'000</b>
CI ETF I US QFPF	LP	United States	42.65	-	1,569

\* Based on the latest reported numbers as of 31.12.2022.

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 clarity and readability 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. Furthermore, it is considered that listing all entities would fill the annual report with immaterial information.

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.

## Notes

### 7. Limited partnership capital

The Limited Partnership is owned by the Limited Partners in proportion to their contributed capital. Some specific commitment classes have an associated special right to receive carried interest. Refer to the description regarding carried interest below for further.

As the Fund is in the development phase no IRR is calculated and the value of carried interest at the balance sheet date is EUR 0m.

Further information as required by the AIFMD-directive is provided to each Limited Partner.

#### Carried interest

Holder of performance shares (Limited Partnership capital) receive a return on their investment that is dependent 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 realised 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 carried interest which is calculated based on the overall performance net of costs and expenses of the portfolio of all investments (the Fund) as 20% of net cash flows exceeding the agreed 7% minimum return (the Hurdle Rate). Carried interest is paid out with ordinary distributions based on adjusted economic rights which reflect an annual allocation of carried interest as if such carried interest had been re-invested into the Fund.

Except for entitlement to carried interest, the investments by the Limited Partners with specific commitment classes are made at the same time and on the same commercial terms as the other Limited Partners, provided that no Management Fee or carried interest are payable by those Limited Partners with specific commitment classes.

Distributions of carried interest to the specific commitment classes are subject to provision as defined in the Limited Partnership Agreement. Carried interest will be allocated to specific commitment classes on the basis of the carrying value of the investments at year end. However, distributions of carried interest are not paid to the specific commitment classes until the sale of investments are realised.

## Notes

### 8. Other payables

	<b>2022</b> <b>EUR'000</b>
Auditor and other advisors	22
Other liabilities	2,533
<b>Other payables</b>	<b>2,555</b>

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

	<b>2022</b> <b>EUR'000</b>
Change in receivables	0
Change in payables	2,555
	<b>2,555</b>

### 10. Financial instruments

Categories of financial instruments:

	<b>2022</b> <b>EUR'000</b>
Investments	669
<b>Financial assets measured at fair value through profit or loss</b>	<b>669</b>
Other payables	2,555
<b>Financial liabilities measured at amortised cost</b>	<b>2,555</b>

All financial liabilities are due for payment within 12 months.

No provisions for expected credit loss have been recognised. Refer to note 11 for further.

## Notes

### 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 both greenfield and operating infrastructure assets.

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

Key financial risk factors and exposure regarding the financial statements for 2022 can be categorised as follows:

#### Financial risk factors

##### Liquidity risks

	<b>Less than 1 year EUR'000</b>	<b>Between 1 and 5 years EUR'000</b>	<b>After 5 years EUR'000</b>	<b>Total EUR'000</b>
Other payables	<u>2,555</u>	<u>0</u>	<u>0</u>	<u>2,555</u>
<b>31 December 2022</b>	<b><u>2,555</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>2,555</u></b>

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. In addition, the Fund is able to draw on uncalled commitments from its investors to meet its obligations if needed. 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.

##### Credit risks

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Fund. The credit risks of the Fund are considered limited.

The Fund's credit risk primarily arises from

- cash at banks
- contingent liabilities or guarantees

Management manages its credit risk exposure by transacting the majority of the Fund's contractual commitment activities with well-established banks, regulated exchanges and business partners which the Management consider to be reputable.

## Notes

### 11. Financial risk management (continued)

Furthermore, most contingent liabilities are against holding companies and project companies within Copenhagen Infrastructure Partners. Hence, Management has a thorough knowledge of the financial situation in many of the entities in which the Fund has a contingent liability against. Any such provision would be considered insignificant as the credit risks of the Fund are considered limited.

Investments are progressing as planned and following the outlined budget. Furthermore, the Fund provides a guarantee to the underlying projects if needed indicating that obligations will be met. Also, the Fund invest in infrastructure projects in a combination of loan and equity. Infrastructure projects are characterised by a stable and solid income when the project reaches FID. There is no indication towards that projects are in a state where they will not be able to meet the obligation against the Fund.

The Fund is not exposed to any significant credit risk from a single counterparty at 31 December 2022, since the portfolio of the Fund consists of a number of counterparties and infrastructure projects. The Fund Manager regularly assesses the risk related to single exposures taking into account current market developments, inflation, performance of investments, interest rate, price movements etc.

