

Africa Infrastructure Fund I K/S

*Esplanaden 50
DK 1263 Copenhagen*

Business Registration No. 38 84 19 47

Annual Report 2021

Chairman 
Simon Krogh

Adopted at the annual general meeting on 20/5 - 2022

CONTENTS

Statement by the General Partner	2
Independent auditor's report	3
Company information	5
Management's review	6
Statement of comprehensive income	8
Balance sheet 31 December	9
Statement of changes in equity for the years 2020 and 2021	10
Cash flow statement	11
Notes to the financial statements	12

STATEMENT BY THE GENERAL PARTNER

The General Partner has today discussed and approved the Annual Report of Africa Infrastructure Fund I K/S for the financial year 1 January 2021 - 31 December 2021.

The Annual Report has been prepared in accordance with the International Financial Reporting Standards, which is approved by EU and further disclosure requirements in the Danish Financial Statements Act and disclosure requirements in accordance with the Danish Alternative Investment Fund Managers Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January 2021 - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed herein.

The General Partner recommends the annual report for adoption at the annual general meeting.

Copenhagen, 12 April 2022

On behalf of the General Partner:
Africa Infrastructure Fund I GP ApS

Finn Louis Meyer
Director

Henrik Dahl
Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Africa Infrastructure Fund I K/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and further disclosure requirements in the Danish Financial Statements Act and in the Danish Alternative Investment Fund Managers Act.

We have audited the Financial Statements of Africa Infrastructure Fund I K/S for the financial year 1 January - 31 December 2021, which comprise statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act and the Danish Alternative Investment Fund Management Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act and in the Danish Alternative Investment Fund Managers Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Copenhagen, 12 April 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Thomas Wraae Holm
State Authorised Public Accountant
mne30141

René Otto Poulsen
State Authorised Public Accountant
mne26718

COMPANY INFORMATION

Company	Africa Infrastructure Fund I K/S
Business Registration No.	38 84 19 47
Address	Esplanaden 50 DK 1263 Copenhagen
Financial Year	1 January – 31 December
Fund Manager	A.P. Møller Capital P/S Authorised Manager of Alternative Investment Funds (FSA no.: 23.129)
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Depository	Intertrust Depositary Services (Denmark) A/S c/o Harbour House Sundkrogsgade 21 DK-2100 Copenhagen
General Partner <i>(Authorised to sign for the Company)</i>	Africa Infrastructure Fund I GP ApS Esplanaden 50 DK 1263 Copenhagen

MANAGEMENT'S REVIEW

Primary activity

Africa Infrastructure Fund I K/S was established in August 2017 and is managed by A.P. Møller Capital P/S. The Company's primary objective is to generate capital appreciation and yield through equity and equity-related investments in infrastructure related assets and activities in Africa with focus on transportation and logistics, as well as energy and utilities. Infrastructure and infrastructure related assets are in this connection defined as assets and activities that provide, or assist in providing, the basic physical and organizational structures applied for the good functioning of a society or enterprise. The Company aims to create long-term value for its investors through active ownership and value creation in the portfolio companies with such assets and activities.

The General Partner of Africa Infrastructure Fund I K/S authorised to sign for the Company is Africa Infrastructure Fund I GP ApS.

Investments

At the end of 2021, Africa Infrastructure Fund I K/S had seven investments in the portfolio Impala Energy Holding LLC, Arise P&L Ltd, IberafrikaPower (E.A) Ltd, Mass Céréales Al Maghreb, Lumika Renewables Ltd, Eranove S.A and Cabeolica S.A.

Development in activities and finances

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

Paid-in capital to the Company at the end of 2021 corresponds to 59% of the committed capital as of the balance sheet date, before recycling pursuant to Clause 8.5 of the Limited Partnership Agreement. Total equity of the Company reflects the Company's paid-in capital, distributions, revaluation reserve and retained earnings since inception.

Management confirms that the Company is going concern and that the 2021 financial statements have been prepared on a going concern basis.

