

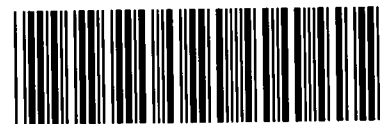
**Aberdeen European
Infrastructure GP Limited**

**Annual Report and Audited
Financial Statements**

For the year ended 31 December 2020

Company Number 07477742

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ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

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ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

SUMMARY OF DIRECTORS AND ORGANISATION

DIRECTORS:	M S Amin G D Cohen I H Y Wong
REGISTERED OFFICE:	Bow Bells House 1 Bread Street London EC4M 9HH
SECRETARY AND ADMINISTRATOR:	TMF Group Fund Administration (Guernsey) Limited Western Suite Ground Floor Mill Court La Charroterie St Peter Port Guernsey GY1 1EJ
INDEPENDENT AUDITOR:	KPMG Channel Islands Limited Glategny Court Glategny Esplanade St Peter Port Guernsey GY1 1WR
BANKER:	Lloyds Bank International Sarnia House Le Truchot St Peter Port Guernsey GY1 4EF
INVESTMENT MANAGER:	Aberdeen Standard Fund Managers Limited Bow Bells House 1 Bread Street London EC4M 9HH

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 December 2020

The Directors present their annual report and audited financial statements for Aberdeen European Infrastructure GP Limited (the "Company") for the year ended 31 December 2020.

The Company qualifies as a small company in accordance with Section 381-382 of the Companies Act 2006 (the "Act") and the Report of the Directors has therefore been prepared taking into consideration the provisions of Part 15 of the Act. The Company has taken advantage of exemptions available to small sized entities as defined in the Act.

In preparing this report, the Directors have taken advantage of the small companies exemption provided by Section 41B of the Act and have not prepared a strategic report.

Principal activity

The Company's principal activity during the year was to act as General Partner to Aberdeen European Infrastructure Partners LP ("AEIPLP" or the "Fund"). The Company remains committed to the business of the Fund and will continue to act as General Partner in the future. The Company is a subsidiary of ABRDN Plc.

Principal risks and uncertainties

ABRDN Plc, of which the Company is part, has an established Enterprise Risk Management framework, integrating oversight of strategic planning, operational management of the business and internal control.

The principal risks and uncertainties facing the Company are integrated into the principal risks of the merged group under ABRDN Plc and are therefore not managed separately. Accordingly, the principal risks and uncertainties of ABRDN Plc, which include those of the Company, are discussed fully in the ABRDN Plc Annual Report and Accounts which does not form part of this report.

The list below does however provide a summary of the key risks facing the Company which are also common to ABRDN Plc. Further details on each of the risks, together with how they link to the new strategy, how they have evolved over the year and how they are managed can be found in ABRDN Plc accounts.

The principal risks to which the Company is most specifically exposed can be categorised as follows:

Operational risk: IT failure and security including cyber risk; third party oversight; and process execution failure.

Regulatory and legal risk: the Company operates in a highly regulated industry, across a number of geographies and regulatory regimes, which has the potential to expose the Company to risks.

Brexit

The UK left the European Union ("EU") on 31 January 2020 ("Brexit"). The transitional period in which the UK was no longer a member of the EU but was still subject to EU rules and remained a member of the Customs Union, was concluded on 31 December 2020. Following the end of this transition period, a limited trade deal was agreed. However, implications for matters such as imports/exports, investment, taxes etc are evolving. Consequently, there will likely be impacts to many UK businesses as the UK's future trading relationship with the EU remains subject to negotiation. The Directors in conjunction with the Investment Manager will continue to follow developments closely and assess their implications in relation to their contingency planning. The Directors priority is to ensure the Investment Manager is suitably placed to support the Company.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

For the year ended 31 December 2020

COVID-19

COVID-19 is a developing situation and the assessment of this situation will need continued attention and will evolve over time. The Directors have considered the impact of COVID-19 and where applicable have built this into its fair value modelling which have been reflected in the fair value of the investments in the financial statements of the underlying LP.

The rapid development and fluidity of the COVID-19 virus makes it difficult to predict the ultimate impact at this stage. However, the Directors do not underestimate the seriousness of the issue and the inevitable effect it will have on the global economy and many businesses across the world.

The Directors believe that the impact of the virus outbreak will be material on the general economy as initially evidenced by some central banks having already started to act by reducing interest rates and taking other measures. Undoubtedly, this will have implications for the underlying investment portfolio of the Fund.

The Company is currently in a net asset value position of GBP 1,001 (2019: GBP 1,001) and holds a cash balance of GBP 670,029 (2019: GBP 404,129). The Board believes that the Company holds adequate resources to continue in business for the next twelve months from the date of signing these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Key performance indicators

Given the straightforward nature of the business, the Directors believe that analysis using key performance indicators is not necessary or appropriate to understand the development, performance or financial position of the Company.

Business review

The Company's total comprehensive income for the year was GBPnil (2019: GBPnil). No dividends were paid during the year (2019: GBPnil).

Directors

The Directors at the date of this report are as stated on page 1 and all served during the year, unless otherwise stated.

Audit information

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Independent Auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Independent Auditor is aware of that information.

Independent Auditor

KPMG Channel Islands Limited have indicated their willingness to continue in office. A resolution to re-appoint the Independent Auditor will be put forward at the forthcoming Annual General Meeting.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

For the year ended 31 December 2020

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

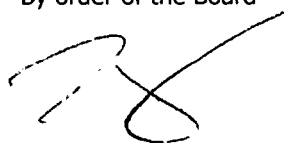
In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing financial statements.

By order of the Board



Director , Ivan Wong
16 September 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED**

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of Aberdeen European Infrastructure GP Limited (the "Company"), which comprise the statement of financial position as at 31 December 2020, the statements of comprehensive income and changes in equity for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020, and of the Company's results for the year then ended;
- are properly prepared in accordance with United Kingdom accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED
(CONTINUED)**

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED
(CONTINUED)**

Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

The report of the directors

The directors are responsible for the report of the directors. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the report of the directors and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the report of the directors;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.;

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED
(CONTINUED)**

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Rachid Frihmat (Senior Statutory Auditor)
For and on behalf of KPMG Channel Islands Limited (Statutory Auditor)
Chartered Accountants
Guernsey
16 September 2021

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2020

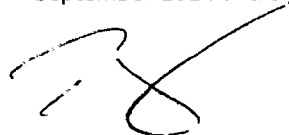
	<i>Note</i>	2020 GBP	2019 GBP
INCOME			
General Partner's Share		744,103	22,666
Foreign exchange gain		175	-
Total income		<u>744,278</u>	<u>22,666</u>
EXPENSES			
Management fees		721,932	-
Administration fees		13,904	14,026
Audit remuneration	3.1	5,936	5,893
Other operating expenses		2,506	1,742
Foreign exchange loss		-	1,005
Total expenses		<u>744,278</u>	<u>22,666</u>
Profit on ordinary activities before tax		-	-
Tax		-	-
Profit on ordinary activities after tax		-	-
Total comprehensive income for the year		<u>-</u>	<u>-</u>
Attributable to Equity holder:			
Total comprehensive income for the year		<u>-</u>	<u>-</u>

The notes on pages 12 to 17 form part of these financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED**STATEMENT OF FINANCIAL POSITION
As at 31 December 2020**

	<i>Notes</i>	2020 GBP	2019 GBP
Assets			
Non-current assets			
Equity securities - unlisted	4	2	2
Current assets			
Receivables	5	473,838	-
Cash and cash equivalents		670,029	404,129
Total current assets		1,143,867	404,129
Total assets		1,143,869	404,131
Equity and liabilities			
Equity			
Share capital	7	1,000	1,000
Retained earnings		1	1
Total equity		1,001	1,001
Liabilities			
Current liabilities			
Payables and accruals	6	1,142,868	403,130
Total liabilities		1,142,868	403,130
Total equity and liabilities		1,143,869	404,131

The financial statements were authorised for issue by the Board of Directors of the Company on 16 September 2021 and signed on its behalf by:



Director, Ivan Wong
16 September 2021

The notes on pages 12 to 17 form part of these financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

	Share capital GBP	Retained earnings GBP	Total equity GBP
Balance at 1 January 2019	1,000	1	1,001
Total comprehensive income for the year	-	-	-
Balance at 31 December 2019	1,000	1	1,001
Total comprehensive income for the year	-	-	-
Balance at 31 December 2020	1,000	1	1,001

The notes on pages 12 to 17 form part of these financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL INFORMATION

The Company is domiciled in the United Kingdom. The address of its registered office is Bow Bells House, 1 Bread Street, London, EC4M 9HH.

The Company's business activities, together with expected future developments and key risks facing the Company, are detailed in the Report of the Directors.

The financial statements were authorised for issue by the Board of Directors of the Company on 16 September 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the year, unless otherwise stated.

2.1 Basis of preparation

(a) Financial Reporting Standard 101 Reduced Disclosure

The Company meets the definition of a qualifying entity under Application of Financial Reporting Requirements 100 as issued by the Financial Reporting Council. Accordingly, the financial statements for year ended 31 December 2020 have been prepared in accordance with FRS 101 as issued by the Financial Reporting Council and in compliance with the Companies (Guernsey) Law, 2008.

Application of FRS 101, in conjunction with the equivalent disclosures being available in the group accounts of ABRDN Plc, has allowed the Company to take advantage of various disclosure exemptions. These are presentation of a cash-flow statement, standards not yet effective, financial instruments and transactions with group companies.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

(b) New interpretations and amendments to existing standards that have been adopted by the Company

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2020, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Going concern

The Directors have considered the impact of COVID-19 and where applicable have built this into its fair value modelling which have been reflected in the fair value of the investments in the financial statements of the underlying LP.

