
FRONTIER

ENERGY

Frontier Energy II Alpha K/S

c/o Bech-Bruun

Gdanskgade 18

2150 Nordhavn

CVR no. 35 44 58 62

Annual Report 2024

Approved at the limited partnership's annual general meeting on 31 March 2025

Chairperson:

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Anders Michael Hauch

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Statement by the general partner

The general partner has today discussed and approved the annual report of Frontier Energy II Alpha K/S for the financial year 1 January – 31 December 2024.

The financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the limited partnership's assets, liabilities and financial position at 31 December 2024 and of the results of the limited partnership's operations and cash flows for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the limited partnership's operations and financial matters and the results of the limited partnership's operations and financial position.

The supplementary report provides a fair presentation within the framework of generally recognized guidelines for such reports.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 March 2025

General partner:
FE II GP ApS

Søren Piilgaard Barkholt

Erik Sejersen

Independent auditor's report

To the limited partners and the general partner of Frontier Energy II Alpha K/S

Opinion

We have audited the financial statements of Frontier Energy II Alpha K/S for the financial year 1 January – 31 December 2024, which comprise statement of comprehensive income, statement of financial position, statement of changes in equity and capital commitment, statement of cash flows and notes, including material accounting policy information. 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 financial position of the limited partnership at 31 December 2024 and of the results of the limited partnership's operations and cash flows for the financial year 1 January – 31 December 2024 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Statement on the Management's review and the Supplementary report in accordance with Sustainable Finance Disclosure Regulation

Management is responsible for the Management's review and the Supplementary report on information in accordance with Sustainable Finance Disclosure Regulation, hereinafter referred to as the "supplementary report".

Our opinion on the financial statements does not cover the Management's review and the Supplementary report, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and the Supplementary report and, in doing so, consider whether the Management's review and the Supplementary report are materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review and the Supplementary report are in accordance with the financial statements and have been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatements of the Management's review or the Supplementary report.

Independent auditor's report (continued)

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the limited partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the limited partnership 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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 limited partnership'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 limited partnership'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 limited partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report (continued)

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

Copenhagen, 31 March 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Thomas Hjortkjær Petersen
State Authorised Public Accountant
mne33748

Management's review

Details of the limited partnership

Name: Frontier Energy II Alpha K/S
Address: c/o Bech-Bruun law firm
Gdanskgade 18
2150 Nordhavn
Denmark

Registration no.: CVR no. 35 44 58 62
Registered office: Copenhagen
Financial year: 1 January – 31 December

Date of establishment: 15 December 2016
Initial closing date: 21 March 2017
Final closing date: 30 November 2018
Total commitment: USD 202,904,000
Term: 10 years
Investment period: 5 years
General partner: FE II GP ApS
Investment manager: Frontier Investment Management ApS
Auditors: EY Godkendt Revisionspartnerselskab
Dirch Passers Alle 36, 2000 Frederiksberg, Denmark

Management's review

Financial highlights

USD'000	2024	2023	2022	2021	2020
Key figures					
Income/loss from investments in portfolio companies	6,359	13,498	-929	18,679	1,692
Profit/loss before financial income and expenses	2,757	10,042	-4,304	14,207	-2,852
Net financial income	308	152	103	2,668	3,277
Profit/loss for the year	3,065	10,195	-4,201	16,875	425
Investments in portfolio companies					
Investments in portfolio companies	189,242	177,626	152,913	124,688	90,130
Total assets	196,303	180,174	156,114	132,978	90,432
Equity (net asset value)	196,255	180,037	155,819	132,690	89,186
Cash flows					
Cash flows from operating activities	-3,983	2,793	-1,995	-6,753	-3,279
Cash flows from investing activities	-4,879	-16,962	-29,186	-13,285	-11,844
Cash flows from financing activities	13,139	14,521	27,137	26,310	12,996
Total cash flows	4,277	352	-4,043	6,272	-2,127
Financial ratios					
Equity ratio	99.9	99.9	99.8	99.8	98.6
Return on equity (average)	1.6	6.1	neg.	15.2	0.5

The financial ratios have been calculated as follows:

Equity ratio:

$$\frac{\text{Equity at year end} * 100}{\text{Equity and liabilities at year end}}$$

Return on equity (average):

$$\frac{\text{Profit for the year} * 100}{\text{Average equity}}$$

Management's review

Operating review

Principal activities

Frontier Energy II Alpha K/S is a private equity limited partnership.

The objective of Frontier Energy II Alpha K/S is to achieve the highest possible financial return on the commitments of the partners by making, developing and realising investments in renewable energy and energy efficiency assets in countries in Sub-Saharan Africa.

Frontier Energy II Alpha K/S has capital commitments totalling USD 202,904 thousand.

An Investment Management Agreement has been entered into with Frontier Investment Management ApS, under which Frontier Investment Management ApS as investment manager is responsible for the administration of and for providing investment advisory services to Frontier Energy II Alpha K/S. The limited partnership has therefore no employees.

Development in financial position

During 2024, Frontier Energy II Alpha K/S invested an additional USD 14,685 thousand (2023: USD 18,298 thousand) in portfolio companies and related projects.

In 2024, a portfolio company started commercial operation. In total 7 portfolio companies have started commercial operation.

Profit for the year

In 2024, income/loss from investments in portfolio companies amounted to USD 6,359 thousand (2023: USD 13,498 thousand).

In 2024, Frontier Energy II Alpha K/S realised a profit of USD 3,065 thousand (2023: profit of USD 10,195 thousand). Cost of USD 2,976 thousand relates to management fee, including VAT (2023: USD 2,971 thousand) and USD 42 thousand relates to general partner fee (2023: USD 45 thousand).

Balance sheet and capital structure

At 31 December 2024, the limited partnership had called a total net amount of USD 192,923 thousand (31 December 2023: USD 174,876 thousand) of the total capital commitment of USD 202,904 thousand, corresponding to 95% (31 December 2023: 86%).

At 31 December 2024, total equity (net asset value) amounted to USD 196,255 thousand (31 December 2023: USD 180,037 thousand).

Management's review

Operating review (continued)

Uncertainty about the measurement of investments

Portfolio companies are small or medium-sized, unlisted companies which develop or operate projects within renewable energy, energy efficiency, and carbon credit-generating assets in countries in Sub-Saharan Africa. The investments are measured at fair value. As there is no active market for such or similar assets, the fair value of the investments, including receivables from the portfolio companies, is determined using valuation methods and assumptions made by management. Accordingly, the measurement of the investments, including receivables from the portfolio companies, is by nature subject to uncertainty.

The investments are subject to individual risks, including but not limited to local operational risks, environmental risks, political risks, social risks as well as compliance risks and other related risks for development projects within the renewable energy sector in countries in Sub-Saharan Africa. In determining the fair value of the investments, management considers the impact from these risks. The risks may potentially materialize negatively compared to the investment managers expectations, adversely impacting the fair value.

Sustainability and Disclosure

Frontier Energy is dedicated to developing and implementing projects that are environmentally and socially sustainable. When developing and building a project, Frontier Energy strives to benefit the neighbouring communities and to adhere to global best practice, including IFC performance standards. As part of this work, Frontier Energy has a comprehensive ESG risks assessment process including conducting full Environmental & Social Impact Assessments for all projects and further emphasizes community engagement from early phases of project development.