Uncertainty relation to the recognition and measurement

Africa Infrastructure Fund I K/S develops and invests in infrastructure projects where value, transferability and cash flows are affected by changes in market conditions. Financial and other risk material to the financial statements are presented in Note 3 of the "Notes to the financial statements". For information about the methods and assumptions used in determining fair value please refer to note 2 and 4.

Information in relation to the Alternative Investment Fund Managers Directive

Alternative investment funds have to make a number of disclosures in connection with their financial statements, according to the Alternative Investment Fund Managers Directive Article 22.

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

- The total committed capital in the Alternative Investment Fund;
- Arrangements for managing the Fund's liquidity;
- The Fund's risk profile and risk management systems;
- Maximum level of leverage which the Fund Manager can use on behalf of the Fund, incl. the right to use collateral or any guarantee with the agreement allowing for the leverage.

MANAGEMENT'S REVIEW

Investments and activities planned for 2022

Two new investments have been closed in Q1 2022, KEG Holdings Ltd and Thika Holding Limited. The remaining investment pipeline consist of a broad range of promising projects with strong offerings and value propositions, well positioned for continued growth. Focus the years ahead will be on committing the remaining capital, as well as development and value creation in the existing portfolio. With the current momentum, we also expect to close the investment period of Africa Infrastructure Fund I K/S shortly after Q1 2022 well ahead of the investment period end date.

Consolidated financial statements

The Company meets the conditions of being an investment entity and is exempt from preparing consolidated financial statements for 2021. For further explanation, please refer to the accounting policies.

STATEMENT OF COMPREHENSIVE INCOME

	Note	2021 USD ('000)	2020 USD ('000)
Value adjustment of investments	4, 5	67,410	29,497
Other external costs	7	<u>-16,312</u>	<u>-17,674</u>
Operating profit/(loss) (EBIT)		51,098	11,823
Financial income	8	12,437	37
Financial expenses		<u>-556</u>	<u>-1,861</u>
Net profit/(loss) for the year		62,979	9,999
Total items that may be reclassified subsequently to the income statement			
Value adjustment of hedge for the year		<u>0</u>	<u>1,150</u>
Total comprehensive income for the year		<u>62,979</u>	<u>11,149</u>

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2021</u> USD ('000)	<u>2020</u> USD ('000)
ASSETS			
Investments in portfolio companies	4+5	572,315	366,651
Total non-current assets		572,315	366,651
Other receivables		5,439	9,122
Receivables from portfolio companies		470	0
Receivables from investors		0	8
Other investments		12	19
Total receivables		5,921	9,149
Cash and cash equivalents		1,340	465
Total cash and cash equivalents		1,340	465
Total current assets		7,266	9,614
Total assets		579,576	376,265
EQUITY AND LIABILITIES			
Contributed capital	6	546,370	405,243
Retained earnings/(losses)		32,501	-30,478
Total equity		578,871	374,765
Trade payables		607	1,480
Other payables		98	20
Total short-term liabilities		705	1,500
Total liabilities		705	1,500
Total liabilities and equity		579,576	376,265

STATEMENT OF CHANGES IN EQUITY

	Contributed capital	Reserve for hedges	Retained earnings	Equity
	USD ('000)	USD ('000)	USD ('000)	USD ('000)
Equity 1 January 2020	62,442	-1,150	-40,477	20,815
Profit/loss for the year	0	0	9,999	9,999
Other comprehensive income for the year	0	1,150	0	1,150
Total comprehensive income for the year	0	1,150	9,999	11,149
Contributions from Limited Partners	342,801	0	0	342,801
Total transactions with Limited Partners	342,801	0	0	342,801
Limited partners equity total 31 December 2020	405,243	0	-30,478	374,765

	Contributed capital	Reserve for hedges	Retained earnings	Equity
	USD ('000)	USD ('000)	USD ('000)	USD ('000)
Equity 1 January 2021	405,243	0	-30,478	374,765
Profit/loss for the year	0	0	62,979	62,979
Other comprehensive income for the year	0	0	0	0
Total comprehensive income for the year	0	0	62,979	62,979
Net contributions from Limited Partners	141,127	0	0	141,127
Total transactions with Limited Partners	141,127	0	0	141,127
Limited partners equity total 31 December 2021	546,370	0	32,501	578,871