#### Interest rate risk

The fund has no long-term external debt at the balance sheet date and therefore no interest risk is related to the liabilities.

#### Currency risk

The Fund is denominated in EUR. A majority of cash flows take place in EUR, incl. cashflows to investment. Consequently, the Limited Partners have a limited exposed to currency risk through the Fund. No hedging is made at fund level. No derivatives have been recognised on the balance sheet date in the Fund.

If the foreign exchange rates to which the Fund is exposed moved by +/- 10%, the estimated effect on profit/loss would be as follows +/- 67 EURt.

#### Commodity and power prices

The Fund's indirect power price exposure is mitigated via power price agreements and/or instruments in the project's capital structure. The Fund's indirect outright power price exposure is considered as low. Other hedges of commodities and power prices are recognised in the underlying entity structures, not in the Fund.

When the Fund has an indirect outright power price and commodity price exposure changes in such risk factors impact the fair value of the individual investment.

## Notes

### 12. Financial instruments measured at fair value

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

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

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

The fair value of each investment 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 methods. However, 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.

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

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

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

All investments are classified as Level 3 investments and there have not been any transfers between the levels during the financial year.

#### 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.

None of the investments have reached financial close and are hence not measured based on valuation techniques which require unobservable inputs. As part of the valuation process, it has been assessed, however, if changes in power prices, inflation rates, technical availability or discount rate should lead to impairment compared to the estimated internal rate in the business models. The assessment did not give rise to any comments.

## Notes

### 12. Financial instruments measured at fair value (continued)

2022	<u>Level 1</u> <u>EUR'000</u>	<u>Level 2</u> <u>EUR'000</u>	<u>Level 3</u> <u>EUR'000</u>	<u>Total</u> <u>EUR'000</u>
Unlisted shares, equity investments	0	0	669	669
<b>Financial assets measured at fair value through profit or loss</b>	<b>0</b>	<b>0</b>	<b>669</b>	<b>669</b>

#### Material unobservable inputs

##### Sensitivity analysis

The fair value of the Fund's investments is affected by developments in the applied discount rate 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 valuation 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. As a result of the investment currently being under early development, no discount rate range is disclosed, and no sensitivity analysis has been made.

### 13. Related parties

#### Related parties with a controlling interest

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

**2022**  
**EUR'000**

#### Related party transactions

The General Partner receives a fee for its obligation towards CI ETF I US QFPF as per the Articles of Association

**Payment to the General Partner** 1

Copenhagen Infrastructure Partners P/S (the Fund Manager) is considered a related party of the Fund due to its role as being Fund Manager

**Management fee** 1,551

Management fee is calculated as a percentage of the total committed capital to the Fund.

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

## Notes

### 14. Contingent liabilities

The Fund has the following third party contingent liabilities or guarantees as of 31 December 2022:

- The outstanding guarantees for the Madoqua LC, which amounts to EUR 2.7m
- The outstanding guarantees for the Høst LC, which amounts to DKK 2.6 m

Further, the fund is fully liable for a credit facility taken up by Copenhagen Infrastructure Energy Transition Fund I K/S with an outstanding balance of EUR 15m at the balance sheet date.

There are no other guarantees or contingent liabilities of the Fund.

No provisions for expected credit loss have been recognised. Refer to note 11 for further.

### 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:

<b>Limited Partner</b>	<b>Residence</b>	<b>Ownership percentage</b>
PensionDanmark Pensionsforsikringsaktieselskab	Langelinie Allé 43, 2100 Copenhagen	38.26%
Copenhagen Infrastructure Energy Transition Fund I US Feeder K/S	Amerika Plads 29, 2100 Copenhagen	11.48%
Industriens Pensionsforsikring A/S	Nørre Farimagsgade 3, 1364 Copenhagen	9.57%
PFA Pension, Forsikringsaktieselskab	Sundkrogsgade 4, 2100 Copenhagen	9.57%
Lærernes Pension, Forsikringsaktieselskab	Tuborg Boulevard 3, 2900 Hellerup	7.65%
P+, Pensionskassen for Akademikere	Dirch Passers Allé 76, 2000 Frederiksberg	7.65%
AkademikerPension – Akademikernes Pensionsskasse	Smakkedalen 8, 2720 Gentofte	5.74%

## Notes

### **16. 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.

### **17. Authorisation of the annual report for issue**

At the meeting held on 17 April 2023 the General Partner authorised this annual report for issue on 17 April 2023.