The 2024 annual report includes sustainability disclosures in accordance with the Sustainable Finance Disclosures Regulation (SFDR). The new requirements are largely based on the latest Regulatory Technical Standards ("RTS") to the SFDR Regulation, which indicate which sustainability related information to be made available to investors through the annual report and how this information is to be presented.

Events after the balance sheet date

No events have occurred after the balance sheet date that may have a significant influence on the assessment of the annual report.

Outlook

The investment manager expects to provide net positive cashflows to the limited partners in 2025, thanks to realizations, interest and dividends.

The future performance of the limited partnership depends, in all material respects, on the value development of its investments in the portfolio companies. The value of the limited partnership's assets in operation is not affected by price volatility, as they have long term fixed price power purchase agreements in USD. The value of the limited partnership's assets in construction have fixed construction and supply prices and guaranteed delivery deadlines and hence also not affected by price volatility. The value of the limited partnership's assets in development may be affected by price volatility, if they have signed fixed price power purchase agreements and unlocked construction prices as increases in construction costs cannot be passed through to increased tariffs without renewed tariff negotiations. The effect will be a decrease in future post-construction value.

Financial statements for the period 1 January – 31 December

Statement of comprehensive income

Note	USD'000	2024	2023
6	Income/loss from investments in portfolio companies	6,539	13,498
13	Management fee	-2,976	-2,971
13	General partner fee	-42	-45
	Other external costs	-585	-439
	Profit/loss before financial income and expenses	2,757	10,042
4	Financial income	362	181
5	Financial expenses	-233	-29
	Profit for the year	3,065	10,195
	Other comprehensive income	0	0
	Total comprehensive income for the year	3,065	10,195

Financial statements for the period 1 January – 31 December

Statement of financial position

Note	USD'000	2024	2023
	ASSETS		
	Non-current assets		
	Investments		
6,13	Investments in portfolio companies	189,242	177,626
	Total non-current assets	189,242	177,626
	Current assets		
	Receivables		
13	Receivables from limited partners	28	15
13	Receivables from the investment manager	8	0
7	Other receivables	692	537
8	Prepayments	61	0
	Total Receivables	789	552
	Cash at bank and in hand	6,272	1,995
	Total current assets	7,061	2,547
	TOTAL ASSETS	196,303	180,174
	EQUITY AND LIABILITIES		
9	Equity		
	Contributed capital	192,923	174,876
	Retained earnings	18,274	15,210
	Distributions	-14,943	-10,049
	Total equity	196,255	180,037
	Liabilities		
	Current liabilities		
13	Payable to the investment manager	0	111
10	Other payables	48	25
	Total current liabilities	48	136
	Total liabilities	48	136
	TOTAL EQUITY AND LIABILITIES	196,303	180,174

Financial statements for the period 1 January – 31 December

Statement of changes in equity and capital commitment

USD'000	Contributed capital			Retained earnings	Distributions	Total equity
	Commitment	Uncalled	Committed and paid-in capital			
Equity at 1 January 2023	202,904	-50,843	152,061	5,015	-1,258	155,819
Paid through cash calls during the year	0	22,815	22,815	0	0	22,815
Distributed during the year	0	0	0	0	-8,791	-8,791
Profit for the year	0	0	0	10,195	0	10,195
Equity at 1 January 2024	202,904	-28,028	174,876	15,210	-10,049	180,037
Paid through cash calls during the year	0	18,047	18,047	0	0	18,047
Distributed during the year	0	0	0	0	-4,894	-4,894
Profit for the year	0	0	0	3,065	0	3,065
Equity at 31 December 2024	202,904	9,981	192,923	18,274	-14,943	196,255

The limited partners are liable for their share of the uncalled capital commitment.

Financial statements for the period 1 January – 31 December

Statement of cash flows

USD'000	2024	2023
Profit/loss before financial income and expenses	2,936	10,042
Value adjustment of investments in portfolio companies	-6,539	-13,498
Changes in working capital	-504	481
Cash flows from operating activities before financial income and expenses	-4,107	-2,974
Financial expenses paid	-231	-38
Financial income received	354	5,804
Cash flows from operating activities	-3,983	2,793
Net additions to investments in portfolio companies, etc.	-14,685	-16,831
Net realized proceeds from investments in portfolio companies, etc.	9,616	0
Dividends from investments	0	0
Cash collateral towards banks on behalf of portfolio companies	190	-131
Cash flows from investing activities	-4,879	-16,962
Paid-up contributed capital	18,047	22,815
Distributed during the year	-4,894	-8,791
Change in receivables from limited partners	-14	497
Cash flows from financing activities	13,139	14,521
Cash flows for the period	4,277	352
Cash and cash equivalents at the beginning of the period	1,995	1,643
Cash and cash equivalents at year end	6,272	1,995
Cash and cash equivalents at year end can be specified as:		
Cash at bank and in hand	6,272	1,995
Cash and cash equivalents	6,272	1,995

Financial statements for the period 1 January – 31 December

Note summary

- 1 Summary of material accounting policies
- 2 Significant accounting judgements, estimates and assumptions
- 3 Standards issued not yet effective
- 4 Financial income
- 5 Financial expenses
- 6 Investments
- 7 Other receivables (current assets)
- 8 Prepayments
- 9 Capital management and contributed capital
- 10 Other payables
- 11 Financial risk
- 12 Contingencies, etc.
- 13 Related party disclosures

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Summary of material accounting policies

Corporate information

The financial statements of Frontier Energy II Alpha K/S (the limited partnership) for the year ended 31 December 2024 were approved and authorised for issue by the general partner on 31 March 2025. Frontier Energy II Alpha K/S is a limited partnership incorporated and domiciled in Denmark.

Basis of preparation

The separate financial statements of the limited partnership have been prepared in accordance with the IFRS Accounting Standards (IFRS) as adopted by the EU and the provisions applying to reporting class b-sized enterprises under the Danish Financial Statements Act.

The financial statements are prepared based on the standards and interpretations that are effective as of 31 December 2024. The accounting policies are unchanged from prior year.

The separate financial statements have been prepared on a historical-cost basis, except for financial assets held at fair value through profit or loss. The separate financial statements are presented in USD and all values are rounded to the nearest thousand USD, except where otherwise indicated.

Group structure and activity

The limited partnership is an investment entity. Accordingly, the limited partnership has decided to use the exemption in IFRS 10 to not prepare consolidated financial statements and instead the controlled subsidiaries are accounted for at fair value through profit or loss in accordance with IFRS 9.

Functional and presentation currency

The limited partnership's majority of returns are USD related, the capital is raised in USD and the performance is evaluated in USD terms and the liquidity of the limited partnership is also managed in USD. Therefore, the limited partnership concludes that USD is its functional currency. The limited partnership's presentation currency is also USD.

Statement of comprehensive income

Value adjustment of investments in portfolio companies

Realised and unrealised fair value adjustments of investments in portfolio companies, including receivables from portfolio companies and loans are recognised in a separate item in the income statement.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Summary of material accounting policies (continued)

Fees, set-up costs and other external costs

Other external costs include travel, administration, auditor and legal, costs for broken deals, etc. Fees are recognised on an accrual basis.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised gains and losses on securities as well as payables and transactions denominated in foreign currencies (non-USD).