CASH FLOW STATEMENT

	2021	2020
	USD ('000)	USD ('000)
Operating profit/(loss) (EBIT)	51,098	11,823
Value adjustments	-67,410	-29,497
Purchase of financial investments (portfolio Companies)	-138,254	-322,075
Value adjustment of hedges	0	1,150
Change in working capital	2,433	-2,869
Financial income received	12,437	37
Financial expense paid	-556	-1,861
Cash flow from operating activities	-140,252	-343,292
Paid in contributed capital	182,933	342,801
Distributions paid to limited partners	-41,806	0
Cash flow from financing activities	141,127	342,801
Net increase in cash and cash equivalents	875	-491
Cash and cash equivalents at the beginning of the year	465	956
Cash and cash equivalents at the end of the year	1,340	465

NOTES TO THE FINANCIAL STATEMENTS

	Page
1. Summary of significant accounting policies	13
2. Critical accounting estimates and judgments	17
3. Financial risks and financial instruments	17
4. Fair value estimation	18
5. Financial assets at fair value through profit or loss	21
6. Limited partners equity	23
7. Personnel expenses	23
8. Financial income	24
9. Related party transactions	24
10. Subsequent events	25
11. Contingent liabilities	25

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies

General information

The Annual Report of the Company has been prepared in accordance with the provisions of the International Financial Reporting Standards which are approved by the EU and further disclosure requirements according to the Danish Financial Statements Act for Class B (small entities) including certain requirements from reporting class C, and disclosure requirements in accordance with the Danish Alternative Investment Fund Managers Act.

The Annual Report is prepared in USD which is the functional currency of the Company.

The accounting policies applied are consistent with those of last year.

The most significant elements of the accounting principles applied are described below.

New standards, amendments and interpretations not yet adopted

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 1 January 2021 have been applied when preparing the financial statements.

The General Partner further believes that other amended Standards and Interpretations, which have not entered into force, will not have any significant impact on the financial statements, and they will not be adopted early.

Explanation on omitting consolidated financial statements

Africa Infrastructure Fund I K/S has multiple unrelated investors and holds portfolio investments in subsidiaries. The Company has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- 1) The Company has obtained funds for the purpose of providing investors with professional investment management services,
- 2) the Company's business purpose, which was communicated directly to investors, is investing for capital appreciation and investment income and
- 3) the investments are measured and evaluated on a fair value basis.

As the Company meets the conditions above, it is exempt from consolidating its subsidiaries. Instead, it records its investments in portfolio companies as financial assets at fair value through profit or loss.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the date of the transaction.

Receivables, liabilities, and other items in foreign currencies which have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Realised and unrealised exchange rate adjustments are included in the income statement as financial income/expenses.

NOTES TO THE FINANCIAL STATEMENTS

Carried interest expense/recovery

In accordance with the Limited Partner Agreement (LPA), A.P. Møller Capital P/S, its Affiliates and members, officers, and employees of A.P Møller Capital P/S and its Affiliates, acting via one or several carried interest vehicles (“the Carried Interest Entitled Unitholders”) are entitled to receive a share of the realized profits of the Company.

The carried interest is measured at amortised cost and calculated based on the fair value of the investments of the Company as measured at the reporting date. Carried interest represents incentive for services and should give rise to a liability as soon as the services are rendered and not only when gain is realised by the Company. Therefore, based on the calculation described above, the Company recognise a financial liability based on the estimated fair value of its assets at the balance sheet date. Carried interest is paid when the particular payment distribution arrangements as set out in the LPA are met.

NOTES TO THE FINANCIAL STATEMENTS

Balance sheet

Investments in portfolio companies etc.

Investments in subsidiaries, other securities and investments comprise investments in portfolio companies and are measured at fair value on the balance sheet date. Value adjustments are recognised in the income statement.

Investments in portfolio companies are measured according to the International Private Equity and Venture Capital (IPEV) Valuation Guidelines, which is how investments are recognised at fair value at the balance sheet date.