The Company is currently in a net asset value position of GBP 1,001 (2019: GBP 1,001) and holds a cash balance of GBP 670,029 (2019: GBP 404,129). The Board believes that the Company holds adequate resources to continue in business for the next twelve months from the date of signing these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

2.3 Foreign currency translation

(a) Functional and presentation currency

The Board of Directors consider Pounds Sterling ("GBP") as the functional and presentation currency of the Company. This is the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Company. Although the Company receives fee income and pays management fees to the Investment Manager in Euro ("EUR"), other operating expenditure and the share capital of the Company are denominated in GBP.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income.

Assets and liabilities in the Statement of Financial Position presented are translated at the exchange rate prevailing at the Statement of Financial Position date. Income and expenses in the Statement of Comprehensive Income are translated into the functional currency using the exchange rates prevailing at the date of the transaction. All resulting exchange differences are recognised in equity, in the cumulative translation adjustment reserve. All items included in the Statement of Changes in Equity, other than the comprehensive income for the period, are translated at historical exchange rates.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency assets and liabilities, other than financial assets and liabilities at fair value through profit or loss are translated into the functional currency using the exchange rate prevailing at the Statement of Financial Position date.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial assets

Equity securities - Unlisted

(a) Classification

The Company classifies its investments in equity securities as financial assets at fair value through profit or loss at inception.

Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy.

(b) Recognition, derecognition and measurement

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

Subsequent to initial recognition, these financial assets are measured at fair value. Gains and losses arising from changes in the fair value are presented in the Statement of Comprehensive Income in the period they arise.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

2.5 Receivables

In accordance with IFRS 9, receivables are initially recognised at fair value and measured subsequently at amortised cost using the effective interest rate method less provision for impairment. Given the nature of receivables, however, and the short time involved between their origination and settlement, their amortised cost is the same as their fair value at the date of origination.

2.6 Cash and cash equivalents

Cash and cash equivalents consist of cash balances that are freely available with a maturity of three months or less. As at 31 December 2020 and 2019, the carrying amounts of cash and cash equivalents approximate their fair values.

2.7 Payables and accruals

Payables and accruals are initially recognised at fair value and measured subsequently at amortised cost using the effective interest rate method. Payables and accruals are derecognised when the obligation under the liability is discharged, cancelled or expires. As at 31 December 2020 and 2019, the carrying amounts of the payables and accruals approximate their fair values.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

2.8 General Partner's Share / General Partner's Share receivable

In accordance with Clauses 9.1 and 9.2 of the Amended and Restated Limited Partnership Agreement (the "LPA") dated 1 May 2014, the Company is entitled to receive a General Partner's Share ("GPS") and there shall be allocated to the Company as a first charge on the Net Income and Capital Gains of the Fund.

GPS is recognised when the right to receive payment is established. General Partner's Share is initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

The GPS is calculated as follows:

- (i) in respect of the period from the Closing Date up to and including the date on which the Investment Period ends, 1.00% per annum of Total Commitments; and
- (ii) in respect of the period from the end of the Investment Period up to and including the tenth anniversary of the Closing Date, 1.00% per annum of Invested Capital; and
- (iii) in respect of the period from the tenth anniversary of the Closing Date up to and including the twenty-fifth anniversary of the Closing Date, 0.65% per annum of Invested Capital.

The GPS shall be reduced by deducting an amount equal to 100% of any transaction fees, abort fees and other fees earned by the General Partner, Investment Manager or any associate of either.

2.9 Expenses

Expenses are recognised on an accruals basis.

Management fees represent the Company's share of the General Partner fees payable to Aberdeen Standard Fund Managers Limited ("ASFML"), in lieu of the provision of services as the Investment Manager to the Fund. Management fees are limited to any surplus income after all expenses have been settled.

2.10 Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised in other comprehensive income. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2.11 Share capital

Share capital represents the nominal value of shares that have been issued.

2.12 Critical accounting estimates and judgements

Management have not used any significant accounting estimates or judgements when preparing the financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2020**

3. EXPENSES

3.1 Audit remuneration

Fees charged by the Company's Independent Auditor for the audit of the Company's annual accounts for the year ended 31 December 2020 were GBP 5,936 (2019: GBP 5,893).

3.2 Staff costs

The Company has no employees. The Directors of the Company waived their right to receive Directors' remuneration.

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020 GBP	2019 GBP
Equity securities - unlisted	2	2

For the year ended 31 December 2020, the Company owns one Membership Share in Aberdeen Infrastructure IV B.A. and Aberdeen Infrastructure II - B.B.A (2019: Aberdeen Infrastructure II - B.B.A. and Aberdeen Infrastructure II - B.B.A.).

5. RECEIVABLES

	2020 GBP	2019 GBP
GPS receivable	473,838	-

6. PAYABLES AND ACCRUALS

	2020 GBP	2019 GBP
Administration fees	3,374	3,374
Audit fees	5,740	5,600
Amounts due to Group companies	1,133,754	394,156
	1,142,868	403,130

Amounts due to Group companies include management fees which are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

ABERDEEN EUROPEAN INFRASTRUCTURE GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2020**

7. SHARE CAPITAL

	2020 GBP	2019 GBP
Authorised		
Unlimited ordinary shares of GBP1 nominal value	<u>unlimited</u>	<u>unlimited</u>
Issued and fully paid		
1,000 ordinary shares of GBP1 nominal value	<u>1,000</u>	<u>1,000</u>

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company.

8. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

9. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is Aberdeen Alternatives (Holdings) Limited and its ultimate parent company is Abrdn Plc, which is incorporated in the United Kingdom and registered in Scotland.

The results of the Company are consolidated in the Group accounts Abrdn Plc, which is the largest and smallest group that the results are consolidated within, which are available to the public and may be obtained from 1 George Street, Edinburgh, EH2 2LL.

10. SUBSEQUENT EVENTS

The Directors have evaluated the impact of all subsequent events on the Company occurring between the end of the reporting period and 16 September 2021, the date the financial statements were available to be issued and have determined there were no subsequent events to report as at the date of signing this report and the audited financial statements.

Aberdeen European Infrastructure Partners LP

Annual Report and Audited Financial Statements

For the year ended 31 December 2020

Partnership Registration LP014271

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

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ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

SUMMARY OF OFFICERS AND PROFESSIONAL ADVISERS

GENERAL PARTNER:	Aberdeen European Infrastructure GP Limited Bow Bells House 1 Bread Street London EC4M 9HH
DIRECTORS OF THE GENERAL PARTNER:	M S Amin G D Cohen I H Y Wong
REGISTERED OFFICE:	Bow Bells House 1 Bread Street London EC4M 9HH
ADMINISTRATOR:	TMF Group Fund Administration (Guernsey) Limited Western Suite Ground Floor Mill Court La Charroterie St Peter Port Guernsey GY1 1EJ
BANKERS:	Lloyds Bank International Limited Sarnia House Le Truchot St Peter Port Guernsey GY1 4EF Barclays Bank Le Marchant House Le Truchot St Peter Port Guernsey GY1 3BE
INDEPENDENT AUDITOR:	PricewaterhouseCoopers CI LLP P.O. Box 321 Royal Bank Place 1 Gategny Esplanade St Peter Port Guernsey GY1 4ND

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

SUMMARY OF OFFICERS AND PROFESSIONAL ADVISERS (CONTINUED)

INVESTMENT MANAGER: Aberdeen Standard Fund Managers Limited
Bow Bells House
1 Bread Street
London
EC4M 9HH

DEPOSITARY: State Street Trustees Limited
20 Churchill Place
London
E14 5HJ

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

REPORT OF THE GENERAL PARTNER For the year ended 31 December 2020

The General Partner presents its annual report and audited financial statements for Aberdeen European Infrastructure Partners LP (the "Fund" or "Investment Entity") for the year ended 31 December 2020.

Limited partnership

The Fund was established on 4 January 2011 and is registered as a limited partnership in England under the Limited Partnerships Act 1907.

The Fund is a registered closed-ended investment fund domiciled and established as a limited partnership under the laws of England. The General Partner is responsible for ensuring that the Fund is always operated and managed under the terms of the Limited Partnership Agreement ("LPA"). The General Partner has delegated these responsibilities to the Investment Manager.

Principal activity

The Fund was established to invest in primary social and economic infrastructure projects in the European Union (excluding the UK) which offer investors the opportunity to earn attractive risk adjusted returns with a low correlation to economic cycles and other investment classes for its projected 25 year life.

The Fund invests in social and economic infrastructure projects (e.g. health, defence, education, social housing, government accommodation, custodial facilities, roads, bridges, rail and waste management) underpinned by long-term secure government contracts characterised by stable, predictable, availability-based cash flows.

The Fund's objective is to generate significant long-term investment yield. It aims to achieve this objective by investing in a portfolio of high-quality, predominantly operational, Private Finance Initiative ("PFI")/Public Private Partnerships ("PPP") assets. The portfolio is expected to generate long-term, inflation-linked cash flows, principally driven by low-risk, availability-based contracts with government agencies.

Financial risk management

The key risks and uncertainties faced by the Fund are managed within the framework established for the Investment Manager. Exposures to market risk, credit risk and liquidity risk arise in the normal course of the Fund's business. These risks are discussed, and supplementary qualitative and quantitative information is provided in Note 8 to the financial statements. The Fund's liquidity risk management is delegated to the Investment Manager.

Results and review of business

The Fund's total comprehensive income for the year was EUR27,713,682 (2019: EUR48,093,853). Capital returned during the year amounted to EUR15,430,000 (2019: EUR34,097,148).

Brexit

The United Kingdom left the European Union ("EU") on 31 January 2020 ("Brexit"). The transitional period in which the UK was no longer a member of the EU but was still subject to EU rules and remained a member of the Customs Union, was concluded on 31 December 2020. Following the end of this transition period, a limited trade deal was agreed. However, implications for matters such as imports/exports, investment, taxes etc are evolving. Consequently, there will likely be impacts to many UK businesses as the UK's future trading relationship with the EU remains subject to negotiation. The General Partner in conjunction with the Investment Manager will continue to follow developments closely and assess their implications in relation to their contingency planning. The General Partner's priority is to ensure the Investment Manager is suitably established to support the Fund.