Statement of financial position

Investments

Investments in portfolio companies

Portfolio companies are the companies in which the limited partnership invests in order to create added value for the investors of the limited partnership.

In accordance with the exception under IFRS 10 Consolidated Financial Statements, the limited partnership does not consolidate subsidiaries in the separate financial statements. Investments in subsidiaries are accounted for as financial instruments at fair value through profit or loss in accordance with IFRS 9.

In accordance with the exception within IAS 28 Investments in Associates and Joint Ventures, the limited partnership does not account for its investments in associates using the equity method. Instead, the limited partnership has elected to measure its investments in associates at fair value through profit or loss.

Initial measurement

Investments in portfolio companies, comprising subsidiaries and their investments in subsidiaries as well as associates, are upon initial recognition measured at fair value, typically based on cash injections into the portfolio companies or the fair value of contributions-in-kind into the portfolio companies (typically equal to the monetary equivalent of directly attributable costs incurred by the limited partnership on behalf of the portfolio companies for the development of new projects, including detailed technical and commercial evaluations, environmental approvals and other licenses, etc., related to the project activities of the portfolio companies).

For new projects under development, directly attributable project costs incurred are recognised as prepayments, when there is a high probability that a project will be implemented through the establishment or acquisition of a portfolio company.

Subsequent measurement

Subsequently, investments in portfolio companies are measured at fair value through profit or loss. Value adjustments are recorded in the income statement.

Dividends from investments in portfolio companies are recognised in the income statement at the time of declaration (usually at the time of adoption at the annual general meeting).

Fair value measurement

The limited partnership measures its investments in subsidiaries and associates at fair value at each reporting date.

For fair value of investments in portfolio companies, including receivables from portfolio companies and loans, reference is made to note 6.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Summary of material accounting policies (continued)

Receivables from portfolio companies and loans

In addition to equity investments, the limited partnership holds investments in receivables and loans on a fair value basis for investment income and fair value gains. The receivables from portfolio companies and loans are managed, and its performance evaluated, on a fair value basis.

Initial measurement

Receivables from portfolio companies and loans are recognised at the trade date, initially measured at fair value.

Subsequent measurement

Subsequently, receivables from portfolio companies and loans are measured at fair value through profit or loss. Value adjustments are recorded in the income statement.

Other receivables

Other receivables are recognised at the trade date, initially measured at fair value.

The limited partnership holds other receivables other than those classified at fair value through profit and loss with the objective of collecting the contractual cash flows, and therefore, measures them subsequently at amortised cost using the effective interest method.

The limited partnership applies the simplified approach to measure the expected credit loss and a lifetime expected loss allowance for all other receivables.

The limited partnership's approach to expected credit loss reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

As a practical expedient and due to the limited number of other receivables, the expected credit loss is based on days past due, historically observed loss rates, the nature of the other receivables and adjusted for forward-looking factors specific to the debtor and the economic environment.

Financial liabilities

Non-current liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan.

Other financial liabilities are measured at amortised cost.

Equity

Investments by limited partners are recognised when cash calls are made. Investment commitments where cash calls have not been made at the balance sheet date are disclosed in the notes.

Tax

The limited partnership is not an independent tax entity, and therefore tax is not recognised in the financial statements.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Summary of material accounting policies (continued)

Statement of cash flows

The cash flow statement shows the limited partnership's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the limited partnership's cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as profit/loss for the year adjusted for non-cash operating items and changes in working capital, excluding payments in connection with acquisition and disposal of portfolio companies.

Cash flows from investing activities

Cash flows from investing activities comprise cash payments in connection with acquisition and disposal of portfolio companies, etc., including loans in this respect.

Cash flows from financing activities

Cash flows from financing activities comprise payment of contributed capital as well as rising of loans, repayment of interest-bearing debt, and payments to limited partners.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank overdraft facilities used as part of the short-term liquidity management.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

2 Significant accounting judgements, estimates and assumptions

The preparation of the limited partnership's financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty as to these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the limited partnership's accounting policies, Management has made the following judgements, which have impacted the amounts recognised in the financial statements at the most:

Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss (FVPL) rather than to consolidate them. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis

The limited partnership agreement details the limited partnership's objective of achieving the highest possible financial return on the commitments of the limited partners (investors) by making, developing and realising investments in renewable energy and energy efficiency assets in countries located in Sub-Saharan Africa.

The limited partnership reports to its investors via quarterly investor information. All investments are reported at fair value to the extent allowed by IFRS in the limited partnership's annual report.

Management has also concluded that the limited partnership meets the additional characteristics of an investment entity, in that it has more than one investment; the limited partnership's ownership interests are predominantly in the form of equities and shareholder loans; it has more than one investor and has investors that are not related parties.

Management has concluded that the limited partnership meets the definition of an investment entity.

Estimates and assumptions

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The limited partnership based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the limited partnership. Such changes are reflected in the assumptions when they occur.

Fair value

For fair value of investments in portfolio companies, including receivables from portfolio companies and loans, reference is made to note 6.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

3 Standards issued but not yet effective

In the opinion of Management, no standards or interpretations that are issued, but not yet effective, up to the date of issuance of the limited partnership's financial statements, will significantly impact the limited partnership.

4 Financial income

USD'000	2024	2023
Interest income	354	181
Exchange difference	8	0
Other	180	0
Total Financial Income	541	181

5 Financial expenses

USD'000	2024	2023
Interest expense	231	9
Other	2	20
Total Financial expenses	233	29

6 Investments

USD'000	Equity investments in portfolio companies	Receivables from portfolio companies and loans	Total investments
Cost at 1 January 2024	31,347	109,386	140,733
Reclassification	-1,598	1,598	0
Additions during the year	580	23,346	23,926
Disposals during the year	-2,936	-6,304	-9,240
Cost at 31 December 2024	27,393	128,023	155,416
Value adjustment at 1 January 2024	25,061	11,834	36,893
Reclassification	0	0	0
Unrealised value adjustments	-3,002	-481	-3,484
Disposed value adjustments	1,246	175	1,422
Accrued interest	0	5,047	5,047
Disposed accrued interest	0	-6,055	-6,055
Value adjustment at 31 December 2024	23,304	10,520	33,825
Carrying amount at 31 December 2024	50,698	138,543	189,242

Financial statements for the period 1 January – 31 December

Notes to the financial statements

6 Investments (continued)

USD'000	2024	2023
<i>Income/loss from investments in portfolio companies</i>		
Unrealised value adjustments	-2,062	9,058
Realised interest	8,742	5,615
Unrealised interest	-1,008	-1,176
Realised value adjustments	694	0
Other realised income	173	0
Total income/loss form investments in portfolio companies	6,539	13,498

The limited partnership measures its investments at fair value at each reporting date.

Fair value of investments

Equity investments in portfolio companies, including receivables from portfolio companies and loans are measured at fair value through profit or loss. The valuation of investments is based on the valuation prepared by the investment manager.