When selecting the appropriate valuation method or technique, the Company considers the following factors: (i) relative applicability of the techniques used given the nature of the industry and current market conditions; (ii) quantity, quality and reliability of the data used; (iii) ability of the portfolio company to generate maintainable profits or positive cash flows; (iv) supply and comparability of market, industry and company data; (v) stage of development of the portfolio company; (vi) additional considerations unique to the portfolio company; and (vii) results from calibration techniques and inputs to replicate the Purchase Price of the investment.

The Price of a Recent Investment generally represents Fair Value as of the transaction date. Similarly, to the calibration of Purchase Price at investment, the Company calibrates the Fair Value indicated by a recent transaction in the portfolio company with various valuation methodologies. At subsequent measurement dates, the Company assesses whether changes or events subsequent to the relevant transaction would imply a change in the investment's Fair Value.

For greenfield investments, the Company would normally have a set of agreed milestones established at the time of making the investment decision to ensure that capital is disbursed to the project in line with their successful completion of the goals set at commitment. In subsequent periods, the Company adjusts the value from the prior valuation period based on industry analysis, sector analysis or milestone analysis.

Fair value estimation

Fair Value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Given the unquoted nature of the Company's investments, the calculation of Fair Value assumes that the investment is realized or sold at the measurement date regardless of the Company's intention to sell.

Valuations will factor in, among other items, the portfolio company's financial position and operating results, recent rounds of financing, exit or bid at portfolio company, subsequent events, exit strategy, shareholder rights and liquidation preferences, current developments including investment specific as well as industry/region related and commodity related events (if applicable).

In determining fair value, the Fund Manager in many instances relies on the financial data of investee portfolio companies and on estimates by the management of the investee portfolio companies as to the effect of future developments. Although the Fund Manager uses its best judgement, and cross-references results of primary valuation models against secondary models in estimating the fair value of investments, there are inherent limitations in any estimation techniques.

NOTES TO THE FINANCIAL STATEMENTS

The fair value estimates presented herein are not necessarily indicative of an amount the Company could realise in a current transaction. Future confirming events will also affect the estimates of fair value. The effect of such events on the estimates of fair value, including the ultimate liquidation of investments, could be material to the financial statements.

For further information about the measurement of fair values, please refer to note 4.

Receivables

Receivables are measured at amortised cost. Write-downs for bad debt are based on individual assessment of receivables.

For financial assets that do not have a significant financing component, e.g. trade receivables, a simplified approach is permitted. For receivables, the loss is measured on initial recognition and throughout the lifetime of the receivable at an amount equal to lifetime expected credit loss.

Equity

Unrealized value adjustments on hedge instruments are presented as “reserve for hedges”.

Liabilities

Liabilities are measured at amortised cost equal to nominal value.

Comprehensive income statement

Value adjustments of investments

The value adjustment of investments into portfolio companies comprises value adjustments realized from sale and value adjustments unrealized from any revaluation or impairment of investments in portfolio companies at fair value.

Other external costs

Other external costs comprise management fee for the period calculated according to the Limited Partnership Agreement and expenses for managing the operations of the company, including audit costs, legal advisors and other general expenses.

Financial items

Financial income and expense and similar items are recognised in the income statement with the amounts relating to the reporting period. Net financials include interest income and expense and realised and unrealised exchange rate gains and losses on foreign currency transactions.

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents. Cash flows from operating activities furthermore include cash flows from purchase or sale of portfolio companies.

Cash flows from financing activities comprise cash flows from payments/distributions and contributions to and from shareholders/limited partners.

Cash and cash equivalents comprise “cash and cash equivalents”. The cash flow statement cannot be immediately derived from the published financial records.

NOTES TO THE FINANCIAL STATEMENTS

2. Critical accounting estimates and judgements

Africa Infrastructure Fund I K/S makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are to be reasonable under the circumstances. Such expectations include assumptions such as concession and investment periods, future earnings, and cost of equity. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, include the fair value of investments and the valuation techniques applied, however, not exhaustive.

