

CI II US AIV QFPF K/S

Gdanskgade 18, 12.
2150 Nordhavn
CVR No. 37789372

Annual report 2023

The Annual General Meeting adopted the annual report on 15.03.2024

Amalie Nørgaard

Chairman of the General Meeting

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Fund details

Fund

CI II US AIV QFPF K/S

Gdanskgade 18, 12.

2150 Nordhavn

Denmark

Business Registration No.: 37789372

Date of foundation: 13.06.2016

Registered office: Copenhagen

Financial period: 01.01.2023 - 31.12.2023

Phone number: +45 70 70 51 51

URL: www.cipartners.dk

General Partner

Copenhagen Infrastructure II GP ApS

Board of Directors in Copenhagen Infrastructure II GP ApS

Thomas Hinrichsen

Bo Foged

Mads Skovgaard-Andersen

Fund Manager

Copenhagen Infrastructure Partners II P/S

Approved Manager of Alternative Investment Funds (Danish FSA number: 23014)

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

The General Partner has today considered and approved the annual report of CI II US AIV QFPF K/S (the "Fund" or "Limited Partnership") for the financial period 01.01.2023 - 31.12.2023

The annual report is presented in accordance with the IFRS Accounting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the 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.

Furthermore, the supplementary report has been prepared in accordance with the Sustainable Finance Disclosure Regulation (SFDR) and 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 II GP ApS

Thomas Hinrichsen

Bo Foged

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)	(366,206)	(414,842)	322,712	(95,154)	222,719
Financial results, net	22,684	(13,964)	12,368	(3,458)	4,197
Increase / (decrease) in net assets attributable to Limited Partners	(343,522)	(428,806)	355,079	(98,612)	226,916
Net Assets attributable to Limited Partners	852,304	544,713	1,353,057	2,213,855	1,316,153
Total Assets	1,280,708	781,936	1,555,941	2,348,043	1,440,691
Ratios					
Liquidity ratio (%)	17.24	15.76	23.28	207.59	134.74
Solvency ratio (%)	66.55	69.66	86.96	94.29	91.36
Return on equity (%)	(49.18)	(45.19)	18.79	5.59	17.59

Primary activity

CI II US AIV QFPF K/S (CI II QFPF) was established in June 2016 and is managed by Copenhagen Infrastructure Partners II P/S (CIP II P/S). The General Partner of CI II QFPF is Copenhagen Infrastructure II GP ApS.

At the end of 2023, the Limited Partners had committed DKK 4,010m to CI II for infrastructure investments in primarily Europe, Asia and North America.

CI II QFPF is part of a fund group consisting of 3 funds with a total commitment of DKK 14,659m. The group invests with a shared investment strategy and includes the following funds

- CI-II K/S
- CI-II US AIV QFPF K/S
- CI-II US AIV Non-QFPF K/S

The Limited Partners receive an internal consolidated report the fund group, and the results from this report cannot be viewed on a stand-alone basis.

Investments

End of 2023, CI II QFPF has three investments which have reached financial investment decision and one investment which was divested. In addition to these four investments, CI II QFPF has a number of investments under development, cf. note 6

Blue Cloud

Blue Cloud, a 148.4MW onshore wind project in Bailey and Lamb Counties, Texas. Blue Cloud reached COD in December 2018.

Bearkat II

Bearkat II, a 162.2MW onshore wind project in Glasscock County, Texas. Bearkat II reached COD in October 2020.

Mitchell

Mitchell, a US solar development portfolio in North Carolina, consisting of up to 20 individual sites with a total capacity of 136 MW(dc). Mitchell is currently under construction. Mitchell was fully divested in Q4 2021.

Vineyard Wind I

Vineyard Wind I is an offshore wind project being built off the coast of Massachusetts. Upon completion, it will consist of 62 wind turbines with a total capacity of 800 MW. Vineyard Wind I had FID in Q3 2021.

Terna DEN

Terna DEN consists of three US onshore wind projects in Texas, US; Fluvanna I, Fluvanna II and Bearkat I (in aggregate, 510MW) under the umbrella of Terna DEN. Part of Terna Den (Fluvanna II) was divested in Q4 2021.

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, signaling a positive outlook.

The return of CI II is generally positively correlated with increased long-term inflation driven by long-term exposure to merchant power prices. Short-term inflationary impacts are expected to be minimal as revenues are protected by offtake contracts and most remaining procurement contracts are signed with fixed price. Recent movements in interest rates are expected to have a minor impact on the Fund as Vineyard Wind I have hedged 85-90% of their interest rate risk. Furthermore, the movement in interest rates is not expected to significantly impact on investment discount rates.

In the US, both the short and long-term power price forecasts have increased significantly in the US ERCOT markets, resulting in a positive impact to Terna DEN. The US Northeast long-term power price forecast has increased with minor positive impact to Vineyard Wind I.

The income from investments (Operating income) in 2023 amounts to DKK (353.9)m (2022: DKK (403.4)m) and the Profit/(loss) for the period amounts to a loss of DKK (343.5)m (2022: DKK (428.8)m). The loss is due to the increased interest rates across all markets. The increased interest rates impact all investment discount rates, thus affecting the value of investments end of year. The lower power and gas price forecast have also a negative impact on the investment value in 2023.

Limited Partners' paid-in capital to the fund at the end of 2023 amounted to DKK 3,226m out of which 647m has been distributed as callable distributions. Net contributed capital thus equals 64% of the committed capital of DKK 4,010m. Accumulated distributions to Limited Partners amounted to DKK 1,660m since fund initiation and accumulated net loss end of 2023 amounted to DKK (67m). Hereafter total Limited Partners' capital, end of 2023 amounted to DKK 852m.

Uncertainty relating to recognition and measurement

CI II 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 150 - 200m. The expectations for 2024 are impacted by the continued turmoil in the financial markets impacting the return requirements on invested capital.

Corporate social responsibility

An independently assured ESG Report for 2023 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 CI II US AIV AFPD K/S 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 II US AIV QFPF K/S

Opinion

We have audited the financial statements of CI II US AIV QFPF 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
Interest income		68,804	60,847
Realised gains/(losses) from financial assets at fair value		(2,154)	268,151
Net increase/(decrease) in unrealised gains/(losses) from financial assets at fair value		(420,557)	(732,387)
Operating income/(loss)		(353,907)	(403,389)
Administrative expenses	3	(12,299)	(11,453)
Operating expenses		(12,299)	(11,453)
Operating profit/(loss) (EBIT)		(366,206)	(414,842)
Financial income	4	5,680	6
Financial expenses	5	17,004	(13,970)
Increase / (decrease) in net assets attributable to Limited Partners		(343,522)	(428,806)
Comprehensive income		(343,522)	(428,806)

The notes form an integral part of the financial statement.

Statement of financial position as at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Equity investments	6	367,186	61,906
Receivables from investments	6	839,672	682,644
Investments		1,206,858	744,550
Non-current assets		1,206,858	744,550
Other receivables	7	27,356	33,283
Cash and cash equivalents		46,494	4,103
Current assets		73,850	37,386
Total assets		1,280,708	781,936

The notes form an integral part of the financial statement.