The fair value of the investments is determined using valuation methods and assumptions made by management that best reflect the risks and the stage of development of the investment. The assumptions include energy prices, inflation rates and discount rates. In general, the fair value is determined in accordance with IPEV Valuation Guidelines and generally accepted valuation techniques, including discounted cash flow models, benchmarking or other relevant methods.

For projects which have commenced commercial operations, the fair value is determined using discounted cash flows to equity based on the expected cash flows generated from the underlying assets during the operational life. The cash flow projections are based on expected production and contractually agreed prices. The projected cash flows to equity are discounted using the cost of equity. The cost of equity is in the range of 9-12% depending on the portfolio company's leverage.

The discount rate is based on multiple inputs, including country risk premium, risk-free rate, beta, and debt/equity ratio. In connection with the year-end closing, Management has updated inputs for the calculation of the discount rate. In addition, the manager has had 2 recent exits and has also obtained input from other transactions in East Africa occurring for similar types of projects. Input from the manager's transactions and other transactions in East Africa has been used as a benchmark for the calculated discount rate. The investment manager is of the opinion that there is a general tendency for increasing appetite for investment in renewables among private as well as public sector investors in East Africa. Further, the investment manager is of the opinion, that the overall trend in terms of return levels for the region is unchanged.

The following inputs have been used by the investment manager:

- Country risk premium is based on ratings based on credit default swaps spreads and the relative volatility for the specific countries.
- Unlevered beta based on an assessment of the general risk in relation to the independent power producer. This is substantiated by the fact that the generation of revenue is expected to be relatively stable in volume and price, including long-term agreement with typically one customer (the local off-taker) which is expected to consume all the power generated by the independent power producer.
- Debt/Equity ratio is set based on the target capitalization of the portfolio company.

For projects under development which have not started commercial operations, the fair value of the investments is typically not considered to be significantly different from the cost of the investments. In determining the fair value, management considers relevant comparable market transactions or share capital issuances with third parties, adjusted as necessary, as well as development progress and the risks relating to successfully completing the development of the projects that may adversely impact the fair value of the investments during the development phase.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

6 Investments (continued)

Investments are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

The following table shows the classification of financial instruments recognised at fair value:

USD'000	2024			
	Level 1	Level 2	Level 3	Total
<i>Investments</i>				
Equity investments in portfolio companies	0	0	50,698	50,698
Receivables from portfolio companies and loans	0	0	138,544	138,544
Total financial assets	0	0	189,242	189,242
USD'000	2023			
	Level 1	Level 2	Level 3	Total
<i>Investments</i>				
Equity investments in portfolio companies	0	0	56,408	56,408
Receivables from portfolio companies and loans	0	0	121,218	121,218
Total financial assets	0	0	177,626	177,626

The limited partnership's investments are not quoted in an active market and transactions in such investments do not occur on a regular basis. Therefore, the limited partnership classifies the fair value of these investments as Level 3.

The following table shows a reconciliation from the opening balance to the closing balance for fair value measurements in Level 3 of the fair value hierarchy.

USD'000	2024		
	Equity investments in portfolio companies	Receivables from portfolio companies and loans	Total
Balance at 1 January	56,408	121,218	177,626
Total gains or losses ¹	-1,756	-1,314	-3,070
Net additions	580	23,346	23,926
Disposals during the year	-2,936	-6,304	-9,240
Reclassifications	-1,598	1,598	0
Total financial assets	50,698	138,544	189,242

Financial statements for the period 1 January – 31 December

Notes to the financial statements

6 Investments (continued)

USD'000	2023		Total
	Equity investments in portfolio companies	Receivables from portfolio companies and loans	
Balance at 1 January	46,965	105,949	152,914
Total gains or losses ¹	9,077	2,170	11,247
Net additions	3,512	14,786	18,298
Disposals during the year	-1,467	-3,364	-4,831
Reclassifications	-1,679	1,679	0
Total financial assets	56,408	121,218	177,626

¹ All gains and losses are recognised as value adjustment of investments in portfolio companies or financial income in the profit and loss. 0 (nil) is recognised in Other comprehensive income.

There are no transfers between level 1, 2 and 3 during 2024 and 2023.

Uncertainty about the measurement of investments

Portfolio companies are small or medium-sized, unlisted companies which develop or operate projects within renewable energy, energy efficiency, and carbon credit-generating assets in countries in Sub-Saharan Africa. The investments are measured at fair value. As there is no active market for such or similar assets, the fair value of the investments, including receivables from the portfolio companies and loans, is determined using valuation methods and assumptions made by management. Accordingly, the measurement of the investments, including receivables from the portfolio companies and loans, is by nature subject to uncertainty.

The investments are subject to individual risks, including but not limited to local operational risks, environmental risks, political risks, social risks as well as compliance risks and other related risks for development projects within the renewable energy sector in countries in Sub-Saharan Africa. In determining the fair value of the investments, management considers the impact from these risks. The risks may potentially materialize negatively compared to the investment managers expectations, adversely impacting the fair value.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

6 Investments (continued)

The limited partnership meets the definition of an investment entity. Therefore, it does not consolidate its subsidiaries, but recognises them (including related receivables and associates) as investments at fair value through profit or loss. At 31 December 2024, the limited partnership had invested in the following portfolio companies:

Subsidiaries and associates	Country	Ownership interest a)	Equity (100%/ USD'000)	Profit/loss for the year (100%/ USD'000)	Operational start	Investment project description
Rwenzori Hydro Power Ltd. ¹⁾	Uganda	100%	18,369	84	Q3 2021	Operation of a hydro power plant
Greenewus Energy Africa Ltd. ¹⁾	Uganda	92%	-500	88	Q4 2021	Operation of a hydro power plant
BVC Geothermal Kenya Ltd ²⁾	Kenya	58%	-2,260	-799		Development of a geothermal power plant
Ndugutu Power Company Uganda Ltd. ³⁾	Uganda	80%	2,835	1,245	Q4 2019	Operation of a hydro power plant
Esidai Wind Power Generation Company Ltd. ²⁾	Kenya	40%**	-2,561	-260		Development of a wind power plant
Nithi Hydro Power Ltd. ²⁾	Kenya	100%	1	0		Development of a hydro power plant
Selenkei Investment Limited ²⁾	Kenya	63%	-542	-669	Q4 2021	Operation of a solar power plant
Cedate Limited ²⁾	Kenya	63%	501	-598	Q4 2021	Operation of a solar power plant
DC Frontier Energy Ltd. ²⁾	Rwanda	95%	491	-306		Development of hydro power plants
Olsuswa Energy Ltd. ²⁾	Kenya	42%	-49	-26		Development of a geothermal power plant
Frontier Energy Hydro Power Limited ⁴⁾	Zambia	100%	0	0		Development of a hydro power plant
Bukwo HPP Ltd*	Uganda	100%	N/A	N/A		Development of a hydro power plant
Enventure Africa S.A. ⁵⁾	Mozambique	55%	-16	-9		Development of a wind power plant
Momba Hydropower Ltd. ²⁾	Tanzania	100%***	5	-64		Development of a hydro power plant
Kiwira Energy Ltd. ²⁾	Tanzania	51.2%***	-154	-117		Development of a hydro power plant
Elemental Energy Ltd. ⁴⁾	Uganda	0%***	903	-55		Development of a hydro power plant
Chania Green Generation Ltd. ²⁾	Kenya	51%	-1,008	-306		Development of a wind power plant
Ziba Ltd. ²⁾	Uganda	39%	2,282	816	Q3 2019	Operation of a hydro power plant
Mukoki HPP Ltd. *	Uganda	0%	N/A	N/A		Development of a hydro power plant
Bihongora Hydro Ltd. ²⁾	Rwanda	60%	86	-170		Development of a hydro power plant
Dariak Properties Limited *, ****	Kenya	0%	N/A	N/A		Development of a wind power plant
Great Zimbabwe Hydro ZM ²⁾	Zimbabwe	56%	-1,602	-1,880	Q4 2024	Operation of a hydro power plant
Momnai Solar Energy Ltd ²⁾	Kenya	100%	-200	-180		Construction of a solar power plant
Mzimba Wind Farm Limited*	Malawi	7%	N/A	N/A		Development of a wind power plant
Planet Solar Energy (SL) Limited ⁴⁾	Sierra Leone	43%	20,593	-11		Construction of a solar power plant
Quantel Renewable Energy Ltd. ⁶⁾	Malawi	45%	0	-49		Development of a solar power plant