REPORT OF THE GENERAL PARTNER (CONTINUED)

For the year ended 31 December 2020

Brexit (continued)

As at 11pm on 31 December 2020, International Financial Reporting Standards as adopted by the European Union ("IFRS") as it existed have been "frozen" into UK law and the Fund has utilized the frozen EU-IFRS in accordance with the international accounting standards in conformity with the requirements of the Companies Act 2006.

Statement of General Partner's responsibilities in respect of the financial statements

The General Partner is responsible for preparing the financial statements for each financial year which give a true and fair view, in accordance with applicable law, the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008, the LPA and international accounting standards in conformity with the requirements of the Companies Act 2006, of the state of affairs of the Fund and of the profit or loss of the Fund for that year.

In preparing these financial statements, the General Partner is also required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The General Partner is responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the Fund and enable the General Partner to ensure that the financial statements comply with applicable law, international accounting standards in conformity with the requirements of the Companies Act 2006 and the LPA. The General Partner is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Partner confirms that it has complied with the above requirements in preparing the financial statements.

Audit information

As at the date of approval of the Report of the General Partner, the General Partner confirms that, so far as the General Partner is aware, there is no relevant audit information of which the Fund's Independent Auditor is unaware; and the General Partner has taken all the steps that ought to have been taken as a General Partner to be aware of any relevant audit information and to establish that the Fund's Independent Auditor is aware of that information.

Subsequent events

Management has evaluated the impact of all subsequent events on the Company occurring between the end of the reporting period and 30 March 2021, the date the financial statements were available to be issued and has determined that there were no subsequent events requiring adjustment or additional disclosure at the date of signing this report and the audited financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

REPORT OF THE GENERAL PARTNER (CONTINUED)

For the year ended 31 December 2020

Statement of General Partner's responsibilities in respect of the financial statements (continued)

COVID-19

COVID-19 is a developing situation and the assessment of this situation will need continued attention and will evolve over time. The General Partner has considered the impact of COVID-19 and where applicable has built this into its fair value modelling which has been reflected in the fair value of the investments in the financial statements.

The rapid development and fluidity of the COVID-19 virus makes it difficult to predict the ultimate impact at this stage. However, the General Partner does not underestimate the seriousness of the issue and the inevitable effect it will have on the global economy and many businesses across the world.

The General Partner believes that the impact of the virus outbreak will be material on the general economy as initially evidenced by some central banks having already started to act by reducing interest rates and taking other measures. Undoubtedly, this will have implications for the underlying investment portfolio of the Fund.

Going concern

The General Partner considers that the Fund has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the General Partner has taken into account all available information about the foreseeable future and consequently the going concern basis is appropriate in preparing the financial statements.

Independent auditor

PricewaterhouseCoopers CI LLP have indicated their willingness to continue in office and a resolution to re-appoint the Independent Auditor will be put forward at the forthcoming Annual General Meeting.



I H Y Wong
Director

General Partner
30 March 2021

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

REPORT OF THE INVESTMENT MANAGER

For the year ended 31 December 2020

Alternative Investment Fund Managers Directive

The EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU) ("AIFMD") entered into force on 21 July 2011 and member states, including the United Kingdom, were required to transpose this into national law by 22 July 2013. The AIFMD has been implemented in the United Kingdom by a combination of the HM Treasury Regulations and FCA handbook rules.

The Investment Manager is the designated Alternative Investment Fund Manager ("AIFM") and is subject to regulation under the AIFMD. The AIFM has regular reporting responsibilities in accordance with the AIFMD. The Fund is considered to be an Alternative Investment Fund ("AIF") managed by the AIFM. Whilst the Investment Manager's registration as an AIFM has no direct regulatory bearing on the AIF, the AIFM has, together with the General Partner, agreed to make available certain information in order to assist the AIFM in complying with its responsibilities.

Report on the activities of the financial year

Information on the activities of the Fund in each quarter are discussed in the Fund's Limited Partner Reports which are issued separately to the Fund's Limited Partners on a quarterly basis. The Fund's performance is discussed on a quarterly basis at the respective investor advisory committees.

Material changes and periodic risk management

Material changes are discussed in the Fund's Limited Partner Reports which are issued separately to the Fund's Limited Partners on a quarterly basis.

In relation to Risk Management, please refer to Note 8 in the Notes to the Financial Statements for details regarding the Fund's exposure to certain Financial Risks which require disclosure under the AIFMD. Separately, Operational Risks are detailed in the Operational Risk Management Report which is available to relevant regulators and the Fund's Limited Partners upon request. Such a request should be made to the Investment Manager.

Remuneration disclosure

Remuneration policy

The Standard Life Aberdeen plc Remuneration Policy applied with effect from 1 January 2018. The purpose of the Standard Life Aberdeen plc Remuneration Policy (the "Policy") is to document clearly the remuneration policies, practices and procedures of Standard Life Aberdeen group of companies ("SLA"). It has been approved by the Standard Life Aberdeen plc Remuneration Committee and is subject to the Remuneration Committee's annual review. The Policy applies to employees of SLA.

The AIFM is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("FCA") and is a wholly owned subsidiary of Standard Life Aberdeen plc.

The Remuneration Committee of Standard Life Aberdeen plc ("Remuneration Committee") adopted an AIFM Remuneration Policy to ensure that the requirements of the AIFMD are fully adhered to by the group. This policy applies to the Investment Manager and the AIFs it manages. This policy is available on request.

REPORT OF THE INVESTMENT MANAGER (CONTINUED) **For the year ended 31 December 2020**

Remuneration disclosure (continued)

Remuneration principles

SLA applies group wide principles for remuneration policies, procedures and practices ensuring that remuneration design and the basis for awards will be clear, transparent and fair, in line with business strategy, objectives, culture, values and long term interests of SLA. Remuneration policies, procedures and practices should be consistent with and promote good conduct which includes sound and effective risk management and not encourage risk taking that exceeds the level of tolerated risk of SLA. Total variable remuneration will be funded through pre-agreed distribution metrics. Where SLA's financial performance is subdued or negative, total variable remuneration should generally be contracted, taking into account both current remuneration and reductions in pay-outs of amounts previously granted and having regard for SLA's long term economic viability.

In addition to applying the SLA wide principles above, Aberdeen Standard Investments ("ASI") applies a number of additional principles including the following, when determining remuneration for employees:

- a) Remuneration should be competitive and reflect both financial, non-financial and personal performance;
- b) Remuneration design will align the interests of employees, shareholders and importantly our clients/customers;
- c) Remuneration structure will reward delivery of results over appropriate time horizons and will include deferred variable compensation at an appropriate level for the employee's role;
- d) Provide an appropriate level of fixed remuneration to balance risk and reward.

Governance and regulatory compliance

The Remuneration Committee is made up of independent non-executive directors and makes recommendations to the Board of Standard Life Aberdeen plc (the "Board") to assist it with its remuneration related duties. The Chief People Officer of SLA is responsible for ensuring the implementation of the Policy in consultation with the Remuneration Committee as well as other members of the Executive Committee ("Executive Body") (as defined by the Board), if appropriate.

Financial and non-financial criteria

Variable remuneration is based on a rounded assessment of Group, Divisional and individual performance. When assessing individual performance, financial as well as non-financial criteria are taken into account. Individual performance is based on the individual's appraisal, which includes an employee's compliance with controls and applicable company standards including the Group's Code of Ethics, including Treating Customers Fairly and Conduct Risk.

Conflicts of interest

The Conflicts of Interest Policy is designed to avoid conflicts of interest between SLA and its clients. This Policy prohibits any employee from being involved in decisions on their own remuneration. Furthermore, all employees are required to adhere to SLA's Global Code of Conduct, which encompasses conflicts of interest.

The Policy should, at all times, adhere to local legislation, regulations or other provisions. In circumstances or in jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions, then the latter will prevail.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

REPORT OF THE INVESTMENT MANAGER (CONTINUED)

For the year ended 31 December 2020

Remuneration disclosure (continued)

Remuneration framework

Employee remuneration is composed principally of fixed and variable elements of reward as follows:

- a) Fixed reward (fixed remuneration: salary (and cash allowances, if appropriate); and Benefits (including pension).
- b) Variable reward (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements) and senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed and variable remuneration will be set so as to ensure that:

- a) Fixed and variable components of total remuneration are appropriately balanced and
- b) The fixed component is a sufficiently high proportion of total remuneration to allow SLA to operate a fully flexible policy on variable remuneration components, including paying no variable remuneration component.

<i>Fixed Remuneration</i>	Base salary provides a core reward for undertaking the role, where appropriate, and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration.
<i>Benefits</i>	Benefits are made up of: core benefits, which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees and which may require contribution through salary sacrifice or other arrangements. Extra voluntary benefits are designed to support the health and wellbeing of employees through enabling individual selection based on lifestyle choices. SLA will ensure that the core and voluntary employee benefits policies are in line with relevant market practice, its views on managing its business risk objectives, culture and values and long-term interests and local requirements.
<i>Pension</i>	SLA's pension policies (which consist of defined contribution plans and legacy defined benefit plans) are in line with legislative requirements, governance structures and market practice, and reflect SLA's long-term views on risk and financial volatility, its business objectives, culture and values and long-term interests and local requirements. In certain circumstances, SLA may offer a cash allowance in lieu of any pension arrangement.
<i>Annual Performance Bonus Awards</i>	Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year. Eligibility criteria for an annual bonus are set out in the rules of the relevant bonus plan and/or contract of employment, as appropriate. The bonus plan in place is designed to reward performance in line with the business strategy, objectives, culture and values, long term interests and risk appetite of SLA. All Executive Directors are awarded bonuses under a SLA bonus plan as detailed in the Directors' Remuneration Report.
<i>Other variable Pay Plans</i>	Selected employees may participate in other variable pay plans, for example, performance fee share arrangements, where it is appropriate for their role or business unit. These plans operate under the overarching remuneration principles that apply across the group and, where appropriate, are also subject to specific principles governing incentives and are compliant with the requirements of any applicable regulatory standards.

