

CI III Swiss AIV K/S

Gdanskgade 18, 12.
2150 Nordhavn
CVR No. 39443341

Annual report 2023

The Annual General Meeting adopted the annual report on 15.03.2024

Amalie Nørgaard

Chairman of the General Meeting

Contents

Fund details	2
Statement by the General Partner on the annual report	3
Management commentary	4
Independent auditor's report	8
Statement of comprehensive income	11
Statement of financial position as at 31.12.2023	12
Statement of changes in net assets attributable to the Limited Partners	14
Statement of cash flows	15
Table of notes	16
Notes to the financial statements	17

Fund details

Fund

CI III Swiss AIV K/S

Gdanskgade 18, 12.

2150 Nordhavn

Denmark

Business Registration No.: 39443341

Date of foundation: 23.03.2018

Registered office: Copenhagen

Financial period: 01.01.2023 - 31.12.2023

Phone number: +45 70 70 51 51

URL: www.cip.com

General Partner

Copenhagen Infrastructure III GP ApS

Board of Directors in Copenhagen Infrastructure III GP ApS

Bo Foged

Thomas Hinrichsen

Mads Skovgaard-Andersen

Fund Manager

Copenhagen Infrastructure Partners P/S

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

Depositary

Apex (Denmark) ApS

Hørmarken 2, 3520 Farum, Denmark

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Denmark

Statement by the General Partner on the annual report

General Partner has today considered and approved the annual report of ~~CI III Swiss AIV K/S~~ ~~the Fund~~ ~~CI III Swiss AIV K/S~~ period 01.01.2023 - 31.12.2023 .

The annual report is presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

In our opinion, the financial statements give a true and fair view of the Fund's financial position at 31.12.2023 and of the results of its operations and the cash flows for the financial period 01.01.2023 - 31.12.2023

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, 29.02.2024

On behalf of Copenhagen Infrastructure III GP ApS

Bo Foged

Thomas Hinrichsen

Mads Skovgaard-Andersen

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Operating profit/(loss) (EBIT)	3,301	(18,217)	8,478	9,644	2,032
Financial results, net	(778)	(7)	(34)	(19)	(13)
Increase / (decrease) in net assets attributable to Limited Partners	2,523	(18,224)	8,444	9,625	2,019
Net Assets attributable to Limited Partners	68,164	38,514	71,466	83,074	67,512
Total Assets	94,966	38,594	72,121	83,541	68,065
Ratios					
Liquidity ratio (%)	96.33	6.10	1.82	9.33	28.03
Solvency ratio (%)	71.78	99.79	99.09	99.44	99.19
Return on equity (%)	4.73	(33.14)	10.93	12.78	4.91

Primary activity

CI III Swiss AIV K/S was established in March 2018. The General Partner of CI III Swiss AIV K/S is Copenhagen Infrastructure III GP ApS.

The Limited Partner has committed DKK 165m to CI III Swiss AIV K/S for infrastructure investments in primarily North America.

Investments

At the End of 2023, CI III Swiss AIV K/S has one investment, CI III US AIV QFPF K/S, which owns underlying infrastructure investments.

Development in activities and finances

The global economy continues to meet the challenges of high inflation and low growth outlook, where the tightening of monetary policy is showing signs of effect. The rise in interest rates during 2023 have so far helped to tackle inflation resulting in the forecasted return of inflation to central bank targets across major markets, expected throughout 2024 and 2025.

Consequently, short and long term interest rate forecasts have begun to fall across major markets, signalling a positive outlook for CI III and increasing the value of additional leverage in the portfolio.

The return of CI III is generally positively correlated with increased long term inflation driven long term exposure to merchant power prices. Short term inflationary impacts are expected to be minimal as revenues are protected by offtake contracts and a large part of the portfolios procurement contracts are signed with fixed price.