a) The ownership interest is based on the consolidated ownership percentage of Frontier Energy II Alpha K/S and Frontier Energy II Beta K/S (the parallel partnership). According to the limited partnership agreement, each parallel partnership shall invest in the same Investments, and divest such Investments, in each case at the same time, and on the same terms and conditions. At 31 December 2024, the pro-rate share of Investments is 89.35/10.65, respectively for Frontier Energy II Alpha K/S and Frontier Energy II Beta K/S.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

6 Investments (continued)

- 1) According to the latest approved financial statements for the financial year ended 30 June 2024
- 2) According to the latest approved financial statements for the financial year ended 31 December 2023
- 3) According to the latest approved financial statements for the financial year ended 30 June 2023
- 4) According to the latest approved financial statements for the financial year ended 31 December 2022
- 5) According to the latest approved financial statements for the financial year ended 31 December 2021
- 6) According to the latest approved financial statements for the financial year ended 30 June 2021

* The company has not yet presented its first approved and audited annual report.

** Shares are held in trust by legal counsel.

*** No shares subscribed. Cost directly incurred for the development of portfolio companies or loans to such, which are expected to be converted into equity instruments in new portfolio companies within the following years. Classified as 'receivables within Investments'.

**** Shares held in trust from 2023.

The portfolio companies are subject to special restrictions and obligations in relation to distribution of dividend, etc.

Specification by investments of the respective limited partners:

USD'000	Share of total investment costs	Share of accrued interest income	Share of total value adjustment	Share of carrying amount
AZL-Argos 83	36.766	2.610	5.392	44.768
British International Investment PLC	22.979	1.631	3.370	27.980
GEEREF	15.989	1.135	2.345	19.468
Proparco	11.489	816	1.685	13.990
Swedfund	9.957	707	1.460	12.125
Skopos Impact Fund SICAF-SIF, S.A	9.192	653	1.348	11.192
APKV-Argos 84	7.660	544	1.123	9.327
CAF Invest A/S	7.660	544	1.123	9.327
Obviam DFI AG "SIFEM"	7.660	544	1.123	9.327
BIO	7.660	544	1.123	9.327
Triodos Groenfonds N.V.	7.660	544	1.123	9.327
OeEB	3.830	272	562	4.663
Tryg Forsikring NUF	2.298	163	337	2.798
FAPBM	1.723	122	253	2.098
Team commitment	1.586	113	233	1.932
Holdingselskabet Ridehusvej ApS	0	0	0	0
Giraf ApS	460	33	67	560
Marlin ApS	460	33	67	560
Veronica Valentine Berbers	383	27	56	466
FE II CIV K/S	7	0	1	8
Balance at 31 December 2024	155.416	11.034	22.791	189.241

Financial statements for the period 1 January – 31 December

Notes to the financial statements

7 Other receivables (current assets)

USD'000	2024	2023
Collateral cash account	97	286
Other receivables	595	250
Total other receivables	692	537

At 31 December 2024, restrictions on the use of balances of Collateral cash account with a carrying amount of USD 97 thousand exist (2023: USD 286 thousand), as the limited partnership had provided the balance as collateral to banks on behalf of one of the portfolio companies.

8 Prepayments

USD'000	2024	2023
Management fee	0	0
Other prepayments	61	0
Total prepayments	61	0

9 Capital management and contributed capital

For the purpose of the limited partnership's capital management, capital includes contributed capital, and all other equity reserves attributable to the limited partners of the partnership. The committed capital from the limited partners amounted to USD 202,904 thousand at 31 December 2024, of which USD 9,238 thousand was uncalled. Quantitative information about the limited partnership's capital is provided in the statement of changes in equity and capital commitment and below.

The limited partnership's objective for managing capital is to achieve the highest possible financial return on the commitments of the limited partners by making, developing and realising investments in renewable energy and energy efficiency assets in countries located in Sub-Saharan Africa.

The limited partnership will call capital from the limited partners as needed in connection with the execution of activities in accordance with the limited partnership agreement.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

9 Capital management and contributed capital (continued)

Specification by capital accounts of the respective limited partners:

USD'000	Committed and contributed capital			Retained earnings			Distributions	Total equity
	Commitment	Uncalled	Called	Allocation of cost incurred, net	Total gains on investments	Total retained earnings		
AZL-Argos 83	48.000	2.185	45.200	-7.038	11.885	4.847	-3.535	46.512
British International Investment PLC	30.000	1.366	28.634	-4.857	7.428	2.571	-2.209	28.996
GEEREF	20.874	950	19.924	-3.380	5.169	1.789	-1.537	20.175
Proparco	15.000	683	14.317	-2.429	3.714	1.285	-1.105	14.498
Swedfund	13.000	592	12.408	-2.105	3.219	1.114	-957	12.565
Skopos Impact Fund SICAF-SIF, S,A	12.000	546	11.454	-1.943	2.971	1.028	-884	11.598
APKV-Argos 84	10.000	455	9.417	-1.466	2.476	1.010	-736	9.690
CAF Invest A/S	10.000	455	9.545	-1.619	2.476	857	-736	9.665
Obviam DFI AG "SIFEM"	10.000	455	9.545	-1.619	2.476	857	-736	9.665
BIO	10.000	455	9.545	-1.619	2.476	857	-736	9.665
Triodos Groenfonds N,V,	10.000	455	9.545	-1.619	2.476	857	-736	9.665
OeEB	5.000	228	4.772	-810	1.238	428	-368	4.833
Tryg Forsikring NUF	3.000	137	2.863	-486	743	257	-221	2.900
FAPBM	2.250	102	2.148	-364	557	193	-166	2.175
Team commitment	2.071	94	1.977	-335	513	177	-153	2.002
Giraf ApS	600	27	573	-97	149	51	-44	580
Marlin ApS	600	27	573	-97	149	51	-44	580
Veronica Valentine Berbers	500	23	477	-81	124	43	-37	483
FE II CIV K/S	9	0	9	-1	2	1	-1	9
Balance at 31 December 2024	202.904	9.238	192.923	-31.967	50.241	18.274	-14.943	196.255

Financial statements for the period 1 January – 31 December

Notes to the financial statements

9 Capital management and contributed capital (continued)

Since the establishment, the committed capital has developed as follows:

	USD'000
Balance at the establishment on 15 December 2016	0
Commitments at initial closing at 21 March 2017	95,540
Additional commitments during 2018	107,364
Balance at 31 December 2024	202,904

10 Other payables

USD'000	2024	2023
Other payables	48	25
Trade creditors	0	0
Total Other payables	48	25

11 Financial risk

The limited partnership's objective in managing risk is the creation and protection of the limited partners' investment and return. The limited partnership calls capital based on the limited partners' commitments for the use of making investments in portfolio companies. Some risks are inherent in the limited partnership's investment activities, refer to note 6 for details. The limited partnership is exposed to interest rate risk, liquidity risk, credit risk and currency risk.