Net assets and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Limited partnership capital	8	3,226,430	2,576,388
Retained earnings		(2,374,126)	(2,031,675)
Net assets attributable to Limited Partners		852,304	544,713
Other payables	9	428,404	237,223
Current liabilities		428,404	237,223
Total liabilities		428,404	237,223
Total liabilities and net assets attributable to Limited Partners		1,280,708	781,936

The notes form an integral part of the financial statement.

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	2,576,388	(2,030,604)	545,784
Contributions from Limited Partners	650,042	0	650,042
Profit/(loss) for the period	0	(343,522)	(343,522)
Net assets 31.12.2023	3,226,430	(2,374,126)	852,304

	Limited partnership capital DKK'000	Retained earnings DKK'000	Total DKK'000
Net assets 01.01.2022	2,560,989	(1,207,932)	1,353,057
Distributions to Limited Partners and General Partner	0	(394,936)	(394,936)
Contributions from Limited Partners	15,399	0	15,399
Profit/(loss) for the period	0	(428,807)	(428,807)
Net assets 31.12.2022	2,576,388	(2,031,675)	544,713

The investors have committed themselves to contributing up to DKK 4,010m to the Fund. At 31 December 2023, the investors have contributed a net amount of DKK 3,226m out of which the recallable 647m has been distributed as recallable distributions causing the balance of the unfunded commitment to stand at DKK 1,431m.

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

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

Refer to note 1 for further information regarding the rights, preferences and restrictions attached to the commitment classes.

The notes form an integral part of the financial statement.

Statement of cash flows

	Notes	2023 DKK'000	2022 DKK'000
Operating profit/(loss) (EBIT)		(366,206)	(414,842)
Net increase/(decrease) in unrealised gains/(losses) from financial assets at fair value through profit or loss		351,753	671,540
Realised gains/(losses) from financial assets at fair value		2,154	(268,151)
Change in receivables		5,697	2,472
Change in payables		192,481	34,337
		185,879	25,356
Received financial income	4	5,680	6
Paid financial expenses	5	17,004	(13,970)
Cash flows from operating activities		208,563	11,392
Acquisition of equity investments	6	(471,113)	(4,212)
Increase of receivables from investments	6	(804,883)	(35,165)
Distributions from receivables from investments	6	461,936	1,113
Divestment of portfolio companies	6	(2,154)	399,028
Cash flows from investing activities		(816,214)	360,764
Cash flows from operating and investing activities		(607,651)	372,156
Contributions from Limited Partners		650,042	15,399
Distributions to Limited Partners		0	(394,936)
Cash flows from financing activities		650,042	(379,537)
Increase/decrease in cash and cash equivalents		42,391	(7,381)
Cash beginning of year		4,103	11,484
Cash end of year		46,494	4,103

The notes form an integral part of the financial statement.

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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 C (medium) enterprises.

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

The financial statements are presented in ~~DKK~~ DKK is the functional currency of the Fund.

The Fund is determined to be an investment entity in accordance with IFRS 10, Consolidated Financial Statements, and has therefore accounted for subsidiaries as well as investments in associates and joint ventures as investments designated at fair value through profit or loss where the relevant criteria under IFRS 10 are met.

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 and receivables from investments, which are measured at fair value. Historical cost is based on the fair value of the consideration given in exchange for assets.

All amounts in the financial statements are presented in whole DKK thousands.

Judgements made by the General Partner in the application of IFRS Accounting Standards 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 the IFRS Accounting Standards. Disclosures required by the IFRS Accounting Standards 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 II US AIV QFPF K/S is exempt to prepare consolidated financial statements under the provisions of IFRS 10 as the Limited Partnership qualifies as an investment entity. The definition of an investment entity is an entity that:

- 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 has more than one investment, which are measured at fair value.
- The Fund and the investors are not related parties. Please refer to the description in note ~~1~~ to the financial statements.
- 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.

As a result, the General Partner has decided to apply the exemption rule in IFRS 10 not to prepare consolidated financial statements where the controlled subsidiaries are consolidated, and instead the controlled subsidiaries are accounted for at fair value through profit or loss.

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 01.01.2023 have been applied when preparing the financial statements.

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

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

Significant accounting 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. 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 and loans are carried out in different currencies and hence considered less relevant in terms of influencing the choice of functional currency. The financial statements of the Fund are presented in the currency unit 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

Revenue recognition

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

Interest on receivables from investments at fair value through profit or loss is accrued on a time-proportionate basis. The interest is calculated based on outstanding amount.

Operating income from Receivables and investments

Operating income from receivables and investments consists of un- and realised fair value adjustments, dividends, accrued interest, net foreign exchange gains or losses related to receivables and investments and profit or loss from the disposal of portfolio investments or receivables.

Income realised from the disposal of investments is calculated as the difference between net selling price and the fair value at the beginning of the financial period.

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 year is included in the Limited Partners' taxable income.

Balance sheet

Investments and receivables from 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 and receivables from investments are measured at fair value and subsequently measured at fair value with recognition of fair value adjustments through profit or loss. Receivables from investments are measured at fair value through profit or loss under IFRS 9.

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 and receivables from investments consists of loans. Furthermore, investments consist of capitalised development costs.

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 6.

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.

Development projects before FID comprise capitalised investment costs, contributions, management fee etc. related to the design and development of early-stage infrastructure investments, where e.g., equity and loan commitment has not been fully settled, but where the Investment Committee of the Fund has initiated and approved the development of the project based on a detailed business case.

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

Carried interest

Holders of carried interest (Limited Partnership capital) receive a return on their investment that is dependent on the yield of the underlying investments throughout the lifecycle of the Fund. The amount allocated to carried interest is based on the principle that the investments are realized at the balance date at a price corresponding to the estimated fair value of the assets.

The specific commitment classes in CI II US AIV QFPF K/S does not participate in the Limited Partnership itself however, they perform coinvest in any Investments (including Investments in the form of provision of debt) made by the Limited Partnership as if they invested directly through the Fund.

Some specific commitment classes have an associated special right to receive carried interest which is calculated based on the overall performance net of cost and expenses of the portfolio of all investments as 15% of net cash flows exceeding the agreed 7% minimum return (the Hurdle Rate). Carried interest is paid out with ordinary distributions based on adjusted economic rights which reflect an annual allocation of carried interest as if such carried interest had been reinvested into the Fund.

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

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

The accumulated carried interest is allocated to equity in note and is accounted for under income from investments in the profit and loss. If the conditions for carried interest are fulfilled the fair value of investments are reduced by carried interest.

Other receivables

Other receivables relate to the Fund's ordinary business activities and are mainly from other companies in the Copenhagen Infrastructure Partners structure.

Other receivables are measured at amortised cost, usually equalling nominal value.

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 investments.

Cash flows from financing activities comprise cash changes in the size or composition of the contributed capital and cash payment of distributions to the Limited Partners.

Cash comprises cash in bank deposits.

Financial highlights

Financial highlights are defined and calculated 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 and receivables), the market price of which depends both on entity-specific affairs and market conditions, including power prices, commodity prices, exchange rates and construction risks within the different investments. For further information about the impact of accounting estimates on the annual report, please refer to the sensitivity analysis section in note 12.

Furthermore, the valuation and hence fair value of the long-term receivables are affected by changes in the risk-free interest rate and the general cost of risk in the market. As a result, income from investments, including the unrealised value adjustments and the fair value of investments are subject to estimation and uncertainty. For

further information about the financial risks related to the investments, please refer to note 11.