The income from investments (Operating income) in 2023 amounts to DKK 3m (2022: (18)m) and the Profit/(loss) for the period amounts to a gain of 3m (2022:18m). The gain is due to the increase in power prices forecast and amended PPA with more favorable terms from the US investment.

Limited Partners' paid-in capital to the Fund at the end of 2023 amounted to DKK 168m out which DKK 66m has been distributed as recallable distributions. Net contributed capital thus equals 62% of the committed capital of DKK 165m. Accumulated distributions to Limited Partners amounted to DKK 104m since fund initiation and accumulated net income end of 2023 amounted to DKK (100)m. Hereafter total Limited Partners' capital end of 2023 amounted to DKK 68m

Uncertainty relating to recognition and measurement

CI III Swiss develops and invests in infrastructure projects structured to provide stable cash flows, but where transferability and cash flows may to a certain extent still be affected by changes in market conditions.

Consequently, the fair value of the investments is based on estimates and a number of assumptions made by the Fund Manager and the General Partner on the balance sheet date.

Information according to the Alternative Investment Fund Managers Directive

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

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

- The Fund's Investment strategy;
- Valuation principles of the Fund's investments;
- 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 general positive and the profit for 2024 is expected to be within the range of DKK 5-15m. The expectations for 2024 is impacted by the continued turmoil in the financial markets impacting the return requirements on invested capital.

Corporate social responsibility

The fund manager prepares an independently assured ESG Report for 2023 which represents the Fund's compliance with the statutory statement on corporate social responsibility, gender composition of management, data ethics and diversity in accordance with sections 99a, b and d of the Danish Financial Statements Act.

The report is available on: www.cip.com/commitment/esg-report-2023

Gender diversity

The Board of Directors of Copenhagen Infrastructure III consists of three members, of which 0% are female and 100% male. Throughout 2024, CIP will work to set targets and identify specific initiatives to increase female representation. There are no employees or other management levels in the Fund.

Supplementary report on disclosures in accordance with SFDR

This financial product was closed prior to 10 March 2021 before the criteria for "sustainable investment" within

the meaning of Article 2 (17) of EU Regulation 2019/2088 was applicable and/or available. As a result, the investments underlying this financial product do not take into account the EU criteria for sustainable investment objective. As such, this financial product is classified as an Article 8 product, which promotes, among other characteristics, environmental or social characteristics.

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

Independent auditor's report

To the shareholders of CI III Swiss AIV K/S

Opinion

We have audited the financial statements of CI III Swiss AIV K/S for the financial period 01.01.2023 - 31.12.2023 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 the IFRS Accounting 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 Fund's financial position at 31.12.2023 and of the results of its operations and cash flows for the financial period 01.01.2023 - 31.12.2023 in accordance with the IFRS Accounting 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 the IFRS Accounting 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 Fund'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 Fund or to cease operations or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Statement on the management commentary and statement on the supplementary report provided for in accordance with 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 Sustainable Finance Disclosure Regulation (SFDR), 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 and the Sustainable Finance Disclosure Regulation respectively.

Based on the work we have performed, we conclude that the management commentary and the supplementary report is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act and the Sustainable Finance Disclosure Regulation respectively. We did not identify any material misstatement of the management commentary or the supplementary report.

Copenhagen, 29.02.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bill Haudal Pedersen

State Authorised Public Accountant
Identification No (MNE) mne30131

Michael Thorø Larsen

State Authorised Public Accountant
Identification No (MNE) mne35823

Statement of comprehensive income

	Notes	2023 DKK'000	2022 DKK'000
Net increase/(decrease) in unrealised gains/(losses) from financial assets at fair value		3,433	(18,013)
Operating income/(loss)		3,433	(18,013)
Administrative expenses	3	(132)	(204)
Operating expenses		(132)	(204)
Operating profit/(loss) (EBIT)		3,301	(18,217)
Financial income	4	157	1
Financial expenses	5	(935)	(8)
Increase / (decrease) in net assets attributable to Limited Partners		2,523	(18,224)
Comprehensive income		2,523	(18,224)

The notes form an integral part of these financial statements.