REPORT OF THE INVESTMENT MANAGER (CONTINUED)

For the year ended 31 December 2020

Remuneration disclosure (continued)

Clawback/Malus

A clawback/malus principle applies to the variable pay plan. This enables the Remuneration Committee to seek to recoup the deferred amount of any unvested variable pay, in the exceptional event of misstatement or misleading representation of performance; a significant failure of risk management and control; or serious misconduct by an individual.

Guaranteed variable remuneration

Guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of service.

AIFMD identified staff

Staff considered AIFMD Identified Staff are those categories of staff whose professional activities have a material impact on the risk profiles of the AIFM or the AIFs that the AIFM manages.

AIFMD identified staff will include; Senior Management; Risk takers, Staff engaged in control functions; and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, and whose professional activities have a material impact on the risk profiles of the company or the funds that SLA manages.

Control functions

SLA adheres to the principles and guidelines of regulations that apply to SLA in defining control functions. control functions include, but are not necessarily limited to, Risk, Compliance, Internal Audit and Actuarial functions or roles.

SLA will ensure that, as appropriate, senior employees engaged in a control function:

- a) Are independent from the Business Units they oversee;
- b) Have appropriate authority, and
- c) Their remuneration is directly overseen by the Remuneration Committee.

This is achieved by the main control functions being outside the business, and a material proportion of their annual incentives being subject to a scorecard based on the performance of the control function. Performance against the scorecard is reviewed by the relevant independent governing committee (either Risk & Capital Committee, or Audit Committee). SLA's People Function reviews the remuneration of employees in control functions and benchmarks with the external market to ensure that it is market competitive and adequately reflects employees' skills and experience.

Personal hedging

AIFMD Identified Staff are not permitted to undermine the risk alignment effects of the AIFMD Remuneration Code. Personal hedging strategies; or remuneration-related insurance; or liability-related insurance is not permissible on remuneration.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

REPORT OF THE INVESTMENT MANAGER (CONTINUED)

For the year ended 31 December 2020

Remuneration disclosure (continued)

Employee Remuneration Disclosure

The table below provides an overview of the following:

- Aggregate total remuneration paid by Aberdeen Standard Fund Managers Limited to its entire staff; and
- Aggregate total remuneration paid by Aberdeen Standard Fund Managers Limited to its 'Identified Staff'.

The 'Identified Staff' of Aberdeen Standard Fund Managers Limited are those employees who could have a material impact on the risk profile of Aberdeen Standard Fund Managers Limited or the AIFs it manages, including Aberdeen European Infrastructure Partners LP.

This broadly includes senior management, risk takers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from 1 January 2020 to 31 December 2020 inclusive.

Aberdeen European Infrastructure Partners LP	Headcount	Total Remuneration €'000	AIF or UCITS proportion €'000 ⁴
Aberdeen Standard Fund Managers Limited staff ¹	346	42,272	415
of which			
Fixed remuneration		31,223	307
Variable remuneration		11,049	108
Carried Interest		NIL	
Aberdeen Standard Fund Managers Limited 'Identified Staff' ²	139	15,801	175
of which			
Senior Management ³	9	1,704	19
Other 'Identified Staff'	130	14,097	156

The above table has not been audited.

- 1 As there are a number of individuals indirectly and directly employed by Aberdeen Standard Fund Managers Limited this figure represents an apportioned amount of SLA's total remuneration fixed and variable pay, apportioned to the relevant AIF on an AUM basis, plus any carried interest paid by the AIF. The Headcount figure provided reflects the number of beneficiaries calculated on a Full Time Equivalent basis.
- 2 The Identified Staff disclosure represents total compensation of those staff of the AIFM who are fully or partly involved in the activities of the AIFM, apportioned to the estimated time relevant to the AIFM, based on their time in role during the reporting period and the AIFM's proportion of SLA's total AUM. Across the 'Identified Staff', the average percentage of AUM allocation per individual based on work undertaken for Aberdeen Standard Fund Managers Limited as an AIFM was 25.28%.
- 3 Senior management are defined in this table as AIFM Directors and members of the Standard Life Aberdeen plc Board, together with its Executive Committee, Investment Management Committee and Group Product Committee.
- 4 This figure represents an apportioned amount of the total remuneration of the 'Identified staff' attributable to the AIF allocated on an AUM basis.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

STRATEGIC REPORT

For the year ended 31 December 2020

The General Partner presents its strategic report on the Fund for the year ended 31 December 2020.

Results and review of business

The total comprehensive income for the year is set out in the Statement of Comprehensive Income on page 16. The General Partner considers the performance of the Fund during the year and its financial position at the end of the year, to be in line with the long term expected performance of the project, and its prospects for the future to be satisfactory.

Principal activity

The principal activity is investment holding. There has been no change in that activity during the year.

The Fund's objective is to generate significant long-term investment yield. It aims to achieve this objective from its investment in a portfolio of PFI/PPP assets held via its Subsidiary (please see Note 5 for further information), Cooperatief Aberdeen Infrastructure B.A. ("Coop AI B.A."). The portfolio is expected to generate long-term, inflation-linked cash flows, principally driven by low-risk, availability-based contracts with government agencies.

The General Partner has responsibility for ensuring the Fund is always operated and managed under the terms of the LPA. The General Partner has delegated these responsibilities to the Investment Manager.

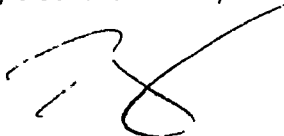
Principal risks and uncertainties

The key risks and uncertainties faced by the Fund are managed within the framework established for the Investment Manager. Exposures to market risk, credit risk and liquidity risk arise in the normal course of the Fund's business. These risks are discussed, and supplementary qualitative and quantitative information are provided in Note 8 to the financial statements. The Fund's liquidity risk is managed by the Investment Manager.

Key performance indicators

The Fund is a feeder vehicle in which Stichting Depositary APG Infrastructure Pool 2011 acting in its capacity as depositary of APG Infrastructure Pool 2011 and Aberdeen Asset Management Plc, both ultimately invest in a portfolio of PFI/PPP assets. Given the straightforward nature of the business, the Directors of the General Partner are of the opinion that analysis using KPI's is not necessary for the understanding of the development, performance, or position of the business.

By order of the Board,



I H Y Wong

Director

General Partner

30 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

Report on the audit of the financial statements

Opinion

In our opinion, Aberdeen European Infrastructure Partners LP's financial statements:

- give a true and fair view of the state of the partnership's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 as applied to qualifying partnerships; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2020; the Statement of Comprehensive Income, the Statement of Changes in Net Assets Attributable to the Limited Partners and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the general partner's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the partnership's ability to continue as a going concern.

Our responsibilities and the responsibilities of the general partner with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT

TO THE PARTNERS OF ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP (CONTINUED)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The general partner is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Report of the General Partner, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 as applied to qualifying partnerships requires us also to report certain opinions and matters as described below.

Strategic Report and Report of the General Partner

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the General Partner for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the General Partner.

Responsibilities for the financial statements and the audit

Responsibilities of the general partner for the financial statements

As explained more fully in the Statement of General Partner's responsibilities in respect of the financial statements, the general partner is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The general partner is also responsible for such internal control as they determine 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 partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the general partner either intends to liquidate the partnership or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

TO THE PARTNERS OF ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP (CONTINUED)

Responsibilities for the financial statements and the audit (continued)

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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the partnership and industry, we considered the principal risks of non-compliance with laws and regulations, including those that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008, and the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the potential for management bias in accounting estimates and key judgements impacting the financial statements, specifically the valuation of investments held at fair value through profit or loss. Audit procedures performed included:

- enquiring with the directors of the general partner, the regulated investment manager and the regulated third party administrator as to any actual or suspected instances of fraud or non-compliance with laws and regulations;
- inspecting and testing significant transactions or financial statement disclosures determined in accordance with the terms of the limited partnership agreement, such as the management fee and general partner's share;
- checking the minutes of meetings of the board of directors of the general partner for additional matters relevant to the audit;
- testing the disclosures made in the Strategic Report and the General Partner's Report for compliance with the requirements of the Companies Act 2006 as applied to qualifying partnerships;
- understanding the design and implementation of controls in operation, and specifically testing the operating effectiveness of the periodic review and approval of the valuation of investments held at fair value through profit or loss;
- on a sample basis, enquiring and inspecting documentation regarding: the key assumptions used to determine the underlying variable cash flows models; the basis for discounts rates and macroeconomic assumptions applied; and considering these judgements by benchmarking these to independent market data, including recent market transactions, and using our valuation expert's experience in valuing similar investments. We further challenged the reasonableness of the regulated investment manager's assumptions by comparing these to the assumptions used by peer companies.