Risk management structure

The limited partnership's investment manager is responsible for identifying and controlling risks and to secure that investments are made in accordance with the limited partnership agreement. The established Investment Committee reviews all proposals made by the investment manager relating to the making or realizing of investments.

The general partner supervises the investment manager and is ultimately responsible and liable for the overall risk management of the limited partnership.

Risk mitigation

The limited partnership has investment policies that set out its overall business strategies, its risk tolerance and its general risk management philosophy for the investments. The investment manager assesses the risk profile before entering into investments.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

11 Financial risk (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We refer to note 6 for the exposures to investments in loans where the fair value of the investments is exposed to changes in interest rate risk. The loans are with fixed-interest rate terms.

The limited partnership has limited interest-bearing debt, and the limited partnership's interest rate risk primarily relates to the position of cash in banks and bank overdraft facility.

Liquidity risk

Liquidity risk is the risk that the limited partnership will not be able to meet its financial obligations as they fall due. The investment manager monitors risk of a shortage of funds on an ongoing basis. The general partner reviews the liquidity position on a quarterly basis based on the quarterly reports prepared by the investment manager.

The limited partnership will call capital from the limited partners based on an as-needed basis to enable the limited partnership to make investments, pay expenses incurred by the limited partnership and comply with any obligations undertaken.

The table below summarises the maturity profile of the limited partnership's financial assets and liabilities based on contractual undiscounted receipts and payments:

USD'000	Falling due within 1 year	Falling due between 1-5 years	Falling due after 5 years	No fixed maturity	Total	Carrying amount
2024						
<i>Investments</i>						
Equity investments in portfolio companies	0	0	0	50,698	50,698	50,698
Receivables from portfolio companies and loans	1,010	3,010	17,529	116,995	138,544	138,544
<i>Receivables</i>						
Receivables from limited partners	28	0	0	0	28	28
Receivables from the investment manager	8	0	0	0	8	8
Other receivables	692	0	0	0	692	692
Cash at bank and in hand	0	0	0	6,272	6,272	6,272
Total financial assets	1,738	3,010	17,529	173,965	196,242	196,242
<i>Obligations</i>						
Payable to the investment manager	0	0	0	0	0	0
Other payables	48	0	0	0	48	48
Total financial liabilities	48	0	0	0	48	48

Cash at bank are without restrictions and available upon request.

Repayment of receivables from portfolio companies and loans is dependent on start of commercial operations. The actual repayment is further dependent on available liquid funds, including continued energy production and fulfilment of the power purchase agreements with the local off-taker when commercial operation has commenced. Some of the balance towards the individual portfolio company is therefore included as 'no fixed maturity' in above table.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

11 Financial risk (continued)

Besides the financial assets and liabilities presented in the table above, the limited partnership has entered into certain agreements about investments in portfolio companies in which the limited partnership may be committed to provide capital. The limited partnership will call capital from the limited partners as necessary to comply with these commitments. Refer to note 13 for further description.

USD'000	Falling due within 1 year	Falling due between 1-5 years	Falling due after 5 years	No fixed maturity	Total	Carrying amount
2023						
<i>Investments</i>						
Equity investments in portfolio companies	0	0	0	56,408	56,408	56,408
Receivables from portfolio companies and loans	0	0	0	121,218	121,218	121,218
<i>Receivables</i>						
Receivables from limited partners	15	0	0	0	15	15
Other receivables	537	0	0	0	537	537
Cash at bank and in hand	0	0	0	1,995	1,995	1,995
Total financial assets	552	0	0	179,622	180,174	180,174
<i>Obligations</i>						
Payable to the investment manager	111	0	0	0	111	111
Other payables	25	0	0	0	25	25
Total financial liabilities	136	0	0	0	136	136

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the limited partnership by failing to discharge an obligation. The limited partnership is exposed to the risk of credit-related losses that can occur as a result of a counterparty or limited partner being unable or unwilling to honour its contractual obligations. These credit exposures exist within receivables and cash and cash equivalents.

It is the limited partnership's policy to enter into financial instruments with reputable counterparties.

In 2024 the limited partnership accounted for an impairment loss of receivables of USD 0 (nil) (2023: USD 19 thousand).

The carrying amount of the limited partnership's financial instruments, as disclosed in the statement of financial position represents the maximum credit exposure, hence, no separate disclosure is provided. Reference is made to the statement of financial position.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The limited partnership transacts in other currencies than USD, including DKK, EUR and local currencies in countries in Sub-Saharan Africa. In addition, a part amount of the limited partnership's expenses, are in DKK. Further, the limited partnership's investments (Investments in portfolio companies, receivables from portfolio companies and loans) are for some denominated in currencies other than USD.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

11 Financial risk (continued)

Accordingly, the value of the limited partnership's assets may be affected favourable or unfavourable by fluctuations in currency rates. Therefore, the limited partnership will naturally be subject to foreign exchange risks.

The limited partnership does not hedge its exposure to foreign currency fluctuations.

The net exposure to currency risk during 2024 and 2023 is considered immaterial since loans to portfolio companies mainly are in USD. A sensitivity analysis is therefore not disclosed since the effects on the P&L will be immaterial.

There is no sensitivity effect on other comprehensive income as the limited partnership has no assets classified as fair value through other comprehensive income or designated hedging instruments.

12 Contingencies, etc.

The limited partnership has entered into an Investment Management Agreement with Frontier Investment Management ApS under which Frontier Investment Management ApS as investment manager is to be responsible for the administration of and for providing investment advisory services to Frontier Energy II Alpha K/S. If this agreement is terminated, the limited partnership may under certain circumstances be under an obligation to pay six months' management fees.

Commitments regarding investments in portfolio companies

The limited partnership and Frontier Energy II Beta K/S (the parallel partnership) have entered into certain agreements about investments in portfolio companies. At 31 December 2024, total unconditional commitments amounted to USD 4,996 thousand (31 December 2023: USD 2,234 thousand). At 31 December 2024, total conditional commitments amounted to USD 59,349 thousand (31 December 2023: USD 63,743 thousand), which the limited partnerships under certain conditions are committed to contribute to portfolio companies for project funding. At 31 December 2024, the pro-rate share between the partnerships is 89.35/10.65, respectively, for Frontier Energy II Alpha K/S and Frontier Energy II Beta K/S.

The limited partnership does not expect all conditional commitments to materialise and will call capital from the limited partners as needed based on the ongoing investment activities.