Statement of financial position as at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Equity investments	6	69,148	38,589
Investments		69,148	38,589
Non-current assets		69,148	38,589
Cash and cash equivalents		25,818	5
Current assets		25,818	5
Total assets		94,966	38,594

The notes form an integral part of these financial statements.

Net assets and liabilities

		2023	2022
	Notes	DKK'000	DKK'000
Limited partnership capital	7	168,360	140,297
Retained earnings		(100,196)	(101,783)
Net assets attributable to Limited Partners		68,164	38,514
<hr/>			
Other payables	8	26,802	80
Current liabilities		26,802	80
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Total liabilities		26,802	80
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Total liabilities and net assets attributable to Limited Partners		94,966	38,594

The notes form an integral part of these financial statements.

Statement of changes in net assets attributable to the Limited Partners

	Limited partnership capital DKK'000	Retained earnings DKK'000	Total DKK'000
Net assets 01.01.2023	140,297	(101,783)	38,514
Contributions from Limited Partners	28,063	0	28,063
Distributions to Limited Partners	0	(936)	(936)
Profit/(loss) for the period	0	2,523	2,523
Net assets 31.12.2023	168,360	(100,196)	68,164

	Limited partnership capital DKK'000	Retained earnings DKK'000	Total DKK'000
Net assets 01.01.2022	134,416	(62,950)	71,466
Contributions from Limited Partners	5,881	0	5,881
Distributions to Limited Partners	0	(20,609)	(20,609)
Profit/(loss) for the period	0	(18,224)	(18,224)
Net assets 31.12.2022	140,297	(101,783)	38,514

The investors have committed themselves to contributing up to DKK 165m to the Fund. At 31st 12.2023 investors have contributed an amount of DKK 168m out of which DKK 66m has been distributed as recallable distributions, causing the balance of undrawn commitment to stand at DKK 63m.

Distributions to Limited Partners comprise 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 to perform the investment activity. 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 Limited 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.

Please refer to note 7 for further information regarding the rights, preferences and restrictions attached to the commitment classes.

Statement of cash flows

	Notes	2023 DKK'000	2022 DKK'000
Operating profit/(loss) (EBIT)		3,301	(18,217)
Net increase/(decrease) in unrealised gains/(losses) from financial assets at fair value through profit or loss		(3,433)	18,013
Change in payables		26,723	(575)
		26,591	(779)
Received financial income	4	157	1
Paid financial expenses	5	(935)	(8)
Cash flows from operating activities		25,813	(786)
Acquisition of equity investments	6	(28,063)	(5,101)
Distributions from equity investments	6	936	20,608
Cash flows from investing activities		(27,127)	15,507
Cash flows from operating and investing activities		(1,314)	14,721
Contributions from Limited Partners		28,063	5,881
Distributions to Limited Partners		(936)	(20,609)
Cash flows from financing activities		27,127	(14,728)
Increase/decrease in cash and cash equivalents		25,813	(7)
Cash beginning of year		5	12
Cash end of year		25,818	5

The notes form an integral part of these financial statements.

Table of notes

1	Accounting policies
2	Significant accounting estimates, assumptions and uncertainties
3	Administrative expenses
4	Financial income
5	Financial expenses
6	Investments
7	Limited Partnership capital
8	Other payables
9	Financial instruments
10	Financial risk management
11	Financial instruments measured at fair value
12	Related parties
13	Contingent liabilities
14	Investors
15	Events after the balance sheet date
16	Authorisation of the annual report for issue
17	Disclaimer

Notes to the financial statements

1 Accounting policies

Reporting class

The financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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

The expected lifetime of the Limited Partnership is 20 years from the date of commence as set out in the Limited Partnership Agreement. The Limited Partnership qualifies as an unregulated alternative investment fund in compliance with the AIFMD.