INDEPENDENT AUDITOR'S REPORT

TO THE PARTNERS OF ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

- performing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- identifying and testing journal entries considered to be of higher fraud risk, and the evaluation of the business rationale for any significant or unusual transactions identified as being outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report, including the opinions, has been prepared for and only for the Limited Partners of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

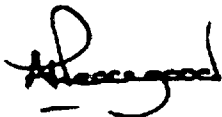
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of general partner's remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Adrian Peacegood BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Guernsey, Channel Islands
30 March 2021

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP**STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31 December 2020

	<i>Notes</i>	2020 EUR	2019 EUR
Income			
Interest income	2.9, 3	4,992,244	5,113,901
Net changes in fair value of financial assets at fair value through profit or loss	4	23,748,172	43,197,774
Total income		<u>28,740,416</u>	<u>48,311,675</u>
Expenses			
General Partner's Share	2.13, 11	827,955	-
Depository fees		56,039	55,305
Legal and professional fees		53,768	52,667
Audit fees		46,200	54,784
Administration fees		44,873	46,835
Other operating expenses		943	1,765
Interest expenses		246	-
Net foreign exchange (gains)/losses		(3,289)	6,466
Total expenses		<u>1,026,734</u>	<u>217,822</u>
Profit on ordinary activities		<u>27,713,682</u>	<u>48,093,853</u>
Total comprehensive income for the year		<u><u>27,713,682</u></u>	<u><u>48,093,853</u></u>

The notes on pages 20 to 41 form part of these financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP**STATEMENT OF FINANCIAL POSITION****As at 31 December 2020**

	<i>Notes</i>	2020 EUR	2019 EUR
Assets			
Non-current assets			
Financial assets at fair value through profit or loss	4	320,892,708	304,834,536
Total non-current assets		320,892,708	304,834,536
Current assets			
Receivables and prepayments	6	1,881,450	5,992,943
Cash and cash equivalents		47,101	47,739
Total current assets		1,928,551	6,040,682
Total assets attributable to the Limited Partners		322,821,259	310,875,218
Liabilities			
Current liabilities			
Deferred income	2.8	-	879,042
Payables and accruals	7	693,164	151,763
Total current liabilities		693,164	1,030,805
Total liabilities		693,164	1,030,805
Net assets attributable to the Limited Partners		322,128,095	309,844,413
Limited Partners' interest represented by:			
Partners' capital		83,604,552	99,034,552
Partners' current accounts		238,523,543	210,809,861
		322,128,095	309,844,413

The financial statements were authorised for issue by the Board of Directors of the General Partner of the Fund and signed on its behalf by:

Ivan Wong
Director

30 March 2021

The notes on pages 20 to 41 form part of these financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE LIMITED PARTNERS**
For the year ended 31 December 2020

	Partners' Capital	Partners' current accounts	Total
	EUR	EUR	EUR
As at 1 January 2019	133,131,700	162,716,008	295,847,708
Return of capital	(34,097,148)	-	(34,097,148)
Total comprehensive income for the year	-	48,093,853	48,093,853
(Decrease) / increase in net assets attributable to the Limited Partners	(34,097,148)	48,093,853	13,996,705
As at 31 December 2019	99,034,552	210,809,861	309,844,413
Return of capital	(15,430,000)	-	(15,430,000)
Total comprehensive income for the year	-	27,713,682	27,713,682
(Decrease) / increase in net assets attributable to the Limited Partners	(15,430,000)	27,713,682	12,283,682
As at 31 December 2020	83,604,552	238,523,543	322,128,095

The notes on pages 20 to 41 form part of these financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	<i>Notes</i>	2020 EUR	2019 EUR
Cash flows from operating activities			
Total comprehensive income for the year		27,713,682	48,093,853
Net changes in fair value of financial assets at fair value through profit or loss	4	(23,748,172)	(43,197,774)
Disposals of financial assets held at fair value through profit or loss	4	7,690,000	33,565,343
Decrease / (increase) in receivables and prepayments		4,111,493	(2,615,994)
Decrease in deferred income		(879,042)	(1,728,927)
Increase in payables and accruals		541,401	5,539
Net cash flows generated from operating activities		15,429,362	34,122,040
Cash flows from financing activities			
Return of capital	2.7	(15,430,000)	(34,097,148)
Net cash flow used in financing activities		(15,430,000)	(34,097,148)
Net (decrease) / increase in cash and cash equivalents		(638)	24,892
Cash and cash equivalents at beginning of the year		47,739	22,847
Cash and cash equivalents at end of the year		47,101	47,739

The notes on pages 20 to 41 form part of these financial statements.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL INFORMATION

The Fund is established as a limited partnership under the laws of England. The address of its registered office is Bow Bells House, 1 Bread Street, London, EC4M 9HH.

The principal activity of the Fund is to invest in primary social and economic infrastructure projects in the European Union (excluding the UK) which offer investors the opportunity to earn attractive risk adjusted returns with a low correlation to economic cycles and other investment classes for its projected 25 year life.

The Fund's investment activities are managed by the General Partner who has delegated these responsibilities to the Investment Manager, with the administration delegated to the Administrator.

The Fund's capital is represented by the net assets attributable to the Limited Partners.

Coop AI B.A. is the Subsidiary which the Fund has invested in. Aberdeen Infrastructure (HoldCo) B.V. ("AI (HoldCo) B.V.") is the subsidiary held by Coop AI B.A. (collectively the "Subsidiaries").

These financial statements were authorised for issue by the Board of Directors of the General Partner of the Fund on 30 March 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the year, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with applicable law, i.e. the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008, the LPA and international accounting standards in conformity with the requirements of the Companies Act 2006. The General Partner has considered the presentational requirements of the UK Companies Act 2006 and amended the format so that the financial statements present each line item in a manner that reflects its nature. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

Following the end of the Brexit transition, as at 11pm on 31 December 2020, International Financial Reporting Standards as adopted by the European Union ("IFRS") as it existed have been "frozen" into UK law and the Fund has utilised the frozen EU-IFRS in accordance with the international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on a going concern basis which assumes that the Fund will continue in operational existence for the foreseeable future. The General Partner is satisfied that it operates in such a way to ensure the Fund will continue to be a going concern, given its expected future cash flows from investing activities and its ability to call undrawn commitments (Note 13).

The Fund meets the definition of an Investment Entity as defined by IFRS 10 and is required to account for the investments in Subsidiaries at fair value through profit and loss.

The preparation of financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 requires the use of certain critical accounting estimates. It also requires the General Partner to exercise judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 9.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(a) Standards and amendments to existing standards effective 1 January 2020

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2020 that would be expected to have a material impact on the Fund.

(b) New standards, amendments and interpretations effective after 1 January 2020 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Fund.

2.2 Investment entity

The Fund has multiple unrelated investors and holds multiple investments. Ownership interests in the Fund are in the form of limited partnership interests which are classified as liabilities under the provisions of IAS 32. The General Partner has determined that the Fund meets the definition of an Investment Entity per IFRS 10 as the following conditions exist:

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

2.2.1 Subsidiary

Where the Fund is deemed to control an underlying portfolio company either directly or indirectly through a holding company subsidiary and whether the control be via voting rights or through the ability to direct the relevant activities in return for access to a significant portion of the variable gains and losses derived from those relevant activities, the underlying portfolio company and its results are not consolidated, instead they are reflected at fair value through the profit or loss. As at 31 December 2020, the Fund is directly invested in one such portfolio company.

The Fund does not have any other direct subsidiaries other than those determined to be Investment Entities. Investment Entity subsidiary investments are measured at fair value through profit or loss and are not consolidated in accordance with IFRS 10.

The Fund operates as an investment structure whereby the Fund (via its subsidiaries) invests and commits to invest into various portfolio companies through the Subsidiaries (described above). As at 31 December 2020, there were no outstanding capital commitment obligations with respect to specific portfolio company acquisitions and no amounts due to the portfolio companies for unsettled purchases.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2020**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.2.1 Subsidiary (continued)**

The Fund primarily invests into the portfolio companies by purchasing, indirectly through its Investment Entity subsidiaries, the ordinary equity and subordinated loan notes of these private finance initiative companies. The portfolio companies pay cash interest or accrue interest on the debt held by the Investment Entity subsidiaries, and repay debt based on the terms of the respective agreements. Cash dividends may be paid based on the portfolio company's operating results and are at the discretion of the Board of Directors of the respective portfolio companies which are then paid up to the Fund directly or through the relevant holding company. There are no amounts due or accrued for preferred dividend or in-kind returns based on any of the shareholder agreements.

Movements in the fair value of the Fund's underlying portfolio companies held via the Investment Entity subsidiaries and the existence of unfunded commitments may expose the Fund to potential gains or losses.

2.3 Foreign currency translation**(a) Functional and presentation currency**

The operating and investing activities of the Fund are denominated in Euro. As such the performance of the Fund is measured and reported in Euro. The General Partner considers Euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Fund. The financial statements are presented in Euro, the Fund's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency assets and liabilities, other than financial assets and liabilities at fair value through profit or loss are translated into the functional currency using the exchange rate prevailing at the Statement of Financial Position date.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net changes in fair value of financial assets and financial liabilities at fair value through profit or loss".

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial assets and financial liabilities at fair value through profit or loss

(a) Classification

The Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss at inception:

(i) Financial assets

The General Partner classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information, and it uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, but these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the objective of the Fund's business model. Consequently, all investments are measured at fair value through profit or loss.

(ii) Financial liabilities

The Fund's policy requires the Investment Manager and the General Partner to evaluate the information about these financial assets and liabilities on a fair value basis (Note 8.3), together with other related financial information. Assets and liabilities in this category are classified as current assets and current liabilities if they are expected to be realised within 12 months of the balance sheet date. Those not expected to be realised within 12 months of the balance sheet date will be classified as non-current.

(b) Recognition, derecognition and measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

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 changes in fair value of financial assets and liabilities at fair value through profit or loss' in the period in which they arise.

(c) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Fund's valuation technique for determining the fair value of its investments in Subsidiaries and Fund interest is the net present value of estimated future cash flows based on a discounted cash flow model.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Financial assets and financial liabilities at fair value through profit or loss (continued)

(c) Fair value estimation (continued)

The discounted cash flow model considers the total equity and debt investments made into the portfolio companies indirectly through the Fund's Subsidiaries. The Fund's policy is to manage and value the equity and shareholder debt investments in infrastructure assets as a single investment measured at fair value, because the investment was made at the same time and cannot be realised separately. The General Partner considers that equity and debt share the same characteristics and risks and they are therefore treated as a single unit of account for valuation purposes and a single class for disclosure purposes.

The discount rate used by the Fund is based on the risk-free rate of the economic environment in which portfolio companies operate and is adjusted with other factors such as liquidity, credit and market risk factors. The cash flows used in the discounted cash flow model are based on projected cash flows or earnings of the portfolio companies.