The annual report will be submitted to the Limited Partnership's Limited Partners for adoption at the Annual General Meeting on 4 May 2023.

## Appendix 1 – Supplementary report on disclosures in accordance with the SFDR etc.

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Copenhagen Infrastructure Energy Transition Fund I K/S

Legal entity identifier: 9845003E3EAABD448D44

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852 establishing a list of environmentally sustainable economic activities. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Sustainable investment objective

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: <u>100%</u> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy *</li> </ul>	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

The following legal entities, Copenhagen Infrastructure Energy Transition Fund I K/S, Copenhagen Infrastructure Energy Transition Fund I SCSp, and Copenhagen Infrastructure Energy Transition Fund I Feeder SCSp, as well as associated the alternative investment vehicles (each of which is an alternative investment fund) are part of a whole fund structure (collectively "CI-ETF I" or the "Fund"), managed by Copenhagen Infrastructure Partners P/S, company number (CVR no.) 37994006 ("CIP" or the "Manager"). The allocation of investors' commitment to each entity is driven by tax, legal and regulatory reasons unrelated to CI-ETF I's sustainability objectives. Furthermore, an investor's exposure to the underlying assets of CI-ETF I is not affected by the allocation of its commitment to any one particular legal entity comprised by CI-ETF I. For these reasons CI-ETF I is for the purposes of this periodic disclosure deemed to be a single financial product.

During this reference period, sufficient documentation has not been available to fully substantiate alignment of the Fund's investments with the EU Taxonomy. On this basis the Fund is, for this reference period, reporting 0 % investments in economic activities that qualify as environmentally sustainable

## Appendix 1 – Supplementary report on disclosures in accordance with the SFDR etc. (continued)

under the EU Taxonomy. However, this percentage may change as the Fund obtains additional documentation, and the Fund's ambition is to have a significant proportion of its investments qualify as environmentally sustainable under the EU Taxonomy in subsequent reference periods.



To what extent was the sustainable investment objective of this financial product met?

The sustainable investment objective of CI ETF I is to invest in economic activities that contribute to one or more of the following environmental objectives:

- (1) climate change mitigation; or
- (2) increased global renewable energy capacity; or
- (3) increased global renewable energy generation; or
- (4) reduction in greenhouse gas emissions

During the reference period, final investment decision ("FID") was reached in relation to one corporate equity investment, where the Fund-level sustainability indicators are not yet directly quantifiable (as described below). No other investment opportunities have reached FID by the end of the reference period.

### ● How did the sustainability indicators perform?

CI ETF I used the following sustainability indicators to measure the attainment of the environmental objectives underpinning CI ETF I's sustainable investment objective(s):

- 1) Renewable energy capacity (MW)
- 2) Renewable power generation (GWh)
- 3) Estimated CO<sub>2</sub>e emissions avoided (tCO<sub>2</sub>e)

During the reference period, FID was reached in relation to one corporate equity investment in a manufacturer of equipment for the production and use of hydrogen. The purpose of the investment is twofold, supporting the industrialisation process (i.e. bringing down manufacturing costs and increasing availability on the market) and securing a supply framework agreement for use of the manufactured electrolyzers for the production of green hydrogen through future Power-to-X projects in the Fund's portfolio. Therefore, the underlying economic activity is an activity contributing to the Fund's sustainable environmental objective of reduction in greenhouse gas emissions through enabling the decarbonisation of hard-to-abate sectors. The respective sustainability indicator "Estimated CO<sub>2</sub> emissions avoided (tCO<sub>2</sub>e)" is not yet directly applicable to this type of investment, as the avoided emissions will be captured through the use of the produced electrolyzers in green hydrogen production and subsequent displacement of CO<sub>2</sub> emissions from the production of hydrogen from fossil fuels.

### ● ...and compared to previous periods?

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

## Appendix 1 – Supplementary report on disclosures in accordance with the SFDR etc. (continued)

Since this is the first periodic disclosure made for CI ETF I under Regulation (EU) 2022/128 (the “SFDR Level II”), this section provides information for the current reference period only.

● How did the sustainable investments not cause significant harm to any sustainable investment objective?