The valuation techniques are encompassed with uncertainties as regard to the applied assumptions. Please refer to note 4 for further details on the valuation process.

3. Financial risks and financial instruments

The General Partner is ultimately responsible for the overall risk management for the Company but has delegated the responsibility to the Fund Manager, A.P. Møller Capital P/S.

The Company invests according to the investment policy that has been agreed with the Limited Partners. This includes investing in equity or equity related investments in infrastructure assets that provide the basic physical and organizational structures applied for the good functioning of a society in Africa. The primary sectors are transport and logistics as well as energy and utilities.

The Fund Manager has adopted a risk management framework for the Company. This includes tools to identify, measure, report and mitigate risks so as to minimize their potential adverse impact on the Company's performance.

The Company is exposed to several financial risks, which are highlighted below:

Currency risk

The Company is denominated in USD but can invest in other currencies. The Fund Manager is regularly monitoring the effect of the currency fluctuations on its performance and may implement hedging in cases where currency risk increases. The Company considers the currency risk as part of the whole investment risk. The Partnership and the Investments may hedge currency risks for the purpose of avoiding excess non-USD denominated currency exposure.

As of the balance sheet date approximately 87% of the assets are deemed to have an exposure in EUR. A 10% change in the EUR/USD rate would have an impact of approximately USD 50m.

Market risks

Africa Infrastructure Fund I K/S is exposed to market risk arising from changes in market variables such as interest rates, foreign exchange rates, equity and commodity prices, or an issuer's creditworthiness. The investment recommendations are reviewed and approved by the Fund Manager before the investment decisions are implemented. To manage the market price risk, the Fund Manager reviews the performance of the portfolio companies on a quarterly basis. Through its active ownership the Fund Manager is in contact with the boards of the portfolio companies.

The portfolio of investments are well diversified among various industries. However, the investments are based in Africa and a negative event in the African capital markets where Africa Infrastructure Fund I K/S holds investments would most likely affect the financing and/or exit possibilities in general.

NOTES TO THE FINANCIAL STATEMENTS

Interest rate risks

The Company is less sensitive to changes in the interest level than value changes in the investments. The interest rate risk is not considered material. Cash carries current interest at fixed-term deposits.

Liquidity risk and capital risk management

Africa Infrastructure Fund I K/S is exposed to liquidity risk resulting from inability to sell or liquidate a project/ platform company. Given the long-term nature of the Company, the liquidity risk at this time is considered to be low.

The capital of the Company is represented by the net assets attributable to the partners. The Company's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for partners and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities. In order to maintain or adjust the capital structure, the Fund Manager may call unfunded commitment from the limited partners or distribute funds to the limited partners.

Credit risks

The Company has no significant receivables, why the credit risk is not considered material. In addition, the Company is exposed to credit risk due to inability to drawdown uncalled commitments. The Fund Manager is monitoring the credit quality of the investors on a continuous basis.

4. Fair value estimation

Methods and assumptions in determining fair value

The valuation process

The valuations are prepared by the investment team and are reviewed on a quarterly basis and in connection with each investment and divestment. The Fund Manager has established a Valuation Committee that is responsible for the valuations, including application and implementation of the Valuation Policy and for control and approval of all valuations made.

The Committee meets on quarterly basis or whenever deemed necessary to: (i) determine and approve the Fair Value of investments held by the Company; (ii) review the models and techniques used for the quarterly valuation process; and (iii) monitor the material aspects of the Company's Valuation Policy and Procedures. The valuation committee considers the appropriateness of the valuation model itself, the significant and key inputs as well as the valuation results using various valuation methods and techniques generally recognized as standard within the industry.

The Company's Risk Management function reviews the valuation models, the Policy and procedures, the appropriateness in relation to the Company's risk profile and, where relevant, provides support. Additionally, as member of the Valuation Committee, the Risk Manager monitors that the Valuation Policy and designated valuation methodologies are applied accurately and consistently and will escalate to the Compliance function for further investigation if deemed that this is not the case.