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

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

The fair value of the investments is also influenced by the carried interest provision as described under accounting policies. However, this is not considered a significant accounting assumption as the provision itself is based on the fair value of the investments as most significant input.

3 Administrative expenses

The Fund has no employees.

Administrative expenses include management fee for the period to Copenhagen Infrastructure Partners II P/S accordance with the Limited Partnership Agreement and management agreement. For further information about management fee, please refer to note . Administrative expenses include fee to administration, audit, advisors, organisation expenses and other professional fees.

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 for Copenhagen Infrastructure Partners II P/S and Reg. No. 35 68 27 75.

2023

The profit of the Fund is reallocated between the Limited Partners based on the ownership model. Carried interest is paid out by the Fund during the financial period. Please refer to note for further.

4 Financial income

	2023 DKK'000	2022 DKK'000
Interest income from assets not measured at fair value through profit or loss	5,680	6
Financial income	5,680	6

5 Financial expenses

	2023 DKK'000	2022 DKK'000
Net foreign exchange (gain) / loss	(21,803)	13,935
Other interest	4,799	35
Interest expenses for financial liabilities	(17,004)	13,970

6 Investments

	Equity Investments DKK'000	Receivables from investments DKK'000
Fair value at 01.01.2023	61,906	682,644
Acquisitions and development costs	1,043	0
Contributions	470,070	804,883
Distributions	0	(461,936)
Divestments	2,154	0
Fair value adjustment	(167,986)	(185,919)
Fair value at 31.12.2023	367,187	839,672

	Development projects before FID DKK'000	Equity Investments DKK'000	Receivables from investments DKK'000
Fair value at 01.01.2022	701,374	191,485	615,844
Acquisitions and development costs	1,049	(130)	0
Contributions	128	3,165	35,165
Distributions	0	0	(1,113)
Divestments	(399,028)	0	0
Fair value adjustment	(119,018)	(317,119)	32,748
Transfer	(184,505)	184,505	0
Fair value at 31.12.2022	0	61,906	682,644

Project development costs comprise investments in developer HoldCo's before FID etc. These costs in underlying development HoldCo's are capitalised because these development projects are expected to create future cash flow to the Limited Partners and hence are similar to equity investments. When a project leaves development before Financial Investment Decision (FID) phase it is transferred to investments and measured at fair value

through profit or loss statement. No costs are capitalised on receivables from investments and therefore no transfer from development projects before FID is recognised.

Refer to note 1 for further regarding capitalised costs.

For an overview of the investments made by the Fund refer to the table below. The portfolio investments as at 31.12.2023 are including the following investments.

7 Other receivables

	2023 DKK'000	2022 DKK'000
Other receivables	27,356	33,283
	27,356	33,283

The carrying amount of receivables relates to disbursements on behalf of investments, draw down receivables and receivables from Parallel funds.

8 Limited partnership capital

The Limited Partnership is owned by the Limited Partners in proportion to their respective capital commitments. Specific Limited Partnership interest classes have an associated right to receive carried interest. In total there is ultimately 36 participants holding interests with such rights through jointly owned companies. Refer to note 1 regarding the accounting policy for performance share for further information.

Since Fund inception, the consolidated Fund II Group has generated a Net IRR to date (return of investment) of 11.94% across the 3 AIVs. The total performance is assessed across all AIV's in the Fund structure after deduction of partnership costs and expenses in accordance with the Fund documentation. The value of unrealised carried interest will be affected by future fair value adjustments of the assets of the 3 AIVs compared to the current asset value. Such total unrealised value has accumulated since the inception of the Fund in 2014 and is on average equal to DKK 2.7m per year/per participant as of the balance sheet date (in total DKK 900m of which a total of DKK 152m has been paid out. The final carried interest pay-out is dependent on future performance of investments and may be DKK 0m or higher at final pay-out depending on the actual realised performance of the 3 AIVs after deduction of partnership costs and expenses until end of Fund term (currently expected in 2034) in accordance with the Fund documentation).

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

9 Other payables

	2023 DKK'000	2022 DKK'000
Other vendors	330	1,553
Parallel funds	428,074	235,670
Other payables	428,404	237,223

The carrying amount of payables relates to legal fees, auditor's fees, travel costs etc. The amount recognised is equal to the fair value of the liabilities. Please refer to management commentary for Parallel funds included in the Fund Group.

Other payables fall due for payment within 12 months.

10 Financial instruments

Classes of financial instruments:

	2023 DKK'000	2022 DKK'000
Equity investments	367,186	61,906
Receivables from investments	839,672	682,644
Financial assets measured at fair value through profit or loss	1,206,858	744,550
Other receivables	27,356	33,283
Receivables measured at amortised cost	27,356	33,283
Other payables	428,404	237,223
Financial liabilities measured at amortised cost	428,404	237,223

All financial liabilities are due for payment within 12 months.

No provisions for expected credit loss have been recognised. Please refer to note 12 for further information.

11 Financial risk management

The General Partner is ultimately responsible for the overall risk management within the Fund but has delegated the responsibility to the Fund Manager.

The Fund pursues an investment strategy approved by the Limited Partners and invests in both greenfield and operating infrastructure assets.

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

Key financial risk factors and exposure regarding the financial statements 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	428,404	0	0	428,404
31.12.2023	428,404	0	0	428,404

	Less than 1 year DKK'000	Between 1 year and 5 years DKK'000	After 5 years DKK'000	Total DKK'000
Other payables	237,223	0	0	237,223
31.12.2022	237,223	0	0	237,223

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. Furthermore, 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
- other receivables
- 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 Management considers to be reputable.

The Fund has limited exposure against credit risk related to cash and receivables, because they only have cash in well-established banks, receivables and contingent liabilities or guarantees with parallel funds. Expected credit loss under IFRS 9 is considered immaterial due to the majority of the receivables are against parallel funds and companies in the Copenhagen Infrastructure Partners structure. It has been assessed that undrawn commitment from investors in the parallel funds and companies in the structure is sufficient to cover the outstanding receivable. The investor base is large institutional investors. In this view, it has been assessed that risk for investors are unable to meet their commitment at any time is immaterial. Therefore, write-downs on these counterparties are considered immaterial. Furthermore, the Fund has historically not experienced any credit losses. Hence, no additional disclosure related to ECL provided.

Investments are progressing as planned and following the outlined budget. Furthermore, the Fund provides a guarantee to the underlying projects if needed indicating that obligations will be met. Also, the Fund invests in infrastructure projects in a combination of loan and equity through loans through equity investments.

Infrastructure projects are characterised by a stable and solid income when the project reaches FID. There is no indication towards that projects are in a state where they will not be able to meet the obligation against the Fund.

The Fund is not exposed to any significant credit risk from a single counterparty at ~~31.12.2023~~ ^{31.12.2023} portfolio of the Fund consists of a number of counterparties and infrastructure projects. The Fund Manager regularly assesses the risk related to single exposures taking into account current market developments, inflation, performance of investments, interest rate, price movements etc.

Interest rate risk

Receivables relate to the Fund's ordinary business activities and are mainly from other companies in the Copenhagen Infrastructure Partners structure. Interest rate risk has been considered immaterial, and these receivables are paid back on an on-going basis.