In connection with portfolio companies' construction of wind power plants located in Kenya (Chania Green Generation Limited), the limited partnership's bank has issued guarantees on behalf of the limited partnership to Kenya Power and Lightning. At 31 December 2024, the total outstanding bank guarantees amounted to USD 3,000 thousand (31 December 2023: USD 3,000 thousand).

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Notes to the financial statements

13 Related party disclosures

No individual companies or persons exercise control over Frontier Energy II Alpha K/S.

The following parties are considered related parties of the limited partnership:

Investment manager – Frontier Investment Management ApS

Frontier Investment Management ApS (the investment manager), which provides administrative services and investment advisory services to the limited partnership and its management are considered a related party.

The investment manager is entitled to receive a management fee for its services beginning from the initial closing date (21 March 2017). The management fee is payable quarterly.

Total management fee for 2024 are disclosed separately in the statement of comprehensive income.

In performing the daily activities on behalf of the limited partnership, the investment manager incurs expenses on behalf of the limited partnership, which are settled from time to time. The balance at 31 December 2024 with the investment manager is disclosed separately in the statement of financial position. Payroll taxes paid to the investment manager during 2024 amount to USD 230 thousand and are reported as part of other external costs (2023: USD 222 thousand).

In accordance with the limited partnership agreement, the investment manager may under certain circumstances be entitled to compensation of six months' management fee, if the agreement is terminated.

General partner – FE II GP ApS (from 28 June 2019)

FE II GP ApS (the general partner), which has direct and unlimited liability for the limited partnership's debts and liabilities, and its management are considered as related parties.

The general partner has the sole power and responsibility for all decisions pertaining to the acquisition and realisation of investments, including all final decisions to commit the limited partnership to an investment and any realisations of an investment.

The general partner is entitled to receive a fee, which constitutes the financial entitlement in the limited partnership.

The general partner fee is payable quarterly in arrears, beginning at the expiry of the first calendar quarter following the initial closing date.

Total general partner fee for 2024 is disclosed directly in the statement of comprehensive income.

The balance with the general partner at 31 December 2024 is disclosed in directly in the statement of financial position.

Portfolio companies

Transactions and balances with portfolio companies (subsidiaries and associates) are disclosed in note 6.

Other related parties

Other related parties comprise the following:

Frontier Energy II Beta K/S and DI Frontier Market Energy & Carbonfund K/S

Frontier Energy II Beta K/S and its management are considered as related parties to the limited partnership, Frontier Energy II Beta K/S is a parallel partnership of Frontier Energy II Alpha K/S and has the same general partner, FE II GP ApS.

As Frontier Energy II Beta K/S is a parallel partnership to Frontier Energy II Alpha K/S, transactions within the normal activity of the limited partnership are typically made by Frontier Energy II Alpha K/S and subsequently, for the pro rata share, paid by Frontier Energy II Beta K/S to Frontier Energy II Alpha K/S. The balance at 31 December 2024 with Frontier Energy II Beta K/S is disclosed directly in the statement of financial position.

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Notes to the financial statements

13 Related party disclosures (continued)

In addition, the predecessor fund, DI Frontier Market Energy & Carbonfund K/S and its management are considered related parties. The balance with the predecessor fund at 31 December 2024 is disclosed in note 7 and 10.

FE II CIV K/S

FE II CIV K/S and its management are considered as related parties to the limited partnership, FE II CIV K/S is the founding partner of the limited partnership and has the same general partner as Frontier Energy II Alpha K/S, FE II GP ApS.

FE II CIV K/S is entitled to carried interest subject to and in accordance with the limited partnership agreement.

FE II CIV K/S has received distributions and made contributions to the fund similarly to other limited partners in accordance with the limited partnership agreement.

Supplementary report in accordance with Sustainable Finance Disclosure Regulation

The following pages consist of the periodic reporting for funds categorized under Article 9 in accordance with the provisions of the Sustainable Finance Disclosure Regulation.

The reporting follows the calendar year of the annual report and is prepared in accordance with an approved EU standard, which may not be derogated from.

ANNEX V

Template 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: Frontier Energy II Alpha K/S
 Legal entity identifier: CVR: 35445862 (FTID: 24306)

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
<p><input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: 100%</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It made sustainable investments with a social objective: ___%</p>	<p><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</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p>

Penneo dokumentnøgle: W1ZKV-6568B-77XSD-80J2J-1DHTL-Z1UTC

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The sustainable investment objective of Frontier Energy II Alpha K/S (FE II) is to invest in development, construction and operation of renewable energy power projects and related infrastructure in the less developed emerging markets in Sub-Saharan Africa. FE II has only made investments in renewable energy projects which is within the sustainable investment objective. Further, it has started construction on some of its assets that will increase GHG emission reductions. FE II also has 6 investments in operation contributing

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

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.

to GHG emission reductions by producing green energy. The reduction of GHG emissions and increasing the renewable energy capacity in Sub-Saharan Africa the sustainable investment object of FE II aligns with and has contributed to the goals set out in the Paris Agreement.

● ***How did the sustainability indicators perform?***

FE II investee companies produced 304,120 GWh renewable energy in the reference period. This has resulted in an estimated reduction of 114,210 tCO₂. This is combined data for FE II Alpha & Beta. The amounts have not been audited.

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

In the previous period FE II investee companies produced 311,956 GWh renewable energy. This has resulted in an estimated reduction of 116,858 tCO₂. This is combined data for FE II Alpha & Beta. The amounts have not been audited.

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

No new investments were made in the reference period. To ensure that the existing sustainable investments did not cause significant harm to any sustainable investment objective all investments follow the ESMS mechanisms set out by the fund manager. This is monitored with investees reporting annually on ESG matters to ensure that they are all complying with the sustainable investment objective set out. Further, there is ongoing reporting of all ESG-related issues from the investee company to the fund manager. 100% of the investments made by FE II have been 100% aligned with EU taxonomy.

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

FE II made investments that were 100% in alignment with EU taxonomy. ESG personnel is involved with all investments made by FE II. All investments track all mandatory and applicable voluntary principal adverse impacts on sustainability including GHG emissions in scope 1,2, and 3 as well as GHG emission reduction when in operation.

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

All investment were made in accordance with the OECD guidelines for multinational enterprises and the UN guiding principles on business and human rights. FE II has set up ESG requirements for all investee companies that secures that they comply with a long list of international standards including OECD guidelines and UN guiding principles.



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

FE II considers all mandatory principal adverse impacts as well as all relevant voluntary principal adverse impacts indicators on all investments. FE II has expanded the reporting on the carbon footprint including scope 1, 2, and 3 emissions. FE II has 0% exposure to companies active in the fossil fuel sector. There have been 0 violations of UN Global Compact principles in the investee companies. Before construction, there is a thorough inspection regarding threatened species. FE II has setup several policies for all investee companies including an Environment, Health and Safety Policy, Social, Labour and Human Rights Policy, Business Integrity, Anti-Bribery & -Corruption and Corporate Governance Policy. These policies jointly with the reporting from the investees ensure that principal adverse impacts on sustainability are considered.



What were the top investments of this financial product?