In determining the continued appropriateness of the chosen valuation techniques, the Valuation Committee may perform back-testing to consider the various models' actual results and how they have historically aligned with the market transactions.

The fair value of investments in portfolio companies that are not quoted in an active market are determined by using valuation techniques described below. The Company's Fund Manager seeks

NOTES TO THE FINANCIAL STATEMENTS

to adhere both to Invest Europe and to the IPEV Valuation Guidelines, which are in line with IFRS.

- **Multiples Approach:** Appropriate and reasonable multiples from comparable recent transactions or quoted comparables applied to a performance measure (such as revenue and earnings) given the size, risk profile and earnings growth prospects
- **Industry Valuation Benchmarks:** Industry-specific valuation benchmarks, such as price per MW/km/barrel, mostly used as a sanity check of values produced using other techniques
- **Available Market Prices:** Assets traded in an active market valued at the most representative point in bid / ask spread
- **Discounted Cash Flow (DCF):** Present value of future free cash flows, discounted at the Weighted Average Cost of Capital ("WACC"), or Cost of Equity when starting point is Equity Value.
- **Net Asset Value:** Enterprise value derived by assessing liquidation value of assets (and liabilities)
- **Price of Recent Investment (Calibration):** Calibrate the price of recent investments using the techniques above and apply market inputs to calculate inputs such as WACC, multiples, etc.

The DCF approach is the primary approach applied to assess the fair values as of 31 December 2021.

Fair value hierarchy for financial instruments

International Financial Reporting Standards require Africa Infrastructure Fund I K/S to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: inputs are quoted (unadjusted) in active markets for identical assets or liabilities that Africa Infrastructure Fund I K/S can access at the measurement date;

Level 2: inputs are inputs other than quoted prices included within level 1 that are observable for the assets or the liability, either direct or indirect;

Level 3: inputs are unobservable inputs that have been applied in valuing the respective asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

The determination of what constitutes “observable” requires significant judgement by Africa Infrastructure Fund I K/S. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are involved in the relevant market.

The following table shows the classification of the financial instruments, measured at fair value. The values are classified in respect of the fair value hierarchy.

	Level 1 USD ('000)	Level 2 USD ('000)	Level 3 USD ('000)	Total USD ('000)
2021				
Unquoted investments (portfolio Companies)	0	0	572,315	572,315
Financial instruments, measured at fair value	0	0	572,315	572,315
2020				
Unquoted investments (portfolio Companies)	0	0	366,651	366,651
Financial instruments, measured at fair value	0	0	366,651	366,651

Development in Level 3 financial instruments

	1 January 2021 USD ('000)	Acquisitions USD ('000)	Value Adjustments USD ('000)	31 December 2021 USD ('000)
Unquoted investments (portfolio Companies)	366,651	138,254	67,410	572,315
Financial instruments, measured at fair value	366,651	138,254	67,410	572,315

Significant unobservable inputs at level 3

Investments classified within level 3 have been valued based on significant unobservable inputs, as they trade infrequently. As quoted market prices are not available for these investments, the Fund Manager has used the valuation techniques described in this note to determine fair value. In order to assess the valuation made for investments within level 3, the Fund Manager reviews the performance of the portfolio companies. Through its active ownership the Fund Manager is in contact with the boards of the portfolio companies in order to make assessments of business and operational matters which are considered in the valuation process.

The discount rate used to value investments is considered the most significant unobservable input, and the applied range for the discount rate is between 11-14%.

Sensitivity analysis

The fair value of the Company'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 calculation of the investments.

The effect of a change of 1%-point in the applied discount rate would have an impact of USDm -45.4/51.6 to the Fair Value of the portfolio.

NOTES TO THE FINANCIAL STATEMENTS

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.