Several mechanisms are in place to ensure that the investment in the Fund’s portfolio did not significantly harm any sustainable investment objective, including the environmental objectives that the Fund seeks to pursue. Investments made by CI ETF I are governed by a Responsible Investment Policy which, among others, mandates responsible environmental impact management, protects key social objectives such as human and labour rights, and restricts CI ETFI from investing in controversial weapons that would ordinarily breach humanitarian principles. The Responsible Investment Policy is guided and informed by a number of international voluntary and regulatory frameworks, such as the UN Principles for Responsible Investments (UNPRI), OECD Guidelines for Multinational Enterprises, UNGP Guiding Principles on Business and Human Rights (UNGP), IFC Sustainability Framework and Industry Sector Guidelines, and others.

Adherence to the Responsible Investment Policy for CI ETF I is stated in the investment policy section of the Limited Partnership Agreement governing investments made by the Fund (the “LPA”). CI ETF I is also specifically excluded from investing in nuclear or coal fired generation and the Fund is restricted from investing in nuclear weapons or weapons that would ordinarily breach humanitarian principles.

In addition to its investment policy scope, CI ETF I is governed by a set of environmental, social and governance (“ESG”) Standards. The ESG Standards, defined for the Fund, establish standards which are intended to ensure that the investments of CI ETF I do not significantly harm any sustainable investment objective, including the environmental objectives that CI ETF I seeks to pursue. The environmental section of the ESG Standards requires compliance with applicable host country laws and regulations, as well as relevant binding international conventions for the protection of the environment. The social section of the ESG Standards requires compliance with applicable host country laws and regulations as well as relevant binding conventions relating to social issues such as health, safety, security, labour rights, cultural heritage, stakeholder engagement, and human rights. Compliance with the core labour standards of the International Labour Organisation is expected.

In addition to the abovementioned documents, CIP utilises the following mechanisms and procedures to ensure that the investments made by CI ETF I do not significantly harm any sustainable investment objective, including the environmental objectives that it seeks to pursue:

1. An assessment of potential material ESG risks is made for all investments prior to FID, including an assessment of indicators for principal adverse impacts (“PAI”) as set out in Annex I of SFDR Level II, or any internal documents which reflect, operationalise or incorporate such indicators (e.g. Responsible Investment Policy and CI ETF I ESG Standards)
2. Excluding coal-fired and nuclear-fired power plants and choosing not to pursue investments that do not materially align with CI ETF I's defined ESG Standards
3. Due diligence conducted or arranged by CIP's investment team

## Appendix 1 – Supplementary report on disclosures in accordance with the SFDR etc. (continued)

4. Internal ESG-specific resources dedicated to supporting investments made by CI ETF I
5. Mitigation and/or management plans covering sustainability objectives at the investee company level
6. Incorporating contractual clauses covering minimum standards of conduct on investee companies in alignment with CIP's Responsible Investment Policy and CI ETF I ESG Standards
7. Prioritising sustainability-related topics at board meetings and/or steering committees of investee companies where CI ETF I is represented, and exercising voting rights in favour of sustainability-related topics
8. Monitoring of sustainability performance of investee companies through mandatory reporting
9. Responding to sustainability incidents through CI ETF I's position on the board and/or steering committee of the investee company if applicable

During the reference period, the investment made by the Fund was subject to the mechanisms and procedures described above and was considered to be materially aligned with them. As such, it is assessed that no significant harm was caused to any sustainable investment objective, including the environmental objectives pursued by this financial product.

How were the indicators for adverse impacts on sustainability factors taken into account?

Principal adverse impact indicators are considered through the lens of material ESG risks, such as environmental, health and safety legislation and enforcement, human and labour rights risks, corruption risks, and are operationalised through several procedures and relevant documents described in the section above.

During the reference period, indicators for adverse impacts on sustainability factors were taken into account for the investment in the Fund's portfolio (which has reached FID) through:

- 1) Conducting an assessment of potential material ESG risks for all investments prior to final investment decision. This includes pre-investment screening and due diligence processes, which are led by CIP's Investment Team and supported by CIP's ESG function, and where relevant by external advisors
- 2) Mitigation and/or management plans for relevant potential adverse impacts at investee company level
- 3) Monitoring of relevant potential adverse impacts of investee companies through reporting on either a monthly, bi-monthly, quarterly or yearly basis
- 4) Responding to incidents relating to relevant potential adverse impacts through CIP's position on the board and/or steering committee of the investee company if applicable

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

## Appendix 1 – Supplementary report on disclosures in accordance with the SFDR etc. (continued)

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

CIP's Responsible Investment Policy and the CI ETF I-specific ESG Standards are intended to be aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights set of guidelines (the "Guidelines").