The financial period runs from 1 January to 31 December of each year. The accounting policies applied to the financial statements are consistent with those applied last year.

The financial statements are presented on the basis of going concern.

The financial statements are presented on the basis of historical cost, except for the investments, which are measured at fair value through profit or loss. 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 DKK thousands.

Judgements made by the General Partner in the application of IFRS' 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.

Report on the exemption of preparation of consolidated financial statements

CI III Swiss AIV K/S is exempt to prepare consolidated financial statements under the provisions of IFRS 10, Consolidated Financial Statements, as the Limited Partnership qualifies as an investment entity. The definition of an investment entity is an entity that:

- Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and

- Measures and evaluates the performance of substantially all 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:

- The Fund and the investor are not related parties. Please refer to the description in note 12 to the financial statement.
- The Fund's investments take the form of equity instrument or similar investments, and the purpose of the Fund is to obtain a return on the invested capital in the form of capital appreciation, investment income or both.
- The Fund has more than one investment, which are measured at fair value.

Standards and Interpretations not yet in force

All of the new and amended Standards and Interpretations which are relevant to the Fund, and which came into force with effect for financial years beginning 01.01.2022 have been applied when preparing the financial statements.

These Standards have not had an impact on the Fund's financial statements.

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 judgment and estimates

As part of the preparation of the financial statements, the Fund Manager and the General Partner made judgements and estimates which affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. The most significant accounting judgements and estimates 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.

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.

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 trade 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.

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.

On initial recognition, assets and liabilities are measured at cost, however, investment assets are measured at fair value on initial recognition, typically equalling contributions and direct transaction cost. Subsequent to initial recognition, all financial assets, and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net increase/(decrease) in unrealised gains/(losses) from financial assets and liabilities at fair value at fair value in the period in which they arise.

Income is recognised in the statement of comprehensive income when earned, whereas costs are recognised by the amounts attributable to this financial 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 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 DKK 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 statement of comprehensive income as financial income or financial expenses.

Statement of comprehensive income

Operating income from investments

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

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.

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.

Taxation

Under current Danish law governing the Fund, it is not independently taxable because the Fund's profit/loss for the period is included in the Limited Partner's taxable income.

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 and subsequently measured at fair value with recognition of fair value adjustments through profit or loss.

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 relate to advisory services provided to fund projects such as project structuring, contracting-, and de-risking etc.

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, multiple 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 11.

Cash and cash equivalents

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 period.

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 investment(s).

Cash flows from financing activities comprise 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 as below.

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

2 Significant accounting estimates, assumptions, and uncertainties

The Fund develops and invests in infrastructure assets (unlisted equity investments), the market price of which depends both on entity-specific affairs and market conditions, including power prices, commodity prices, exchange rates and construction risk within the different investments. For further information about the impact of accounting estimates on the annual report, please refer to the Sensitivity analysis section at note 11.

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 10.

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

The methods applied in and the assumptions underlying the determination of the fair value in unlisted equity investments and receivables are described in note 11 to the financial statements.

3 Administrative expenses

The Fund has no employees.

Administrative expenses include comprises fee to administration, audit, and advisors etc. Management fee is paid through the investment in CI III US AIV QFPF K/S.

According to Article 107 of the AIFMD Level 2 Regulation and paragraph 61 section 3 (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.

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 risktaking.
- Consistency with the principles regarding the protection of the Limited Partners and measures in order to avoid conflicts of interest.

In accordance with paragraph 61 section 3 (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 2023 for Copenhagen Infrastructure Partners P/S, Business Reg. No. 37994006.