5. Financial assets at fair value through profit or loss

Industry of investment	Stage of initial investment	Geography	2021		2020	
			Cost of investment	Fair value	Cost of investment	Fair value
			USD (‘000)	USD (‘000)	USD (‘000)	USD (‘000)
Energy	Brownfield and Greenfield	Africa	183,261	210,992	62,255	64,439
	Brownfield and Greenfield	Africa	292,147	361,323	274,899	302,212
Ports & Logistics						
Total portfolio			475,408	572,315	337,154	366,651

NOTES TO THE FINANCIAL STATEMENTS

In accordance with the requirements of IFRS 12, certain disclosures must be provided for an investment company's non-consolidated subsidiaries, and the following information is deemed relevant in this respect:

The Company's investments are not classified as investment entities under IFRS 10 because they are all engaged in developing or owning infrastructure projects. There are no restrictions on the Company's right to receive dividend from or have loans repaid by the investments, except that distributions from current operating activities of the equity investments must be made allowing for debt servicing by such companies.

Investments in portfolio companies

Investment	Place of registered office	Currency ('000)	Share capital	Votes and ownership	Equity at last reporting date	Net profit/loss for the last reported year
Impala Energy Holdings LLP	London, UK	USD	26,549	90.6%	14,780	-5,455
AIF East Africa Power & Energy LLP	London, UK	USD	0	99.0%	38,535	-89
AIF Ports & Logistics LLP	London, UK	USD	0	99.0%	274,796	-27
African Energy Transition Holding LLP	London, UK	USD	0	99.0%	N/A	N/A
AIF I Africa C&I Renewable Energy LLP	London, UK	USD	0	99.0%	N/A	N/A
AIF Africa Power & Energy GP ApS	Copenhagen, DK	DKK	40	100.0%	45	5
Africa Infrastructure Fund Ports & Logistics K/S	Copenhagen, DK	USD	0	100.0%	2,759	-50
Africa Infrastructure Fund Ports & Logistics GP ApS	Copenhagen, DK	DKK	40	100.0%	45	5
Impala Energy ApS	Copenhagen, DK	DKK	40	100.0%	41	1
AIF I C&I Renewable Energy GP ApS	Copenhagen, DK	DKK	40	100.0%	N/A	N/A
AIF I Africa C&I renewable energy K/S	Copenhagen, DK	USD	0	100.0%	N/A	N/A
AIF Power and Water ApS	Copenhagen, DK	DKK	40	100.0%	N/A	N/A
AIF Roads ApS	Copenhagen, DK	DKK	40	100.0%	N/A	N/A
AIF Africa Power & Energy K/S	Copenhagen, DK	USD	0	100.0%	397	-51
AIF CC ApS	Copenhagen, DK	DKK	40	100.0%	N/A	N/A

No annual reports have been published for the entities with N/A

NOTES TO THE FINANCIAL STATEMENTS

6. Limited partners equity

Limited Partners' and General Partner's total committed capital is TUSD 991,750 of which TUSD 445,380 is not yet called.

The Limited Partnership capital has been divided into three classes. These classes are class A investors (i.e. investors not included in class B and C), class B investors and Class C investors.

7. Personnel expenses

The Company (Africa Infrastructure Fund I K/S) has no expenses to personnel.

Average number of employees 2021, 0.
Average number of employees 2020, 0.

A.P. Møller Capital P/S is fund manager of Africa Infrastructure Fund I K/S and the fund pays a management fee for the services received.

According to article 61, section 3, number 5 in the Danish Alternative Investment Fund Managers Act, alternative investment funds must disclose information about the total remuneration of the entire staff of the Fund Manager (A.P. Møller Capital P/S) and the number of beneficiaries. Furthermore, remuneration to material risk-takers must be disclosed:

	2021	2020
	USD	USD
	('000)	('000)
Wages and salaries	10,243	10,290
Pensions	311	927
Other social security costs	44	36
Special payroll tax based on total payroll	-487	-250
Other administration expenses	3,931	4,256
	14,041	15,259
Average number of employees	32	32

Hereof remuneration to Management and Board of Directors:

Board of Directors	84	49
Management:		
Fixed	2,903	2,975
Variable	0	0
Pension	127	132
	3,113	3,156
Number of employees in the above	9	8

NOTES TO THE FINANCIAL STATEMENTS

Three members of the Board of Directors receives remuneration. The Board of Directors and Management is not entitled to variable salary.

No other employees have significant influence on the risk profile of the Company.