Further, the Fund has issued loans with a fixed interest rate to infrastructure companies where the Fund holds the majority or a substantial part of the shares. Loans have only been provided to companies in the Copenhagen Infrastructure Partners structure. No fair market value adjustments are made specifically on such issued loans as the fair market value is assessed on an investment level which can comprise a combination of both equity and loan. Furthermore, these loans are not given with purpose of divesting these to external parties, why best estimate of future cash flows is that these are going to be paid back to the Fund. Therefore, the interest rate risk on the individual issued loan is considered limited.

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 recognized 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 +/- DKK 126m.

Commodity and power prices

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

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

12 Financial instruments measured at fair value

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

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

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

The fair value of each investment and receivables from investments has been estimated by applying methods that best reflect the risks and the stage of each investment, e.g. assumptions related to power prices, inflation

rates, technical availability and discount rate.

In general, the fair value is determined in accordance with IPEV Valuation Guidelines and generally accepted valuation techniques, including DCF models, benchmarking or other relevant methods. However, for projects which are before financial close, cost, including capitalised development costs, is considered the best estimate for fair value. The valuation approach incorporates all of the factors that market participants would take into account in pricing a transaction, such as cash flows, discount rates and yield curves assumptions.

The valuation of equity investments and receivables from investments is based on the same methods, as equity investments and receivables from investments are exposed to the same risks.

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	367,186	367,186
Receivables from investments	0	0	839,672	839,672
Financial assets measured at fair value through profit or loss	0	0	1,206,858	1,206,858

	Level 1 DKK'000	Level 2 DKK'000	Level 3 DKK'000	Total DKK'000
2022				
Unlisted shares, equity investments	0	0	61,906	61,906
Receivables from investments	0	0	682,644	682,644
Financial assets measured at fair value through profit or loss	0	0	744,550	744,550

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 and receivables from investments after COD is considered the most material unobservable input, and the applied range for the discount rate is between 4-13% (2022: 12-14%).

The equity discount rate comprises two legs. The first element is a standard discount rate model (“Capital asset pricing model”) comprising risk free rate, systematic risk (beta) and market risk premium and the second element is additional infrastructure specific risk factors comprising alpha adjustments, illiquidity risk premium and construction risk premium. Each element is described below.

The risk free rate is the yield of a risk free investment with a maturity equal to the duration of the investment. Duration is the present value weighted average time until cash flows are received. Beta measures the degree of systematic risk of the asset. Beta is re-leveraged according to amount of debt in the project. The market risk premium is the return premium above the risk free rate for the theoretical market portfolio. The approach to determine the market risk premium is based on an average from multiple answers from different countries.

Alpha adjustment is added to the equity discount rate to reflect project specific risks. An alpha adjustment will be applied to reflect the company specific risks that are not reflected in the beta, which typically is based on more mature comparable companies. For a corporate investment, the total alpha adjustment is estimated based on the implied discount rate at the acquisition date and the alpha will be adjusted based on different milestones. Examples of milestones could be revenue targets, EBITDA-margin or IPO date depending on the business case. As the corporate matures and executes on its business plan, the alpha adjustment will be reduced based on milestones identified at the acquisition date. However, even for a fully matured company there might still be an alpha adjustment to reflect differences in risks compared to peer group.

Power prices

Power price forecast for future cash flows not covered by PPAs is based on the forward curve (Bloomberg) for the liquid time horizon interpolated to long term power price forecast from 3rd party expert forecast providers (e.g. ABB Ventyx, Pöyry, Baringa and Aurora). The reports on future power prices are applied in the DCF-model as model input. An ongoing assessment of the power price providers and the reliability of their forecast is

performed. Where future cash flow is not either partly or fully covered by a PPA fluctuating power prices constitute an exposure for the project.

Inflation

Inflation forecasts are based on a combination of short-term data sourced from the Bloomberg Bank Composite Inflation Tool combined with the long-term central bank forecasts (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. Changes to inflation are considered in determining the discount rates as the changes to inflation can impact risk-free rate and through that the discount rate applied for the individual asset.

Yield/production

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 Fund NAV is calculated by altering one input at a time and rerun the model. No sensitivity analysis has been made for investments where Management has assessed the cost price as the best estimate of fair value.

The table below presents the effect of changing the assumptions behind the valuation techniques adopted based on reasonable possible alternative assumptions for those investments whose fair values are recognized in whole or in part using valuation techniques based on assumptions that are not supported by prices or other inputs from observable current market transactions in the same instrument.

In the below table only equity investments are included because these are the only investments calculated with a valuation technique. For development projects before FID and receivables from investments cost price is considered best estimate of the fair value.

Asset type	Fair value at 31.12.2023 DKK'000*	Valuation Technique	Unobservable Input	Weighted average input	Reasonable possible shift +/- (%)	Change in Valuation +/- DKK'000
Operational projects**	105,429	N/A	N/A	N/A	N/A	N/A
Construction projects	306,078	DCF	Power Prices (-/+)	N/A	(-/+ 20%)	(86,926) / 86,314
			Yield/production (-/+)	3,674,216	(-/+ 5%)	(203,848) / 212,112
			CAPEX (+/-)	N/A	(+/- 10%)	(159,467) / 136,205
			Discount rate (+/-)	9.4%	(+/- 1%)	(89,987) / 106,515
			Inflation (+/-)	3.8%- 2%	(-/+ 1%)	(1,224) / 7,040
Total	411,507					

*The difference between fair value stated in the sensitivities table above and note 6 is due to the co-investors share of carried interest return in the fund. Please refer to note 1 for further information.

**All operational projects has been divested on or before 31 December 2023 hence no sensitivities are calculated for these projects.

The inputs above are considered the most material unobservable input due to the nature of the investments.

13 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 DKK'000	2022 DKK'000
The General Partner receives a fee for its obligation towards K/S as per limited partnership agreement		
Payment to the General Partner	10	14
Fund Manager (the Fund Manager) is considered a related party of the Fund due to its role as being Fund Manager		
Management fee	9,683	10,746

The management fee for each Limited Partner is calculated as a percentage of the Limited Partners' contributions to the Fund less divestments, additional capital calls etc.

Receivables from investments

Loans have been granted on market terms, which are expected to be settled by future cash payments. The Fund has no guarantees or similar collateral in connection with loans. For further information on receivables from investments refer to note 6.

	2023
	DKK'000
Net contributions at 01.01.2023	1,677,825
Contributions	803,876
Repayments	(401,083)
Net contributions at 31.12.2023	2,080,618
Committed loan capital	2,928,540
Outstanding commitment at 31.12.2023	847,922

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

14 Contingent liabilities

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

- The outstanding guarantees for the Bearkat II, which amounts to USD 2.2m
- The outstanding guarantees for the ChangFang & Xidao, which amounts to USD 40.6m
- The outstanding guarantees for the Mitchell, which amounts to USD 0.2m
- The outstanding guarantees for the Vineyard Wind I, which amounts to USD 403.7m

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

No provisions for expected credit loss have been recognised. Please refer to [note 14](#) for further information.

15 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
PensionDanmark Pensionsforsikringsaktieselskab	Langelinie Allé 43 2100 Copenhagen Denmark	39.90
P+, Pensionskassen for Akademikere	Dirch Passers Allé 76 2000 Frederiksberg	14.21
Lægernes Pension – Pensionskassen for Læger	Dirch Passers Allé 76 2000 Frederiksberg Denmark	12.47
Lærernes Pension – Forsikringsaktieselskab	Dirch Passers Allé 76 2000 Frederiksberg Denmark	12.47
Pensionskassen for Børne- og ungdomspædagoger	Østerfælled Torv 3 2100 Copenhagen Denmark	9.98

16 Events after the balance sheet date

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

17 Authorisation of the annual report for issue

At the meeting held on 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.