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

4 Financial income

	2023 DKK'000	2022 DKK'000
Interest income from assets not measured at fair value through profit or loss	157	1
Financial income	157	1

5 Financial expenses

	2023 DKK'000	2022 DKK'000
Net foreign exchange (gain)/loss	931	4
Other interest expenses and fees	4	4
Interest expenses for financial liabilities	935	8

6 Investments

	Equity Investments DKK'000
Fair value at 01.01.2023	38,589
Acquisitions and development costs	28,063
Distributions	(936)
Fair value adjustment	3,432
Fair value at 31.12.2023	69,148

	Equity Investments DKK'000
Fair value at 01.01.2022	72,109
Acquisitions and development costs	5,101
Distributions	(20,608)
Fair value adjustment	(18,013)
Fair value at 31.12.2022	38,589

Investments	Corporate form	Registered in	Equity interest %	Profit/(loss)* DKK'000	Equity* DKK'000	Country	Asset type	Initial date of Investment
CI III US AIV QPF		K/S Copenhagen	3.60	73,189	1,879,427	US	-	Q3 2018

* Based on unaudited financial statements as at 31.12.2023 or latest available reporting.

Consistently with the accounting policies, the Fund regularly adjusts the value of the investments to best estimate of fair value. This means that the proportionate share of profit or loss of the investments 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 11 to the financial statements.

Refer to financial statements for the master fund, Copenhagen Infrastructure III K/S, for look-through to the final investments

7 Limited partnership capital

The limited partnership capital has not been divided into share classes.

8 Other payables

	2023 DKK'000	2022 DKK'000
Other vendors and other liabilities	815	50
Parallel funds	25,987	30
Other payables	26,802	80

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. Please refer to the management commentary for Parallel funds included in the Fund Group.

Other payables fall due for payment within 12 months.

9 Financial instruments

Categories of financial instruments:

	2023 DKK'000	2022 DKK'000
Equity investments	69,148	38,589
Financial assets measured at fair value through profit or loss	69,148	38,589
Other payables	26,802	80
Financial liabilities measured at amortised cost	26,802	80

All financial liabilities are due for payment within 12 months.

10 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 2023 can be categorised as follows:

Financial risk factors

Liquidity risks

	Less than 1 year DKK'000	Between 1 year and 5 years DKK'000	After 5 years DKK'000	Total DKK'000
Other payables	26,802	0	0	26,802
31.12.2023	26,802	0	0	26,802

	Less than 1 year DKK'000	Between 1 year and 5 years DKK'000	After 5 years DKK'000	Total DKK'000
Other payables	80	0	0	80
31.12.2022	80	0	0	80

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.

The Funds liquidity risk is considered insignificant based on the above explanation

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.

Interest rate risk

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

Currency risk

The Fund is denominated in DKK. A majority of cash flows take place in DKK, however the fund has investment and outstanding loans in other currencies. Consequently, the Limited Partners are somewhat 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 +/- 10.0%, the estimated effect on profit/loss would be as follows +/- 173 DKK millions. The foreign exchange rate sensitivity depicts the sensitivities for the underlying investments in CI III US AIV QFPF K/S.

11 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. 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.

	Level 1 DKK'000	Level 2 DKK'000	Level 3 DKK'000	Total DKK'000
2023				
Unlisted shares, equity investments	0	0	69,148	69,148
Financial assets measured at fair value through profit or loss	0	0	69,148	69,148

	Level 1 DKK'000	Level 2 DKK'000	Level 3 DKK'000	Total DKK'000
2022				
Unlisted shares, equity investments	0	0	38,589	38,589
Financial assets measured at fair value through profit or loss	0	0	38,589	38,589

Material unobservable inputs

Fair value of the assets is determined based on both forward-looking information, current market and geopolitical conditions, actuals e.g., contributions and distributions etc. as well as status on the specific assets. Valuations are conducted by an independent inhouse valuation expert team and approved quarterly in the Copenhagen Infrastructure Partners Valuation Committee and subsequently by the Board of Directors as part of the quarterly report. A number of material unobservable input is applied in the valuation and is ongoingly assessed on a Fund specific level. An elaboration of the assessed material unobservable inputs is outlined below.