Depository fee is paid by the Africa Infrastructure Fund I K/S.

The Board of Directors of the Fund Manager A.P. Møller Capital P/S has further adopted a remuneration policy in order to ensure that the employees and Management are remunerated according to among others the Danish Executive Order on remuneration policy and disclosure requirements on remuneration for managers of alternative investment funds.

The adopted remuneration policy is especially meant to promote the following in relation to the Fund Manager, A.P. Møller Capital P/S:

- Sound and effective risk management, which does not encourage excessive risk-taking.
- Consistency with the principles regarding the protection of the Limited Partners and measures in order to avoid conflicts of interest.

A.P. Møller Capital P/S only acts as Fund Manager for Africa Infrastructure Fund I K/S.

No carried interest has been paid out by Africa Infrastructure Fund I K/S during the financial period.

8. Financial income

Specification of the Financial income

	2021 USD ('000)	2020 USD ('000)
Dividend received	12,425	0
Interest, income	2	37
Realized gain, F/X	10	0
Total Financial income	12,437	37

9. Related party transactions

The following transactions has occurred with other related parties:

	2021 USD ('000)	2020 USD ('000)
General Partner Fee, Africa Infrastructure Fund I GP ApS	3	2
Management fee, A.P. Møller Capital P/S	14,787	15,133
Payroll tax/fees, A.P. Møller Capital P/S	698	0
Shared deal costs	-259	0
Total transactions with related parties	15,229	15,135

NOTES TO THE FINANCIAL STATEMENTS

10. Subsequent events occurring after end of the reporting period

Two new investments have been closed in Q1 2022, KEG Holdings Ltd and Thika Holding Limited. No other events of importance to the Annual Report have occurred during the period from the balance sheet date until the presentation of the Financial Statements.

11. Contingent liabilities

As of 31 December 2021, the Company has entered into commitments to portfolio companies that have not yet been called amounting to USD 144m (2020: USD 132.1m).

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registreret, og informationerne er listet herunder.

“Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument.”

Henrik Dahl

Direktør

På vegne af: Africa Infrastructure Fund I GP ApS

Serienummer: PID:9208-2002-2-462173380766

IP: 87.49.xxx.xxx

2022-05-06 11:01:44 UTC

NEM ID 

Finn Louis Meyer


Direktør

På vegne af: Africa Infrastructure Fund I GP ApS

Serienummer: PID:9208-2002-2-064713563786

IP: 2.105.xxx.xxx

2022-05-07 13:24:32 UTC

NEM ID 

Thomas Wraae Holm

Statsautoriseret revisor

På vegne af: PwC

Serienummer: CVR:33771231-RID:18972118

IP: 83.136.xxx.xxx

2022-05-08 07:01:02 UTC

NEM ID 

René Otto Poulsen

Statsautoriseret revisor

På vegne af: PwC

Serienummer: CVR:33771231-RID:24479570

IP: 83.136.xxx.xxx

2022-05-09 08:27:02 UTC

NEM ID 

Penneo dokumentnøgle: STUIB-MY8EB-WLO5Z-UOLKE-PLESN-ZPVE4

Dette dokument er underskrevet digitalt via **Penneo.com**. Signeringsbeviserne i dokumentet er sikret og valideret ved anvendelse af den matematiske hashværdi af det originale dokument. Dokumentet er låst for ændringer og tidsstempelt med et certifikat fra en betroet tredjepart. Alle kryptografiske signeringsbeviser er indlejret i denne PDF, i tilfælde af de skal anvendes til validering i fremtiden.

Sådan kan du sikre, at dokumentet er originalt

Dette dokument er beskyttet med et Adobe CDS certifikat. Når du åbner dokumentet

i Adobe Reader, kan du se, at dokumentet er certificeret af **Penneo e-signature service** <penneo@penneo.com>. Dette er din garanti for, at indholdet af dokumentet er uændret.

Du har mulighed for at efterprøve de kryptografiske signeringsbeviser indlejret i dokumentet ved at anvende Penneos validator på følgende websted: <https://penneo.com/validate>