Appendix 1 - Supplementary report on disclosures in accordance with the SFDR

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: CI II US AIV QPFF K/S
 Legal entity identifier: 37789372

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

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

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
●● <input type="checkbox"/> Yes	● ● <input checked="" type="checkbox"/> No*
<input type="checkbox"/> It made sustainable investments with an environmental objective : ___% <ul style="list-style-type: none"> <input 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 	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <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
<input type="checkbox"/> It made sustainable investments with a social objective : ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

CI II US AIV QPFF K/S as well as associated alternative investment vehicles (each of which is an alternative investment fund) are part of a whole fund structure (collectively "CI II" or the "Fund"), managed by Copenhagen Infrastructure Partners P/S, company number (CVR no.) 37994006 ("CIP" or the "Manager"). The allocation of investors' commitment to each entity is driven by tax, legal and regulatory reasons unrelated to CI II's environmental, social and governance characteristics. Furthermore, an investor's exposure to the underlying assets of CI II is not affected by the allocation of its commitment to any one particular legal entity comprised by CI II. For these reasons CI II is for the purpose of this periodic disclosure deemed to be a single financial product.

The Fund is a close-ended fund which was structured, established and held its final closing prior to the entry into force of Regulation (EU) 2019/2088 (the "Sustainable Finance Disclosure Regulation" or "SFDR"). The Fund's overall approach to its environmental and social characteristics thus did not formally take in to account the defined principle of "do no significant harm" as defined in the SFDR and EU Taxonomy, and therefore the Fund's investments are not sufficiently documented to meet the

specific definition of “sustainable investments” within the meaning of art. 2(17) of the SFDR. In terms of the EU Taxonomy, the “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

During the reference period, the Fund has only partly assessed its investments under the “do no significant harm” principle and the minimum safeguards as defined in the SFDR. Therefore, no investments are deemed “sustainable investments” within the meaning of art. 2(17) of the SFDR.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

For reasons stated in the introduction, the Fund is considered to be a financial product which promotes, among other characteristics, certain environmental and social characteristics (as described in other sections in this disclosure and in the Fund's governing documents) and therefore a financial product subject to art. 8 of the SFDR.

The Fund promoted environmental and social characteristics in its investments, through investing in economic activities which contribute to increasing global renewable energy capacity and generation and the reduction of greenhouse gas emissions.

The Fund strategy is to invest in renewable energy infrastructure. The Fund is not required to apply any additionally defined selection strategy to attain the environmental objective/s. The fund documentation is the "binding element" of the investment strategy. The investment strategy is implemented via a series of investment decision gateways, one of which is the Final Investment Decision (“FID”) gateway. CIP will not present an investment to the Fund decision-making body for FID unless it falls within the abovementioned strategy. Only investments which follow the procedures set out in this disclosure are expected to be approved by the decision-making body. The Fund’s strategy for ensuring good governance practices in investee companies is ordinarily to establish or confirm the governance structure/system whilst developing the energy infrastructure asset, activity or business (as appropriate). Where relevant, CIP uses its “active owner” governance rights to secure the good governance practices of the investee companies in accordance with CIP’s Responsible Investment Policy and the Fund’s ESG Standards.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

All investments in the portfolio were monitored and assessed on the below metrics.

- 1) Renewable energy capacity (MW)
- 2) Renewable power generation (GWh)
- 3) Estimated CO2e emissions avoided (tCO2e)

Environmental indicators	2022	2023
Renewable energy capacity	1.094 MW	994 MW
Renewable energy generation	2.976 GWh	1.821 GWh
Estimated CO2e emissions avoided	810.832 tCO2e	578.693 tCO2e

During the reference period, the Fund portfolio consisted of seven investments in a portfolio of renewable energy infrastructure assets. Disclosures in this report which relate to the sustainability and performance of investments are made for investments where assets are generating electricity only.

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

Please see table above.

The fund has divested a significant portion of one of the portfolio assets resulting in lower energy generation and estimated CO2 emissions avoided

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

N/A

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

N/A

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

N/A

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

N/A

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

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.

CIP monitors and reports on all mandatory principal adverse sustainability indicators in Table 1. Given CIP’s investment strategy, additional indicators selected are focused on energy consumption as well as workplace safety. CIP takes a number of actions in relation to principal adverse sustainability impacts, such as setting ESG standards, excluding certain asset classes, covering ESG as part of due diligence processes, having internal ESG support in place, and monitoring sustainability performance of investee companies. Furthermore, principal adverse indicators are taken into consideration in the investment process through conducting assessments of potential material ESG risks for all investments prior to FID. This includes pre-investment screening and due diligence processes, which are led by CIP’s Investment Team and supported by CIP’s ESG function, and where relevant by external advisors. Besides this, CIP sets mitigation and/or management plans for relevant potential adverse impacts at investee company level and monitors relevant potential adverse impacts of investee companies on at least a yearly basis. Where CIP has a position on the board and/or steering committee of the investee company, CIP can directly respond to incidents relating to relevant potential adverse impacts. Based on the approach described above, the financial product CII considered the following principal adverse impacts (PAI) which are found in the table below. Actions taken and actions planned for the next reference period are also listed.

Mandatory PAI Indicators		Impact 2022	Impact 2023	Actions taken, actions planned and targets set for the next reference period
1. GHG emissions	tCO2e	43.425	N/A	General Approach Our approach to assessing and managing climate-related risks is guided by the Task Force on Climate-related Financial Disclosures (TCFD) (now incorporated into the ISSB’s standards). Prior to FID, CIP’s investment team is responsible for conducting the overall pre-investment due diligence. CIP’s investment team shall rely on or arrange for targeted due diligence to be performed on relevant ESG topics to a
Scope 1	tCO2e	41	N/A	
Scope 2	tCO2e	2.627	N/A	
Scope 3	tCO2e	40.757	N/A	
2. Carbon footprint	tCO2e/mEUR	12,4	N/A	

				<p>potential investment, which shall, as relevant, include an assessment of risks relating to:</p> <ul style="list-style-type: none"> - Environmental impacts - Environmental compliance and permitting - Health and safety and environmental (HSE) standards of the project and suppliers - Labour standards of the project and suppliers - Community relations - Human rights - Anti-bribery and corruption 	
3.	GHG intensity of investee companies	tCO2e/mEUR	7.768	N/A	<p>Actions Taken</p> <p>During the year we have worked on establishing procedures for gathering relevant data in order to calculate these indicators.</p> <p>Due to the deadline for this periodic disclosure, we are not yet able to calculate 2023 GHG emissions and derived figures (Carbon footprint and GHG intensity) why we are using 2022 data as proxy.</p> <p>GHG emissions will be calculated and published as part of the annual PAI Statement, latest 30. June.</p> <p>Actions Planned</p> <p>Focus for the next reference periods will be to improve the data and reporting framework to ensure better data gathering and quality of the indicators.</p> <p>We have furthermore developed a decarbonization approach, which will ensure focus and data delivery regarding GHG emissions, enabling us to track GHG emissions for new projects.</p>
4.	Exposure to companies active in the fossil fuel sector	%	0	0	<p>General Approach/Actions Taken/Actions Planned</p> <p>CIP has no investments in companies which are active in the fossil fuel sector. During the next reference periods we will continue to monitor the indicator to seek continued alignment to our policy.</p>
5.	Share of non-renewable energy consumption and production		0,08		<p>General Approach</p> <p>Prior to FID, CIP's investment team is responsible for conducting the overall pre-investment due diligence. CIP's investment team shall rely on or arrange for targeted due diligence to be performed on relevant ESG topics to a potential investment, which shall, as relevant, include an assessment of risks relating to:</p> <ul style="list-style-type: none"> - Environmental impacts - Environmental compliance and permitting
	Share of non-renewable energy consumption	%	N/A	100	