Discount rate

The discount rate used to value investments after COD is considered the most material unobservable input, and the applied range for the discount rate is between 8-10% (2022: 7-10%).

Inflation – Investments regulated under German GAAP

Inflation rates are obtained from central banks' forecasts and target rates (e.g. Bank of England, Federal Reserve Bank, European Central Bank) for the countries from which materials are sourced, as well as data relating to specific commodities.

Yield/production - Standard section

Capacity of the assets are based on the specifications of EPC contracts. Depending on the asset type, these contracts cover e.g., turbine/panel supply and balance of plant agreements, supply agreements for turbines, foundations, cables, substation, turbine & panel availability, electrolyser efficiency etc. Project availability is also based on availability guarantees in O&M contract and/or 3rd party experts. Example of contractors are AWS, DNV GL, Fichtner. Every element is considered to ensure high availability of each project to operating assets most efficiently.

CAPEX:

CAPEX is based on EPC contracts to ensure stable commodity prices and transportation costs. CAPEX has an influence on the cash flow for the asset and hence material changes to CAPEX will impact the value of the assets. CAPEX is ongoingly assessed and updated in the DCF-model. CAPEX is particularly considered an un-observable input in markets where no EPC contracts are in place to limit the effects of fluctuation prices.

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. It is the assessment that any reverse effect will be immaterial. The approximately impact on the valuation of the asset is calculated by altering one input at a time and rerun the model. The change in the valuation corresponds to a similar change in the Fund's NAV. No sensitivity analysis has been made for investments where Management has assessed the cost price as the best estimate of fair value.

Portfolio sensitivity	Variable change in input	Approximately impact on Fund
Yield / production	(+ / - 5%)	200,022 / (195,138)
CAPEX	(+ / - 10%)	143,083 / (160,469)
Power price	(+ / - 20%)	158,765 / (163,829)
Inflation	(+ / - 1%-points)	83,185 / (67,873)
Discount rate	(+ / - 1%-points)	143,794 / (136,582)

The inputs above are considered the most material unobservable input due to the nature of the investments. The sensitivity analysis depicts the sensitivities for the underlying investments in Copenhagen Infrastructure III US AIV QFPF K/S.

12 Related parties**Related parties with a controlling interest**

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

Related party transactions

	2023	2022
	DKK'000	DKK'000
The General Partner receives a fee for its obligation towards as per limited partnership agreement	CI III Swiss AIV K/S	
Payment to the General Partner	8	45

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

13 Contingent liabilities

The Fund has a remaining commitment of DKK XX to CI III US AIV QFPF K/S.

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

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

14 Investors

The Limited Partnership has registered the following Limited Partner as holding more than 5% of the voting rights or nominal value of the contributed capital:

Limited Partner	Residence	Ownership percentage
Migros Pensionskasse	Wiesenstrasse 15, 8952 Schlieren, Switzer-land	100.00

15 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.

16 Authorisation of the annual report for issue

At the meeting held on 29 February 2024 the General Partner has approved and authorized for issuance the annual report.

The annual report will be submitted to the Limited Partnership's Limited Partners for adoption at the Annual General Meeting on 15 March 2024.

17 Disclaimer

The domicile of the Fund is Denmark. The Representative of the Fund in Switzerland is OpenFunds Investment Services AG, with its registered office at Seefeldstrasse 35, CH-8008 Zurich, Tel +41 44 500 31 08, www.openfunds.ch. The Paying Agent in Switzerland is Società Bancaria Ticinese SA, Piazza Collegiata 3, 6501 Bellinzona, Tel. +41 (0) 91 821 51 21, Fax. +41 (0) 91 825 66 18, www.bancaria.ch. The distribution of Shares of the Fund in Switzerland must be made exclusively to Qualified Investors. The place of performance and jurisdiction for the Shares of the Fund distributed in Switzerland is at the registered office of the Representative. Publications to Swiss investors in respect of the Shares of the Fund are affected by the Representative.

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