2.5 Receivables and prepayments

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Prepayments are amounts paid in advance and amortised over the relevant period.

Such assets are short term in nature and the carrying value of these assets is considered to be approximate to their fair value. At each reporting date, the Fund measures the loss allowance on the receivable amounts at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance might be required. If the credit risk increases to the point that it is considered to be credit-impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit-impaired.

2.6 Cash and cash equivalents

Cash and cash equivalents consist of cash balances that are freely available and other short-term highly liquid investments with an original maturity of three months or less, and bank overdraft.

2.7 Distributions payable to the Limited Partners

Proposed distributions to the Limited Partners are recognised in the Statement of Comprehensive Income when they are appropriately authorised and no longer at the discretion of the Fund. This typically occurs when a proposed distribution is ratified at a General Partner's meeting. Any capital returned is recognised in the Statement of Changes in Net Assets Attributable to the Limited Partners. Subject to Clause 10 of the LPA, all income and capital proceeds of the Fund shall be distributed between the Partners in order of priority (after payment of expenses and liabilities of the Fund) in accordance with Clause 14.1 of the LPA.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2020****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.8 Payables and accruals and deferred income**

Payables and accruals are initially recognised at fair value and subsequently stated at amortised cost using the effective interest rate method. Payables and accruals are derecognised when the obligation under the liability is discharged or cancelled or expires. Deferred income relating to General Partner's Share is credited to the Statement of Comprehensive Income as the services are provided by the General Partner.

2.9 Interest income and dividend income

Interest income from shareholder debt that is measured at fair value through profit or loss is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset to the asset's carrying value or principal amount. The remaining changes in the fair value movement of the loans are recognised separately within 'Net changes in fair value of financial assets and liabilities at fair value through profit or loss' in the Statement of Comprehensive Income. It also includes interest income from cash and cash equivalents.

Dividend income is recognised when the right to receive payment is established.

2.10 Expense

Expenses are recognised on an accruals basis.

2.11 Taxation

The Fund is domiciled in England. Under the current laws of England, there is no income, estate, corporation, capital gains or other taxes payable by the Fund. Any other tax liability arising on the activities of the Fund will be borne by the individual partners.

2.12 Net assets attributable to the Limited Partners

Ownership interests in the Fund are in the form of an interest in the net assets attributable to the Limited Partners. Net assets attributable to the Limited Partners are classified as a financial liability, due to a finite life and contractual payment provisions to each of the Limited Partners within the LPA.

Net assets attributable to Limited Partners' capital are carried at amortised cost.

2.13 General Partner's Share

Under Clause 9 of the LPA, the General Partner shall be entitled to receive from the Fund an allocation as a first charge on net income and capital gains by way of a General Partner's Share ("GPS").

The GPS payables shall be reduced by deducting transaction fees, investment related fees, directors' fee etc., earned by the General Partner, Investment Manager or associates of either of them.

Further details on GPS is disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Allocation of profits and losses

- a) Subject to clause 9.5(c) of the LPA, every Limited Partner has an interest in every asset of the Fund and, accordingly, all Income, capital gains and capital losses shall (after the allocation of the General Partner's Share) be allocated to the Partners so that the balances on their accounts shall reflect their respective entitlements to receive distributions in accordance with the provisions of Clause 10.1.
- b) If a particular allocation of capital gain and/or income is assumed in computing the Tax Credits available to the Partners for the purpose of calculating when each Partner has received sums equal to the aggregate of amounts under Clause 10.1 then, notwithstanding any other provision of this Clause 9.5, such capital gain and/or Income shall be allocated in accordance with that assumption.
- c) The Investment Manager may in its discretion, allocate items of income, capital gains, capital losses and expenses to particular investors up to the maximum amount available, with corresponding adjustments to the allocation of the other items.

Net income, net losses, capital gains and losses allocated to each Limited Partner shall be credited or debited to the Limited Partner's current or capital account. Accordingly, the General Partner has determined that all net increases or decreases on assets and liabilities categorised as fair value through profit or loss, will be booked through the capital account.

2.15 Undrawn committed capital

Unfunded committed capital from the Limited Partners is not presented in the Statement of Financial Position, since unfunded committed capital represents undrawn financial instrument, where an effective interest rate in accordance with IFRS 9 Financial Instruments would not be applicable.

2.16 Carried interest

In accordance with the LPA, the Carried Interest Partner may be entitled to receive the Carried Interest Entitlement which is defined in the LPA as the entitlement of the Carried Interest Partner to Carried Interest as calculated in accordance with Schedule 4 of the LPA.

Carried interest is measured at amortised cost and calculated based on the fair value of the investments of the Fund, as measured at the reporting date. Where the calculation indicates that the performance conditions would have been achieved, and distribution arrangements would have been met if the investments were realised at their fair values, carried interest is accrued. Carried interest is equal to the General Partner's hypothetical share of profits, taking into account the cash already distributed from the Fund and the amount of divestment proceeds receivable. Therefore, based on the calculation described above, the Fund recognises 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, refer to Note 14.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

3. INTEREST INCOME

	2020 EUR	2019 EUR
From financial assets at fair value through profit or loss	4,992,244	5,113,901

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net changes in financial assets at fair value through profit or loss

	2020 EUR	2019 EUR
As at 1 January	304,834,536	295,202,105
Disposals	(7,690,000)	(33,565,343)
Net changes in fair value of financial assets at fair value through profit or loss	23,748,172	43,197,774
As at 31 December	320,892,708	304,834,536
Change in unrealised gain for Level 3 assets held as at year end and included in net changes in fair value of financial assets at fair value through profit or loss	23,748,172	43,197,774

The net unrealised gains of EUR23,748,172 is made up of gains of EUR23,748,172 and losses of EURnil.

	2020		2019	
Financial assets at fair value through profit or loss	Fair value EUR	% of net assets	Fair value EUR	% of net assets
Equity securities	266,792,708	82.82%	250,734,536	80.92%
Debt securities	54,100,000	16.79%	54,100,000	17.46%
Investments in Subsidiaries	320,892,708	99.61%	304,834,536	98.38%

5. SUBSIDIARIES

The Fund operates as an integrated structure whereby the Fund invests solely into the Subsidiaries. Total investments made by the Fund into the Subsidiary during the year ended 31 December 2020 were EURnil (2019: EURnil). Total investments made by the Fund into the indirect subsidiary amounted to EURnil (2019: EURnil). As at 31 December 2020 and 31 December 2019 there were no capital commitment obligations and no amounts due to the Subsidiaries for unsettled purchases.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

5. SUBSIDIARIES (CONTINUED)

The Subsidiaries of the Fund are as follows:

Subsidiary	Address of the registered office	Principal activity	Date of incorporation	Country of incorporation	Holding %
Coop AI B.A.	Zuidplein 166, WTC H-Toren, 1077 XV Amsterdam, The Netherlands	Investment holding	25 June 2012	Netherlands	100

Subsidiary held through Coop AI B.A.

AI (HoldCo) B.V.	Zuidplein 166, WTC H-Toren, 1077 XV Amsterdam, The Netherlands	Investment holding	19 July 2011	Netherlands	100
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6. RECEIVABLES AND PREPAYMENTS

	2020 EUR	2019 EUR
Intercompany loan - Aberdeen Infrastructure (Holdco) B.V.	1,865,325	5,113,901
Prepaid General Partner's Share	-	879,042
Due from Aberdeen European Infrastructure II LP	16,125	-
	<u>1,881,450</u>	<u>5,992,943</u>

The intercompany loans with Aberdeen Infrastructure (Holdco) B.V. which were short-term loans to cover expenses of the Subsidiary are repayable on demand and do not incur interest.

As at 31 December 2020 and 31 December 2019, the carrying amounts of receivables and prepayments approximate their fair value.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

7. PAYABLES AND ACCRUALS

	2020 EUR	2019 EUR
General Partner's Share	529,960	-
Administration fees	11,017	11,624
Audit fees	58,045	48,993
Depository fees	41,791	41,582
Legal and professional fees	46,977	49,564
Due to Aberdeen European Infrastructure Partners II LP	5,375	-
	693,164	151,763

As at 31 December 2020 and 31 December 2019, the carrying amounts of payables and accruals approximate their fair value.

8. FINANCIAL RISK MANAGEMENT

The objective of the Fund's financial risk management is to manage and control the risk exposures of its investment portfolio. The General Partner has overall responsibility for overseeing the management of financial risks. The review and management of financial risks are performed by the Investment Manager, which has documented procedures designed to identify, monitor and manage the financial risks to which the Fund is exposed. This note presents information about the Fund's exposure to financial risks, its objectives, policies and processes for managing risk and the Fund's management of its financial resources.

The Fund, through its Subsidiaries owns a portfolio of investments in the subordinated loan notes (subordinate to senior debt) and ordinary equity of PFI/PPP companies. These companies are structured at the outset to minimise financial risks of acquiring and holding the investment. The Fund primarily focuses its risk management on the direct financial risks of acquiring and holding the portfolios, but continues to monitor the indirect financial risks of the underlying projects through representation, where appropriate, on the Boards of the project companies and the receipt of regular financial and operational performance reports.

8.1 Financial risk factors

8.1.1 Market risk

Market risk is defined as the potential loss in value or earnings of the Fund arising from changes in external market factors such as:

- interest rates (interest rate risk);
- foreign exchange rates (currency risk); and
- equity markets (other price risk).

The investments are susceptible to market price risk arising from uncertainties about future values of the instruments. The Fund has an Investment Manager who provides the General Partner with investment recommendations. The Investment Manager's recommendations are reviewed by the General Partner before the investment decisions are implemented.

The performance of the investments held by the Fund are monitored by the Investment Manager on a monthly basis and reviewed by the General Partner on a quarterly basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2020****8. FINANCIAL RISK MANAGEMENT (CONTINUED)****8.1 Financial risk factors (continued)****8.1.1 Market rate risk (continued)****(a) Price risk**

Returns from the Fund's investments are affected by the price at which they are acquired. The value of these investments will be a function of the discounted value of their expected future cash flows, and as such will vary with, inter alia, movements in interest rates, market prices and the competition for such assets.