Share of non-renewable energy production	%	N/A	0	<p>Actions Taken</p> <p>During the year we have established procedures for gathering relevant data in order to calculate these indicators.</p>
6. Energy consumption intensity per high impact climate sector	GWh/mEUR	D: 0,02	D: 0,002	<p>Actions Planned</p> <p>During the next reference periods we will work to gather further data as well as monitor and work to improve the indicator within each investment in the Fund.</p>
7. Activities negatively affecting biodiversity-sensitive areas	%	N/A	0	<p>General Approach</p> <p>During the reference period CIP has implemented a Biodiversity Action Plan which seeks to ensure that potential impacts relevant to this indicator are minimised. This is done by identifying risks and conducting an Environmental Impact Assessment for each investment made in the fund. As a part of this process all biodiversity risks are mitigated to seek biodiversity neutrality.</p> <p>Actions Taken</p> <p>During the year we have established procedures for gathering relevant data in order to calculate the indicator.</p> <p>Actions Planned</p> <p>During the next reference periods we will work to gather further data and continue to monitor the indicator to seek continued alignment with our policy.</p>
8. Emissions to water	Tonnes /mEUR	N/A	0	<p>General Approval</p> <p>Prior to FID, CIP's investment team is responsible for conducting the overall pre-investment due diligence. CIP's investment team shall rely on or arrange for targeted due diligence to be performed on relevant ESG topics to a potential investment, which shall, as relevant, include an assessment of risks relating to:</p> <ul style="list-style-type: none"> - Environmental impacts - Environmental compliance and permitting <p>Actions Taken</p> <p>During the year we have established procedures for gathering relevant data in order to calculate the indicator. The investments in the Fund report no negative impact during the reference period.</p> <p>Actions Planned</p> <p>During the next reference periods we will continue to monitor the indicator to seek continued alignment.</p>
9. Hazardous waste and radioactive waste ratio	Tonnes /mEUR	0,24	0,01	<p>General Approach</p> <p>Part of CIP Responsible Investment Policy includes minimizing, in accordance with good industry practice, the environmental consequences related to the construction</p>

	<p>and operations phases of underlying assets, specifically regarding the use of hazardous materials. In addition, prior to FID, CIP's investment team is responsible for conducting the overall pre-investment due diligence. CIP's investment team shall rely on or arrange for targeted due diligence to be performed on relevant ESG topics to a potential investment, which shall, as relevant, include an assessment of risks relating to:</p> <ul style="list-style-type: none"> - Environmental impacts - Environmental compliance and permitting <p>Actions Taken</p> <p>During the year we have established procedures for gathering relevant data in order to calculate these indicators. Only one project (Kent) reports different from 0 (or N/A) for this category.</p> <p>Actions Planned</p> <p>During the next reference periods we will continue to monitor the indicator to seek continued alignment.</p>
<p>10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</p> <p style="text-align: right;">%</p> <p style="text-align: center;">0 0</p>	<p>General Approach</p> <p>CIP is a signatory to the UN Principles for Responsible Investment and is thus committed to the integration of ESG factors throughout each stage of CIP's standard investment process: investment selection; due diligence and structuring; and investment management during construction and operations.</p> <p>CIP's responsible investment principles are guided by the following international standards and norms:</p> <ul style="list-style-type: none"> • UN Principles for Responsible Investments (UN PRI) • The Ten Principles of the UN Global Compact (UNGC) • UN Guiding Principles on Business and Human Rights (UNGPR) • OECD Guidelines for Multinational Enterprises • The Equator Principles • IFC Sustainability Framework and Industry Sector Guidelines • Good industry practice in the management of HSE issues <p>In addition, prior to FID, CIP's investment team is responsible for conducting the overall pre-investment due diligence. CIP's investment team shall rely on or arrange for targeted due diligence to be performed on relevant ESG topics to a potential investment, which shall, as relevant, include an assessment of risks relating to:</p> <ul style="list-style-type: none"> - Environmental impacts - Environmental compliance and permitting - Health and safety and environmental (HSE) standards of the project and suppliers

				<ul style="list-style-type: none"> - Labour standards of the project and suppliers - Community relations - Human rights - Anti-bribery and corruption <p>Actions Taken</p> <p>During the year we have established procedures for gathering relevant data in order to calculate these indicators.</p> <p>Actions Planned</p> <p>During the next reference periods we will continue to monitor the indicator to seek continued alignment.</p>
<p>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>%</p>	<p>N/A</p>	<p>57</p>	<p>General Approach</p> <p>CIP is a signatory to the UN Principles for Responsible Investment and is thus committed to the integration of ESG factors throughout each stage of CIP’s standard investment process: investment selection; due diligence and structuring; and investment management during construction and operations.</p> <p>CIP’s responsible investment principles are guided by the following international standards and norms:</p> <ul style="list-style-type: none"> • UN Principles for Responsible Investments (UN PRI) • The Ten Principles of the UN Global Compact (UNGC) • UN Guiding Principles on Business and Human Rights (UNGPR) • OECD Guidelines for Multinational Enterprises • The Equator Principles • IFC Sustainability Framework and Industry Sector Guidelines • Good industry practice in the management of HSE issues <p>In addition, prior to FID, CIP’s investment team is responsible for conducting the overall pre-investment due diligence. CIP’s investment team shall rely on or arrange for targeted due diligence to be performed on relevant ESG topics to a potential investment, which shall, as relevant, include an assessment of risks relating to:</p> <ul style="list-style-type: none"> - Community relations - Human rights - Anti-bribery and corruption <p>Actions Taken</p> <p>During the year we have established procedures for gathering relevant data in order to calculate these indicators.</p>

				<p>Actions Planned</p> <p>During the next reference periods we will work to improve the indicator within each investment made in the Fund. Having a focus on establishing grievance and compliance procedures within each investment made.</p>
				<p>General Approach</p> <p>CIP is a signatory to the UN Principles for Responsible Investment and is thus committed to the integration of ESG factors throughout each stage of CIP’s standard investment process: investment selection; due diligence and structuring; and investment management during construction and operations.</p> <p>CIP’s responsible investment principles are guided by various international standards and norms including the Ten Principles of the UN Global Compact (UNGC) and thereby also principle 6, the elimination of discrimination in respect of employment and occupation.</p>
12. Unadjusted gender pay gap	%	10	0,06 ¹	<p>Actions Taken</p> <p>During the year we have established procedures for gathering relevant data in order to calculate these indicators.</p> <p>Actions Planned</p> <p>During the next reference periods we will work to gather further data and improve the indicator.</p>
				<p>General Approach</p> <p>CIP is a signatory to the UN Principles for Responsible Investment and is thus committed to the integration of ESG factors throughout each stage of CIP’s standard investment process: investment selection; due diligence and structuring; and investment management during construction and operations.</p> <p>CIP’s responsible investment principles are guided by various international standards and norms including the Ten Principles of the UN Global Compact (UNGC) and thereby also principle 6, the elimination of discrimination in respect of employment and occupation.</p>
13. Board gender diversity	Female /Male Ratio	3/25	4/21 ²	<p>Actions Taken</p> <p>During the year we have established procedures for gathering relevant data in order to calculate the indicator.</p> <p>Actions Planned</p> <p>During the next reference periods we will work to gather further data as well as monitor and work to improve the indicator within each investment made in the Fund.</p>

¹ Based on input from one project within the Fund.