During the reference period, there were no known indications of deviations of the investment in CI ETF I's portfolio from the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

As such, the investment in CI ETF I's portfolio is considered aligned with the OECD Guideline for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights



How did this financial product consider principal adverse impacts on sustainability factors?

CIP considers principal adverse impacts of its FIDs on sustainability factors. In the management of CI ETF I, CIP takes a number of actions in relation to potential principal adverse sustainability impacts, (described in previous sections of this report), such as setting ESG standards, excluding certain asset classes, covering ESG as part of due diligence processes, having internal ESG support in place, and monitoring sustainability performance of investee companies. CIP has policies and procedures in place to ensure that potential principal adverse impacts are considered and managed appropriately, including in relation to remuneration.

During the reference period, one corporate equity investment reached FID, and this investment was subject to the mechanisms and procedures described above.



What were the top investments of this financial product?

During the reference period, one corporate equity investment reached FID. This investment is further described in the Fund's annual report. In addition to the corporate equity investment, CI ETF I has a number of investment opportunities under development which are not included in the overview below, as FID has not yet been taken in relation to these opportunities.

Gross asset value ("GAV") as per 31 December 2022 is used as the basis for calculating the proportions (%) of investments that have reached FID.

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 1 January 2022 - 31 December 2022

Largest investments	Sector	% Assets	Country
Sunfire	Manufacturing of equipment for the production and use of hydrogen	100%	Germany

## Appendix 1 – Supplementary report on disclosures in accordance with the SFDR etc. (continued)

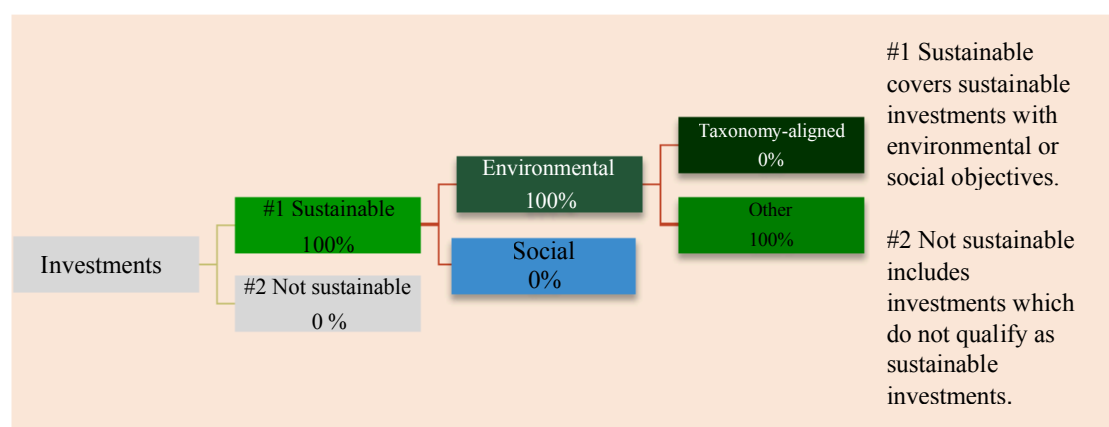


### What was the proportion of sustainability-related investments?

- What was the asset allocation?

CI ETF I has committed to make a minimum of 95 % sustainable investments with an environmental objective. In the reference period 100 % of the investments (which have reached FID) held by CI ETF I were sustainable investments with an environmental objective.

Asset allocation describes the share of investments in specific assets.



In alignment with the rest of this disclosure, GAV as per 31 December 2022 of assets which have reached FID is used as the basis for calculating the proportion of investments.

- In which economic sectors were the investments made?

During the reference period, only one corporate equity investment reached FID. This was an investment in the economic sector: manufacturing of equipment for the production and use of hydrogen - 100 %



### To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

During this reference period, sufficient documentation has not been available to fully substantiate alignment of the Fund's investment with the EU Taxonomy. On this basis the Fund is, for this reference period, reporting 0 % investments in economic activities that qualify as

## Appendix 1 – Supplementary report on disclosures in accordance with the SFDR etc. (continued)

environmentally sustainable under the EU Taxonomy. However, this percentage may change as the Fund obtains additional documentation, and the Fund's ambition is to have a significant proportion of its investments qualify as environmentally sustainable under the EU Taxonomy in subsequent reference periods.

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

- Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy <sup>1</sup>?