Price risk arises from the Fund's exposure to investments in Subsidiaries. The Fund undertakes a full assessment of each entity's potential for value creation prior to entering into a new transaction. Thereafter, the performance of each investment is continually monitored and action taken as deemed appropriate in the circumstances. Further information about the Fund's sensitivity to changes in the fair value of its investments in Subsidiaries is set out below.

At the reporting date the carrying value of the investments in Subsidiaries amounted to EUR320,892,708 (2019: EUR304,834,536). For investments carried at fair value through profit or loss, changes in fair value would have a direct impact on total comprehensive income for the year. The table below sets out the sensitivity of total comprehensive income for the year to a 10% change in fair value of its investments in Subsidiaries as at the Statement of Financial Position date.

Effect of investments in Subsidiaries fair values on total comprehensive income for the year:

	2020 EUR	2019 EUR
Effective of 10% increase in fair value of the investments in Subsidiaries	32,089,271	30,483,454
Effective of 10% decrease in fair value of the investments in Subsidiaries	(32,089,271)	(30,483,454)

(b) Currency risk

The Subsidiary in which the Fund invests conducts its business and pays interest, dividends and principal in Euro. The Fund monitors its foreign exchange exposures using its near-term and long-term cash flow forecasts. The Fund's policy is not to use foreign exchange hedging. The Fund's liabilities denominated in Pound Sterling at their carrying amount are summarised below:

Liabilities GBP	2020 EUR	2019 EUR
Monetary liabilities	126,899	110,181

The table below summarises the sensitivity of the Fund's monetary liabilities to changes in foreign exchange movements at 31 December 2020 and 2019. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by 5% to Euro, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2020****8. FINANCIAL RISK MANAGEMENT (CONTINUED)****8.1 Financial risk factors (continued)****8.1.1 Market rate risk (continued)****(b) Currency risk (continued)**

	2020	2019
	EUR	EUR
Liabilities		
GBP		
Monetary liabilities	6,345	5,509

As at 31 December 2020, the foreign currency exchange rate applied was EUR/GBP 0.8941 (2019: EUR/GBP 0.8474).

(c) Interest rate risk

The Fund has an indirect exposure to changes in interest rates through its investment in project companies, which are in part financed by senior debt. Senior debt financing of project companies is generally either through floating rate debt or fixed interest rate bonds. Where senior debt is financed through floating rate debt, the projects typically have concession length hedging arrangements in place, which are monitored by the project companies' managers, finance parties and boards of directors.

The Fund, through its Subsidiaries invests in subordinated loan notes (subordinate to senior debt) of project companies, usually with fixed and variable interest rate coupons. Where floating rate debt is owned, the primary risk is that the Fund's cash flows will be subject to variation depending upon changes to base interest rates. The portfolio's cash flows are continually monitored and re-forecast both over the near future and the long-term (over the whole period of projects' concessions) to analyse the cash flow returns from investments.

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The Fund holds debt securities that expose the Fund to fair value interest rate risk. The Fund's policy requires the Investment Manager to manage this risk by reviewing fluctuations of the interest rate sensitivity gap of financial assets and liabilities on a quarterly basis and the Investment Manager of the Fund to review on a quarterly basis. Interest rates on the investments in Subsidiaries are fixed.

(d) Inflation risk

The Fund's project companies are generally structured so that contractual income and costs are either wholly or partially linked to specific inflation, where possible, to minimise the risks of a mismatch between income and costs due to movements in inflation indexes. The Fund's overall cash flows are estimated to partially vary with inflation. The effect of these inflation changes do not always immediately flow through to the Fund's cash flows as there is a time lag due to financial models only being updated on a 6 monthly basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2020****8. FINANCIAL RISK MANAGEMENT (CONTINUED)****8.1 Financial risk factors (continued)****8.1.2 Credit risk**

Credit risk is the risk that a counterparty of the Fund will be unable or unwilling to meet a commitment that it has entered into with the Fund. The Fund has invested in the indirect subsidiary, AI (HoldCo) B.V.. The Fund's near term cash flow forecasts are used to monitor the timing of cash receipts from project counterparties. Underlying the cash flow forecasts are project companies' cash flow models, which are regularly updated by project companies for the purposes of demonstrating the projects' ability to pay interest and dividends based on a set of detailed assumptions. Many of the Fund's investments and their subsidiary entities generally receive revenue from government departments, public sector or local authority clients. Therefore a significant portion of the Fund's revenue arises from counterparties of good financial standing.

The Fund is also reliant on the projects' subcontractors continuing to perform their service delivery obligations such that revenues to projects are not disrupted. The Fund has a subcontractor counterparty monitoring procedure in place. The credit standing of subcontractors is reviewed and the risk of default estimated for each significant counterparty position. Monitoring is ongoing and period end positions are reported to the Investment Manager on a quarterly basis.

No classes within loans and receivables or trade and other receivables contain impaired assets. The maximum exposure to credit risk over financial assets is the carrying value of those assets in the Statement of Financial Position and as set out below:

	2020 EUR	2019 EUR
Investments in Subsidiaries - debt securities	54,100,000	54,100,000
Receivables	1,881,450	5,992,943
Cash and cash equivalents	47,101	47,739
Total	<u>56,028,551</u>	<u>60,140,682</u>

The main concentration of credit risk to which the Fund is exposed arises from the Fund's investments in the debt securities component of the Fund's financial assets carried at fair value. The maximum exposure to credit risk as a result of counterparty default equates to the current carrying value of these financial assets. However, this risk is spread over 6 debt securities of different investments.

Cash transactions are limited to Lloyds Bank which is a financial institution with a long term debt credit rating of A+ (2019: A+) and Barclays Bank with a long term debt credit rating of A (2019: A) as rated by the rating agency, Standard & Poor's. All debt investments represent private debt investments executed in accordance with the investment objective of the Fund.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's credit risk exposure on a monthly basis, and the General Partner reviews it on a quarterly basis.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.1 Financial risk factors (continued)

8.1.3 Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient financial resources and liquidity to meet its liabilities when due. The Fund's activity is funded by long-term funding, as it is closed ended and hence investors do not have the option to redeem their investment in the Fund. The Fund is exposed to limited liquidity risk. The Fund's liquidity risk management is delegated to the Investment Manager.

The Fund's investments are generally in private companies in which there is no listed market and, therefore, such investment would take time to realise and there is no assurance that the valuations placed on the investments would be achieved from any such sale process.

The Fund's investment companies have borrowings which rank senior to the Fund's own investments in these project companies. The senior debt is structured such that, under normal operating conditions, it will be repaid within the expected life of the projects. Debt raised by the investment companies from third parties is without recourse to the Fund.

The Fund manages its liquidity risk by a combination of (i) contractual uncalled committed capital, which can be called with 14 days notice and used to fund investments and pay management fees and (ii) maintaining cash levels to fund short term operating expenses. As at 31 December 2020 the amount for undrawn commitments was EUR7,287,791 (2019: EUR7,287,791), including a recallable return of capital EUR2,024,193 (2019: EUR2,024,193).

The Fund operates as an investment structure whereby the Fund invests and commits to invest into various portfolio companies indirectly through its subsidiaries. As at 31 December 2020 and 2019, there were no outstanding capital commitment obligations with respect to specific portfolio company acquisitions and no amounts due to the portfolio companies for unsettled purchases.

The following table illustrates the expected liquidity of assets held and undrawn capital commitments:

As at 31 December 2020	Undrawn capital commitments EUR	Less than 1 month EUR	1-12 months EUR	More than 12 months EUR
Total assets and undrawn capital commitments	7,287,791	47,101	1,881,450	320,892,708
As at 31 December 2019				
Total assets and undrawn capital commitments	7,287,791	47,739	5,992,943	304,834,536

The amounts in the table are the contractual undiscounted cash flows.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.1 Financial risk factors (continued)

8.1.3 Liquidity risk (continued)

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. At present the Fund has no immediate plans to exit any of its positions in its portfolio of investments. When the General Partner is of the view that the disposal of certain investments is relatively certain; the associated net assets attributable to the partners, in so far as they may be distributed, will be disclosed in the appropriate liquidity category as noted below.

	On demand EUR	Less than 1 year EUR	Between 1 and 3 years EUR	More than 3 years EUR	Total EUR
As at 31 December 2020					
Liabilities					
Payables and accruals	-	693,164	-	-	693,164
Net assets attributable to the Limited Partners	-	-	-	322,128,095	322,128,095
	-	693,164	-	322,128,095	322,821,259
As at 31 December 2019					
Liabilities					
Payables and accruals	-	151,763	-	-	151,763
Net assets attributable to the Limited Partners	-	-	-	309,844,413	309,844,413
	-	151,763	-	309,844,413	309,996,176

8.2 Capital risk management

The capital structure of the Fund consists of partners' capital and partners' current accounts.

The General Partner's policy when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for the Limited Partners and to sustain the future development of the business. In order to maintain or adjust the capital structure, the Fund may call undrawn capital from the Limited Partners or raise medium/long-term third party debt. Neither the Fund nor any of its Subsidiaries are subject to externally imposed capital requirements.

There were no changes in the Fund's approach to capital management during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2020****8. FINANCIAL RISK MANAGEMENT (CONTINUED)****8.3 Fair value estimation**

As at 31 December 2020, 100% (2019: 100%) of financial assets at fair value through profit or loss comprise of the investments in Subsidiaries that has been fair valued in accordance with the policies set out above. The Subsidiaries are not publicly traded; prior to maturity, an exit can only be made by the Fund through a sale of its investment and commitment in the Subsidiaries through a secondary market. As set out in the LPA, the Fund's objective is to acquire investments with the intention to recover the capital invested through distributions received from the Subsidiaries funded through their realisation of their private equity, debt or infrastructure investment positions. As a result, the carrying value of the Subsidiaries may be significantly different from the value ultimately realised on an exit via a secondary market sale. It is not the objective nor intention of the Fund to exit the Subsidiaries in the secondary market sale.