² Based on reporting from six projects. One project reported N/A.

<p>14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)</p>	%	0	0	<p>General Approach Part of CIP Responsible Investment Policy includes that investment are made in the manufacture of weapons, which in the course of normal intended use would breach fundamental humanitarian principles (e.g., atomic, biological or chemical weapons, cluster bombs or anti-personnel landmines), or in the development, production or storage of nuclear weapons, or in the production of components made explicitly for use in nuclear weapons</p> <p>Actions Taken During the year we have established procedures for gathering relevant data in order to calculate these indicators.</p> <p>Actions Planned During the next reference periods we will continue to monitor the indicator to seek continued alignment.</p>
Voluntary PAI Indicators	Impact 2022	Impact 2023	Actions taken, actions planned and targets set for the next reference period	
<p>5. Breakdown of energy consumption by type of nonrenewable sources of energy</p>	GWh	1,96	18,35	<p>General Approach Prior to FID, CIP's investment team is responsible for conducting the overall pre-investment due diligence. CIP's investment team shall rely on or arrange for targeted due diligence to be performed on relevant ESG topics to a potential investment, which shall, as relevant, include an assessment of risks relating to:</p>
Electricity from grid	%	0,37	22	- Environmental impacts
Diesel	%	0,12	68	- Environmental compliance and permitting
MGO	%	0,97	0	<p>Actions Taken During the year we have established procedures for gathering relevant data in order to calculate these indicators.</p>
Propane	%	0	1	<p>Actions Planned During the next reference periods we will work to gather further data as well as monitor and work to improve the indicator within each investment made in the Fund.</p>
Natural gas	%	0	9	<p>General Approach H&S has always been fundamental to CIP's way of working. Whilst H&S risks inherent to building and operating large-scale energy projects can never be entirely eliminated, we take a proactive approach to identify risks and prevent incidents.</p>
<p>3. Number of days lost to injuries, accidents, fatalities or illness</p>	Days	0	7	

Prior to FID, CIP's investment team is responsible for conducting the overall pre-investment due diligence. CIP's investment team shall rely on or arrange for targeted due diligence to be performed on relevant ESG topics to a potential investment, which shall, as relevant, include an assessment of risks relating to:

- Health and safety and environmental (HSE) standards of the project and suppliers

Furthermore, we expect and require projects to place clear H&S requirements on suppliers when driving procurement. This is implemented through our Code of Conduct for Business Partners.

Actions Taken

During the year we have established procedures for gathering relevant data in order to calculate these indicators. In addition, we have increased our capacity to support on H&S efforts and further strengthened our governance arrangements at this stage. This is done by strengthening our processes for assessing risk, implementing preventive measures and responding to and learning from ESG-related incidents. For H&S specifically, we have developed CIP-wide incident response procedures, building on existing projectlevel best practices in terms of incident notification and investigation.

Actions Planned

During the next reference periods we will monitor and work to improve the indicator within each investment in the Fund. Moreover, CIP will initiate training with projects and systematic follow ups on progress through regular touchpoints.



What were the top investments of this financial product?

Gross asset value ("GAV") as per 31 December 2023 is used as the basis for calculating the proportions (%) of investments that have reached FID. These have been calculated with a regular interval.

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 1 January 2023 - 31 December 2023

Largest investments	Sector	% Assets	Country
<i>Veja Mate</i>	<i>Energy generation</i>	<i>28%</i>	<i>Germany</i>
<i>CFXD</i>	<i>Energy generation</i>	<i>25%</i>	<i>Taiwan</i>
<i>Kent</i>	<i>Energy generation</i>	<i>20%</i>	<i>United Kingdom</i>
<i>Terna Den</i>	<i>Energy generation</i>	<i>14%</i>	<i>United States of America</i>
<i>Vineyard Wind I</i>	<i>Energy generation</i>	<i>9%</i>	<i>United States of America</i>
<i>Blue Cloud</i>	<i>Energy generation</i>	<i>4%</i>	<i>United States of America</i>
<i>Bearkat II</i>	<i>Energy generation</i>	<i>0%</i>	<i>United States of America</i>



What was the proportion of sustainability-related investments?

The proportion of sustainability-related investments was 0%

● What was the asset allocation?

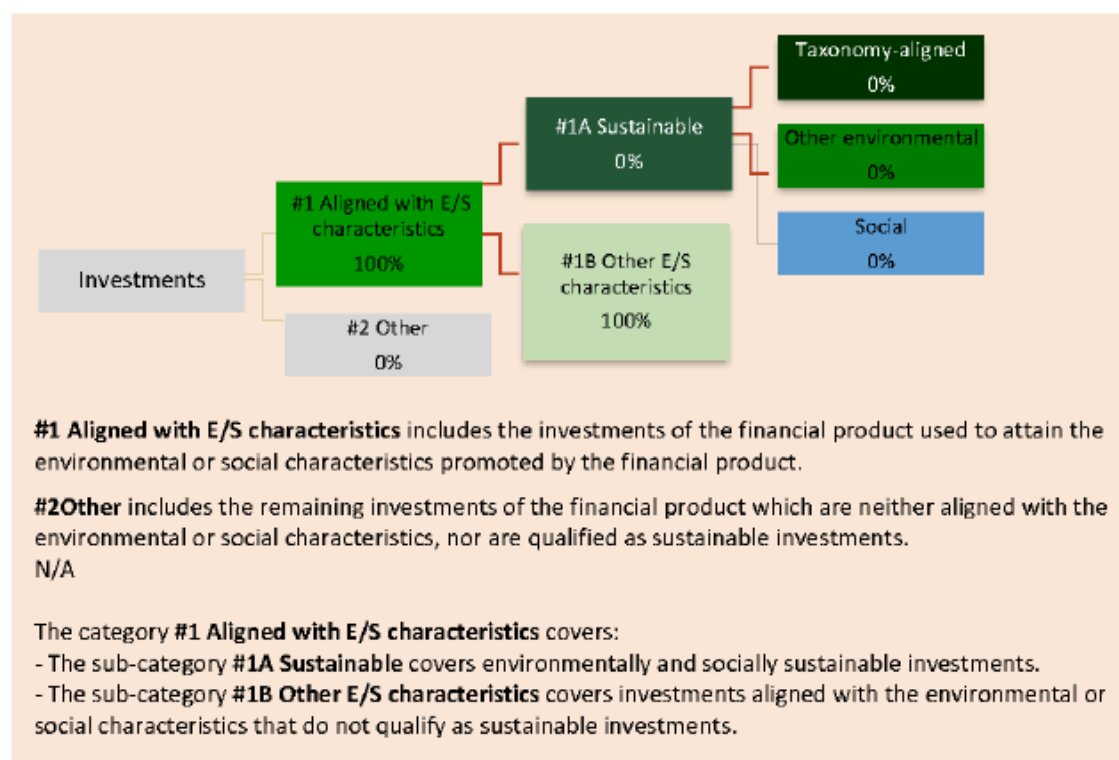
As described elsewhere in this report, the Fund's approach to its environmental and social characteristics did not take in to account the defined principles of "do no significant harm" as set out in the SFDR and the EU Taxonomy, and therefore the Fund's investments are not currently considered to meet the specific definition of "sustainable investments" within the meaning of art 2(17) of the SFDR. Except as described elsewhere in this report, the Fund's investments are made in accordance with the Fund's governing documents including its Ethical Policy (subsequently replaced by the Responsible Investment Policy of CIP) and other governing documents, which set-out the environmental, social and governance characteristics promoted by the Fund.