Yes:

In fossil gas  In nuclear energy

No

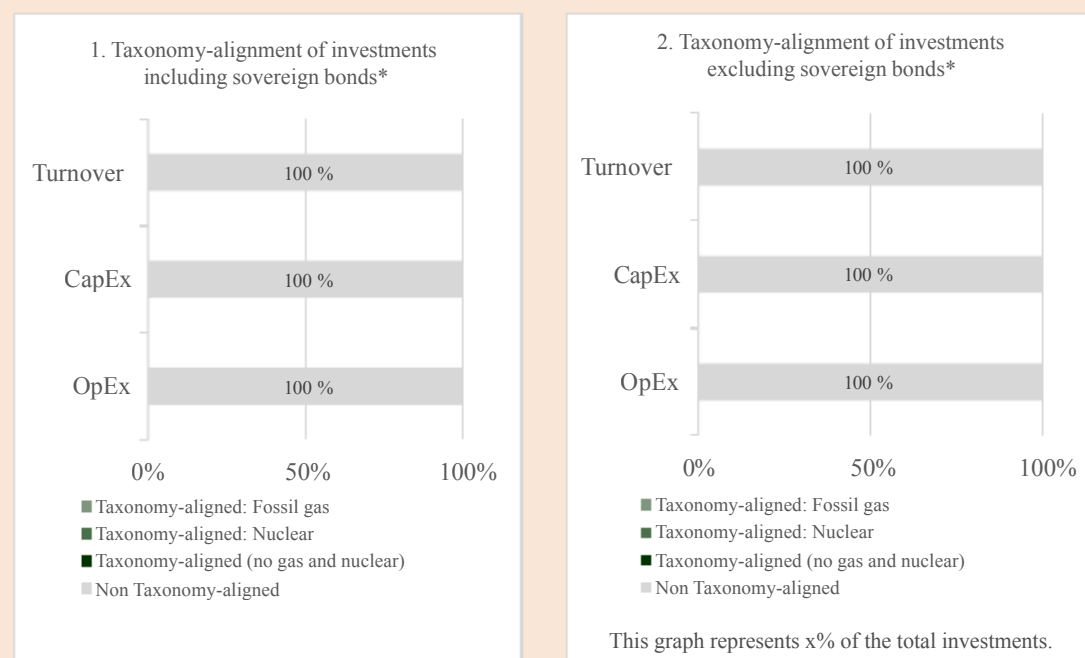
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective. see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

## Appendix 1 – Supplementary report on disclosures in accordance with the SFDR etc. (continued)

Taxonomy-aligned activities are expressed as a share of:

- turnover reflecting the share of revenue from green activities of investee companies
- capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- operational expenditure (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.




\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.


● What was the share of investments made in transitional and enabling activities?

During the reference period, the proportion of investments in enabling activities was 0 % and investments in transitions activities was 0 %.

● How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

Since this is the first periodic disclosure made for CIETF I under SFDR Level II, this section provides information for the current reference period only.

 are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

 What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments (which have reached FID) with an environmental objective that were not aligned with the EU Taxonomy is 100 %.

During this reference period, sufficient documentation has not been available to fully substantiate alignment of the Fund's investment with the EU Taxonomy. On this basis, the Fund is, for this reference period, reporting 0 % investments in economic activities that qualify as environmentally sustainable under the EU Taxonomy. However, this percentage may change as the Fund obtains additional documentation, and the Fund's ambition is to have a significant

## Appendix 1 – Supplementary report on disclosures in accordance with the SFDR etc. (continued)

proportion of its investments qualify as environmentally sustainable under the EU Taxonomy in subsequent reference periods.



What was the share of socially sustainable investments?

N/A



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

N/A



What actions have been taken to attain the sustainable investment objective during the reference period?

The investment (which has reached FID) held by the Fund during the reference period was subject to the mechanisms and procedures described in the previous sections (i.e Responsible Investment Policy, CI ETF I ESG Standards, CI ETF I investment policy, assessment and monitoring of relevant potential adverse impacts of investee companies) and was considered to be materially aligned with them. In addition, to ensure good governance practices in investee companies, CIP uses its “active owner” governance rights to secure the good governance practices of the investee companies in accordance with CIP’s Responsible Investment Policy and CI ETF I’s ESG Standards.



How did this financial product perform compared to the reference sustainable benchmark?

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

- How did the reference benchmark differ from a broad market index?

N/A

- How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?

N/A

- How did this financial product perform compared with the reference benchmark?

N/A

- How did this financial product perform compared with the broad market index?

N/A

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.