As the Subsidiaries are not traded on an active market, and their fair values are determined using valuation techniques, the value is primarily based on the latest available financial statements of the Subsidiaries as reported by the Administrator of the Subsidiaries. The Subsidiaries financial statements have been prepared based on the valuation of the Subsidiaries own underlying investments. The Fund and its Subsidiaries have effectively used the income approach which discounts the expected cash flows attributable to each asset at an appropriate rate to arrive at fair values. In determining the discount rate, regard is given to relevant long-term government bond yields, the specific risks of each investment and the evidence of recent transactions.

Fair value hierarchy

The fair value hierarchy consists of the following three levels:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' input requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.3 Fair value estimation (continued)

The following table analyses, within the fair value hierarchy, the Fund's investments measured at fair value:

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
As at 31 December 2020				
Investments in Subsidiaries	-	-	320,892,708	320,892,708
As at 31 December 2019				
Investments in Subsidiaries	-	-	308,834,536	308,834,536

There were no transfers between Level 1 and Level 2 during the year. Reconciliations of Level 3 balances are disclosed in the relevant notes as indicated below. The effect of different economic assumptions on the fair value of the Level 3 assets is disclosed in this note.

Level 3 is comprised of the investments in Subsidiaries held by the Fund that is not quoted on an active market.

Valuation – the Subsidiary

In determining the fair value of the Subsidiary, the Fund relies on the valuation as reported in the latest available financial statements and the underlying valuations of the investment portfolio.

The Investment Manager is responsible for monitoring the performance of the Subsidiary and reporting such performance to the General Partner. Where the information provided by the Subsidiary's Administrator is not considered appropriate by the Investment Manager and General Partner, the Investment Manager will make amendments to the net asset value ("NAV") obtained as noted above in order to recommend a carrying value that more appropriately reflects the fair value at the Fund reporting date.

The following summarises the valuation techniques and input used for investments in Subsidiaries categorised in Level 3 as at 31 December 2020 and 2019.

	Fair value EUR	Valuation technique	Significant unobservable input	Range of discount rate applied
As at 31 December 2020				
Investments in Subsidiaries	320,892,708	Discounted cash flow	Discount rate	6.50% - 8.60%
		Reasonable possible shift (absolute value)	Change in valuation EUR	
Investments in Subsidiaries		5% movement in discount rate	7,378,169	

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.3 Fair value estimation (continued)

	Fair value EUR	Valuation technique	Significant unobservable input	Range of discount rate applied
As at 31 December 2019				
Investments in Subsidiaries	304,834,536	Discounted cash flow	Discount rate	6.75% - 9.20%
		Reasonable possible shift (absolute value)	Change in valuation EUR	
Investments in Subsidiaries		5% movement in discount rate	8,251,240	

The change in valuation disclosed in the above table shows the direction a increase / (decrease) in the respective input variable would have on the valuation result. For the investments in Subsidiaries, increase / (decreases) in cost of capital would lead to an increase / (decrease) in estimated value.

No interrelationships between unobservable input used in the Fund's valuation of its Level 3 investments in Subsidiaries have been identified.

The Fund has recognised unrealised gains of EUR23,748,172 (2019: EUR43,197,774) on its Level 3 investments, these are included in the Statement of Comprehensive Income as net changes in fair value of financial assets through profit or loss.

8.4 Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period. There were no such transfers in the current reporting period.

9. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The General Partner makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

Financial assets at fair value through profit or loss

Judgements

By virtue of the Fund's status as an Investment Entity and the exemption provided by IAS 28 and IFRS 11 as well as the adoption of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), investments are designated upon initial recognition to be accounted for at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31 December 2020****9. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)****Financial assets at fair value through profit or loss (continued)****Carried interest**

The accounting for carried interest is a critical judgement. Carried interest is calculated based on the General Partner's hypothetical share of profits, taking into account the cash already distributed from the Fund and the amount of divestment proceeds receivable or to be received on disposal (indicated by the fair value of the investments at the year-end date), as estimated by the General Partner. The total carried interest eventually distributed to the General Partner over the life of the Fund might be significantly different from the carried interest reported at the reporting date. In accordance with the LPA clause 10.2, the Carried Interest Entitlement of the Carried Interest Partner shall be calculated as at each Carry Calculation Date with the earliest being 31 January 2022 (tenth anniversary of the closing date) and the last date being 31 January 2034 (twenty-second anniversary of the closing date).

IAS 37 Provisions, Contingent Liabilities and Contingent Assets sets out the recognition and disclosure criteria for provisions and contingent liabilities. Carried interest will be recognised as a provision at the time when the achievement of hurdles is certain to be met (as per the LPA). In General Partner's opinion, carried interest as at 31 December 2020 represents a contingent liability due to the uncertain timing and realisable value of the distribution and as such has been disclosed in the financial statements as per note 14. This position will be reassessed closer to the first Carry Calculation Date (31 January 2022) for financial year ending 31 December 2021. If the conditions pertaining to the Carried Interest Entitlement at that date will be met, a provision for carried interest would be recognised in accordance with accounting policy in Note 2.16.

Investment Entity status

In determining the Partnership's status as an Investment Entity in accordance with IFRS 10, the General Partner considered the following:

- a) The Fund has raised commitments from a number of investors in order to raise capital to invest in infrastructure investments and to provide the investors with investment management services with respect to these infrastructure investments;
- b) The Fund intends to generate capital and income returns from its infrastructure investments which will, in turn, be distributed in accordance with the LPA to the Limited Partners; and
- c) The Fund evaluates its infrastructure investments' performance on a fair value basis, in accordance with the policies set out in these financial statements.

Estimates

The Fund recognises the investment in its directly owned Subsidiaries at fair value which includes the fair value of each of the individual project companies and holding companies in which the Company holds an indirect investment. Fair values for those investments for which a market quote is not available are determined using the income approach which discounts the expected cash flows at the appropriate rate. In determining the discount rate, regard is had to relevant long-term government bond yields, specific risks and the evidence of recent transactions. The General Partner has satisfied itself that PPP or similar investments share the same investment characteristics and as such constitute a single asset class for IFRS 7 disclosure purposes.

The range of discount rates applied in the December 2020 valuation was 6.50% - 8.60% (2019: 6.75% - 9.20%). The discount rate is considered one of the most significant unobservable inputs through which an increase or decrease would have a material impact on the fair value of the financial assets at fair value through profit or loss.

ABERDEEN EUROPEAN INFRASTRUCTURE PARTNERS LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2020

10. FINANCIAL INSTRUMENTS BY CATEGORY

At 31 December 2020, the Fund held the following classes of financial instruments that are measured at fair value. For all other assets and liabilities, their carrying value approximates to fair value.

	Financial assets at amortised cost EUR	Designated at fair value through profit or loss EUR	Total
As at 31 December 2020			
Assets			
Investments in Subsidiaries	-	320,892,708	320,892,708
Receivables	1,881,450	-	1,881,450
Cash and cash equivalents	47,101	-	47,101
	<u>1,928,551</u>	<u>320,892,708</u>	<u>322,821,259</u>

	Financial assets at amortised cost EUR	Designated at fair value through profit or loss EUR	Total EUR
As at 31 December 2019			
Assets			
Investments in Subsidiaries	-	304,834,536	304,834,536
Receivables	5,992,943	-	5,992,943
Cash and cash equivalents	47,739	-	47,739
	<u>6,040,682</u>	<u>304,834,536</u>	<u>310,875,218</u>

	Other financial liabilities at amortised cost EUR	Liabilities at fair value through profit or loss EUR	Total EUR
As at 31 December 2020			
Liabilities			
Payables and accruals	<u>693,164</u>	<u>-</u>	<u>693,164</u>
As at 31 December 2019			
Liabilities			
Payables and accruals	<u>151,763</u>	<u>-</u>	<u>151,763</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2020**11. RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

As disclosed in the LPA, the General Partner is entitled to receive the General Partner's Share, which is calculated as a percentage of total investment acquisition cost during the period. Currently, the investment related fee income is in excess of the GP share accrual leaving a balance receivable from the LP of EURnil (2019: EURnil).

During the year, the General Partner charged EUR827,955 (2019: EURNil) in respect of General Partner's Share, of which EUR529,960 (2019: EURnil) was outstanding at the end of the year. During 2019, the reduced fee was due to an offset of investment related fees received by AI (Holdco) B.V. from its underlying project companies. These fees exceeded the prior year General Partner Share charge and hence the charge was reduced with the remaining balance being credited to deferred income. This amount was released through the profit and loss account in the current year line with clause 9.2(c) of the LPA.

Intercompany loans are disclosed in Note 6.

12. ULTIMATE CONTROLLING PARTY

The Directors of the General Partner do not consider there to be any one ultimate controlling party.

13. UNDRAWN COMMITMENTS

As at 31 December 2020 the Fund had undrawn commitments from the Limited Partners of EUR7,287,791 (2019: EUR7,287,791), including a recallable return of capital EUR2,024,193 (2019: EUR2,024,193).

14. CONTINGENT LIABILITY

IAS 37 Provisions, Contingent Liabilities and Contingent Assets sets out the recognition and disclosure criteria for provisions and contingent liabilities. Carried interest represents a contingent liability due to the uncertain timing and realisable value of the distribution and as such has been disclosed in the financial statements.

Of the net assets attributable to Limited Partners, if the Fund's assets were realised at their Net Asset Value at 31 December 2020 an amount of EUR26,705,272 (2019: EUR17,537,894) would be due to the Carried Interest Partner.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2020

15. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Fund occurring between the end of the reporting period and 30 March 2021, the date the financial statements were available to be issued and has determined that there were no subsequent events requiring adjustment or additional disclosure at the date of signing this report and the audited financial statements.