Asset allocation describes the share of investments in specific assets.

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

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

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



GAV as of 31 December 2023 is used as the basis for calculating the proportion of investments.

	2022	2023
Aligned with E/S characteristics	100%	100%
Other	0%	0%

In which economic sectors were the investments made?

During the reference period, the Fund's portfolio of investments, which have reached FID, consisted of seven investments in energy generation.

During the reference period there was no exposure to fossil fuels.

	2022	2023
Exposure to fossil fuel	0	0



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

N/A

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy³?

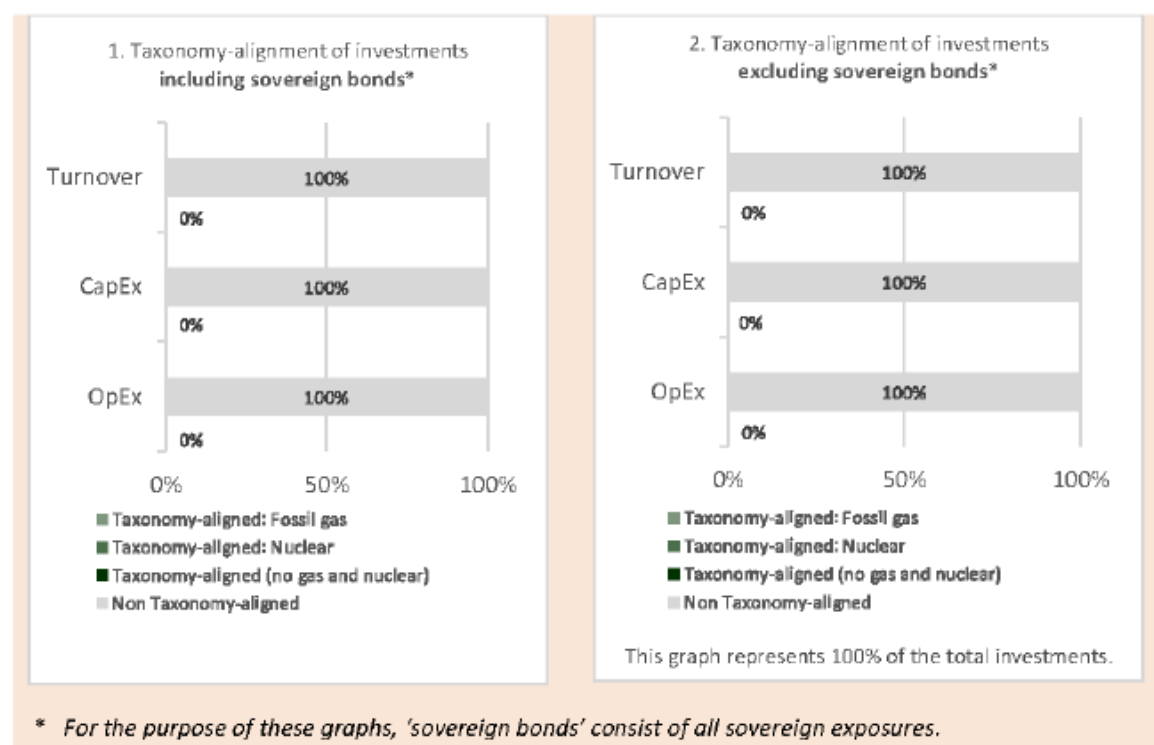
- Yes:
 - In fossil gas In nuclear energy
- No

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.*

Taxonomy-aligned activities are expressed as a share of:

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

³ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.




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

The share of investments made in transitional and enabling activities during the reference period is 0 %.

	2022	2023
Transitional activities	0%	0%
Enabling activities	0%	0%

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

Taxonomy-aligned	2022	2023
Turnover	0%	0%
CapEx	0%	0%
OpEx	0%	0%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



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

N/A



What was the share of socially sustainable investments?

N/A



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

N/A



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Several mechanisms and procedures are in place and have been applied during the reference period to ensure that the investments made by the Fund meet environmental characteristics. Investments in CI II are governed by an Ethical Policy (subsequently replaced by the Responsible Investment Policy of CIP), which, among others, mandates responsible environmental impact management, protects key social objectives, such as human and labour rights, and restricts CI II from investing in controversial weapons that would ordinarily breach humanitarian principles. Adherence to the Ethical Policy for CI II is stated in the investment policy section of the Limited Partnership Agreement governing the Fund. CI II is also specifically excluded from investing in nuclear or coal fired generation, and the Fund is also restricted from investing in nuclear weapons or weapons that would ordinarily breach humanitarian principles.

In addition to the above, CI II is governed by a set of ESG Standards. The ESG Standards defined for the Fund establish standards which are intended to ensure that the investments of CI II meet the environmental and social characteristics that the Fund promotes. The environmental section of the ESG Standards requires compliance with applicable host country laws and regulations, as well as relevant binding international conventions for the protection of the environment. The social section of the ESG Standards ensure compliance with applicable host country laws and regulations as well as relevant binding conventions relating to social issues such as health, safety, security, labour rights, cultural heritage, stakeholder engagement, and human rights. Compliance with the core labour standards of the International Labour Organisation is expected.

In addition to the abovementioned documents, investments in CI II are subject to the following procedures:

- 1) Conducting an assessment of potential material ESG risks for all investments prior to FID. This includes pre-investment screening and due diligence processes, which are led by CIP’s Investment Team and supported by CIP’s ESG function, and where relevant by external advisors.

- 2) Mitigation and/or management plans for relevant potential adverse impacts at investee company level.
- 3) Monitoring of relevant potential adverse impacts of investee companies through mandatory reporting on either monthly, bi-monthly, quarterly or yearly basis.
- 4) Responding to incidents relating to relevant potential adverse impacts through CI II's position on the board and/or steering committee of the investee company if applicable.

During the reference period, the Fund has held a number of renewable energy infrastructure assets (which have reached FID), all of which help to increase the overall 'stock' of the global electricity grid, which contributes to the renewable energy 'additionality' (environmental characteristics: increased global renewable energy capacity and generation) and resultant avoided future greenhouse gas emissions (environmental characteristics: reduction in greenhouse gas emissions).



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

No reference benchmark has been designated for the purpose of attaining the promoted environmental characteristics.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How does the reference benchmark differ from a broad market index?**
N/A
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
N/A
- **How did this financial product perform compared with the reference benchmark?**
N/A
- **How did this financial product perform compared with the broad market index?**
N/A