2024

Largest investments	Sector	% Assets	Country
<i>Planet Solar Energy (SL) Ltd</i>	<i>Renewable Energy</i>	<i>13.1%</i>	<i>Sierra Leone</i>
<i>Momnai Energy Ltd</i>	<i>Renewable Energy</i>	<i>10.6%</i>	<i>Kenya</i>
<i>Rwenzori Hydro (PVT) Ltd</i>	<i>Renewable Energy</i>	<i>8.4%</i>	<i>Uganda</i>
<i>Selenkei Investments Ltd</i>	<i>Renewable Energy</i>	<i>8.3%</i>	<i>Kenya</i>
<i>Chania Green Generation Ltd</i>	<i>Renewable Energy</i>	<i>7.1%</i>	<i>Kenya</i>
<i>Greenewus Energy Africa Ltd</i>	<i>Renewable Energy</i>	<i>6.8%</i>	<i>Uganda</i>
<i>Cedate Ltd</i>	<i>Renewable Energy</i>	<i>5.7%</i>	<i>Kenya</i>
	<i>*Joint ownership with Frontier Energy II Beta K/S</i>		

2023

Largest investments	Sector	% Assets	Country
<i>Planet Solar Energy (SL) Ltd</i>	<i>Renewable Energy</i>	<i>12.9%</i>	<i>Sierra Leone</i>
<i>Selenkei Investments Ltd</i>	<i>Renewable Energy</i>	<i>8.7%</i>	<i>Kenya</i>
<i>Rwenzori Hydro (PVT) Ltd</i>	<i>Renewable Energy</i>	<i>8.1%</i>	<i>Uganda</i>
<i>Greenewus Energy Africa Ltd</i>	<i>Renewable Energy</i>	<i>8.0%</i>	<i>Uganda</i>
<i>Cedate Ltd</i>	<i>Renewable Energy</i>	<i>7.3%</i>	<i>Kenya</i>
<i>Chania Green Generation Ltd</i>	<i>Renewable Energy</i>	<i>6.5%</i>	<i>Kenya</i>
	<i>*Joint ownership with Frontier Energy II Beta K/S</i>		

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2024

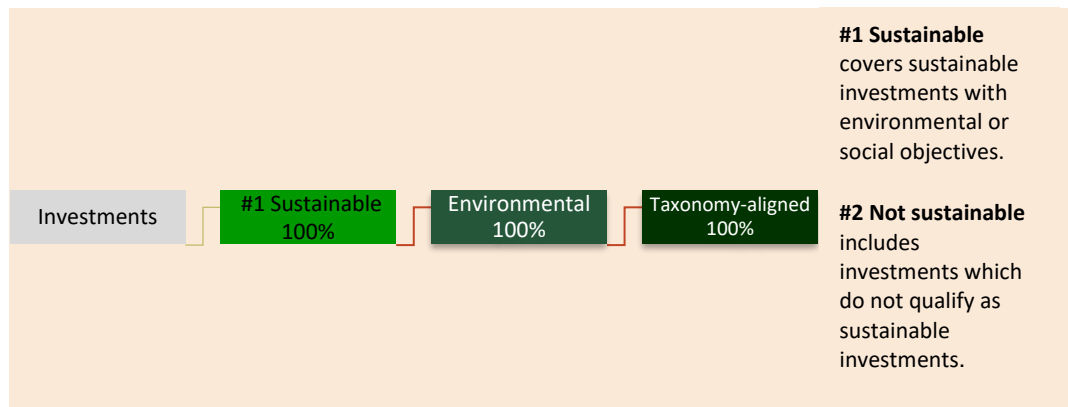


What was the proportion of sustainability-related investments?

100%, all investment were sustainability-related investments in the renewable energy sector.

● **What was the asset allocation?**

100% of the assets were sustainability-related investments. There has been no double-counting as all investments have only been counted under environmental due to all the investments being renewable energy.



● **In which economic sectors were the investments made?**

All investments were made in the renewable energy sector.



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

100% of the investments made by FE II were aligned with EU Taxonomy as investments were made within electricity generation from wind power, electricity generation from solar photovoltaic technology, electricity generation from hydro power, and electricity generation from geothermal energy. The investments have not been audited for EU Taxonomy.

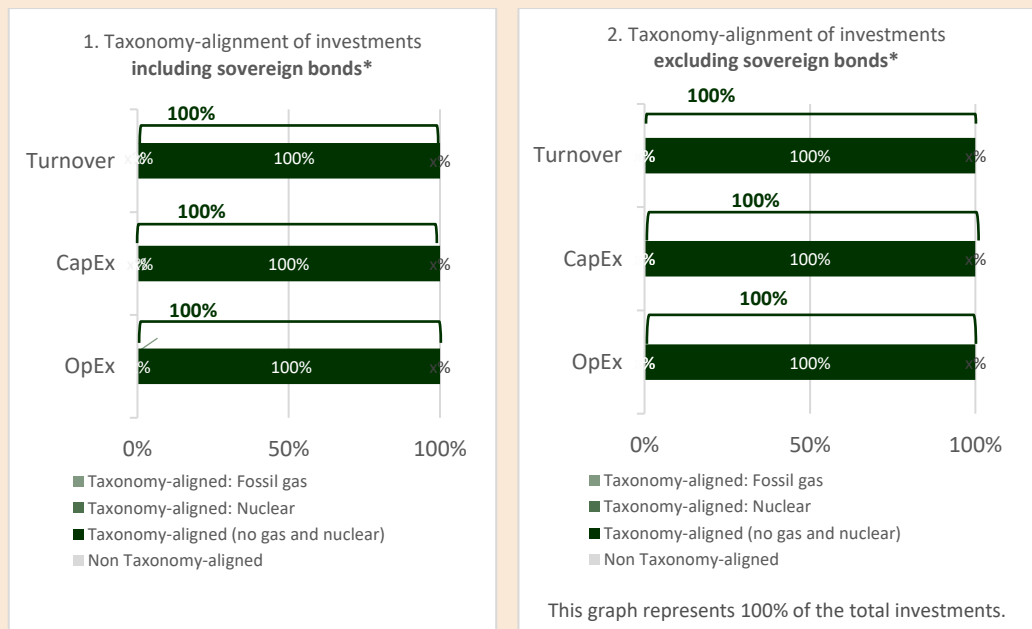
Taxonomy-aligned activities are expressed as a share of:

- **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.
- investments in specific assets.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

- Yes:
 - In fossil gas
 - In nuclear energy
- No

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?**

100%, all investments made by FE II were made in transitional and enabling activities as all investment made are generating green electricity that can substitute electricity made from fossil fuels.

¹ 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 no significant harm to 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.

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

The percentage of aligned with EU Taxonomy was also 100% in the previous reference period.



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

All investment made were aligned with the EU Taxonomy



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

No investments were included under “not sustainable”.



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

To attain the sustainable investment objective 100% of the investments made in the reference period have been in renewable energy aligned with the EU Taxonomy.



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

No index has been chosen as a reference benchmark for FE II. By investing accordingly with the aforementioned investment strategy and the implemented sustainability indicators for FE II, each environmental objective is considered to be attained

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

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

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Søren Piilgaard Barkholt

General Partner

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Thomas Hjortkjær Petersen

Statsaut. revisor

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