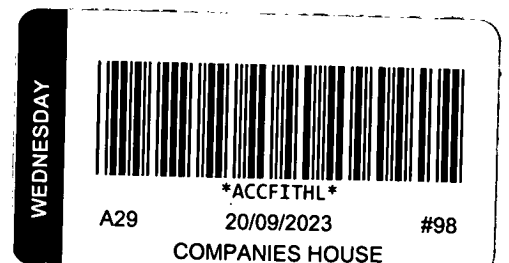


**Aberdeen Standard European
Infrastructure GP IV Limited**

**Annual Report and Audited
Financial Statements**

For the year ended 31 December 2022

Company Number 13144243



ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV LIMITED

TABLE OF CONTENTS

	Page
Summary of Directors and Organisation	1
Report of the Directors	2-4
Independent Auditor's Report	5-8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12-16

ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV LIMITED

SUMMARY OF DIRECTORS AND ORGANISATION

DIRECTORS:	Adam Shanks Ivan Hong-Yee Wong Ronan Melia
REGISTERED OFFICE:	From 6 December 2022 280 Bishopsgate London EC2M 4AG Until 6 December 2022 Bow Bells House 1 Bread Street London EC4M 9HH
SECRETARY AND ADMINISTRATOR:	TMF Group Fund Services (Guernsey) Limited Top Floor Mill Court La Charroterie St Peter Port Guernsey GY1 1EJ
INDEPENDENT AUDITOR:	KPMG Channel Islands Limited Gategny Court Gategny Esplanade St Peter Port Guernsey GY1 1WR
BANKER:	Barclays Bank PLC, Guernsey Branch St Julian's Court St Julian's Avenue St Peter Port Guernsey GY1 1WA
INVESTMENT MANAGER:	abrdn Alternative Funds Limited* 1 George Street Edinburgh EH2 2LL

*On 25 November 2022 Aberdeen Standard Alternative Funds Limited changed its name to abrdn Alternative Funds Limited.

ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 December 2022

The Directors present their annual report and audited financial statements for Aberdeen Standard European Infrastructure GP IV Limited (the "Company") for the year ended 31 December 2022.

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 the 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 414B 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 Standard European Infrastructure Partners IV LP and Aberdeen Standard European Infrastructure Partners Co-Invest IV LP (the "Funds"). The Company remains committed to the business of the Funds and will continue to act as General Partner in the future. The Company is part 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 Annual Reports and Accounts.

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

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

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

Coronavirus

The Directors have considered the impact of coronavirus 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 of the underlying Funds.

The private infrastructure market has not been immune. The underlying Funds' portfolio is however made up of infrastructure assets with limited demand risk and strong downside protection, limiting the impact to the investment portfolio to date. The Investment Manager continues to manage the investments to ensure they are well positioned to deal with the ever changing macro situation and believes that the underlying Funds will continue to create value for their Limited Partners.

ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

For the year ended 31 December 2022

Macroeconomic environment

The Directors have considered the continuing inflationary pressures across the underlying Funds' geographies and the central bank interest rate rises in response. The rise of government bond rates has led to pressure on infrastructure discount rates. The underlying Funds have considered this in the weighted average discount rate of the portfolio.

Geopolitical situation in Ukraine

On 24 February 2022, Russia launched a military offensive against Ukraine resulting in widespread sanctions on Russia and heightened security and cyber threats.

As at the date of approval of the financial statements, the underlying Funds did not hold any assets in Ukraine or Russia. The underlying Funds' key suppliers do not have operations pertaining to the Funds in Ukraine or Russia. The General Partner and the Investment Manager continue to monitor the situation carefully and will take whatever steps are necessary in the best interests of the underlying Funds' Investors. This includes but is not limited to ensuring that the requirements of all international sanctions are adhered to, managing the assets of the underlying Funds proactively to best mitigate risk and ensuring that the Investment Manager and other key suppliers continue to operate all protections, protocols and monitoring of heightened cyber threats. At the date of approval of the financial statements, there is not expected to be any significant long term adverse impact from the military operation in Ukraine on the assets, operational activities, processes and procedures of the underlying Funds.

Going concern

The Company is currently in a net asset value position of EUR 1 (2021: EUR 1), holds a cash balance of EUR 705,281 (2021: EUR 262,117), and GPS receivable of EUR 149,459 (2021: EUR 101,734). As detailed in Note 2.9, advisory fees is a residual balance after all operating expenses are paid. Advisory fees payable represents a significant balance of the current payables balance and will only be paid when the Company has sufficient resources to do so. The value of the assets and operational structure of the Company is sufficient for the Company to cover its operating expenses for the next twelve months. The Directors believe 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 ("KPI")

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

Business review

The Company's total comprehensive income for the year was EUR nil (2021: EUR nil). No dividends were paid during the year (2021: EUR nil).

Directors

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

ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

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.

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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 the financial statements.

By order of the Board



I H Wong
Director

18 September 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV
LIMITED**

Our opinion

We have audited the financial statements of Aberdeen Standard European Infrastructure GP IV Limited (the "Company"), which comprise the statement of financial position as at 31 December 2022, 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 2022 and of the Company's result 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 MEMBER OF ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV
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 general sector experience and through discussion with management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations.

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 litigation or impacts on the Company's ability to operate. We identified company law as being the area most likely to have such an effect. 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 MEMBER OF ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV
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 from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV
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.

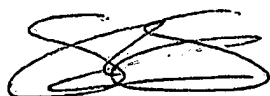
Auditor's responsibilities

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 member, 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 member 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 member, as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Stormonth (Senior Statutory Auditor)
For and on behalf of KPMG Channel Islands Limited (Statutory Auditor)
Chartered Accountants
Guernsey
18 September 2023

ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31 December 2022

			For the period from 19 January 2021 (date of incorporation) to 31 December 2021 EUR
	<i>Note</i>	2022 EUR	
Income			
General Partner's Share	2.4	516,528	368,287
Foreign exchange gain / (loss)		156	(87)
Total income		516,684	368,200
Expenses			
Advisory fees	2.9	488,505	343,116
Administration fees		17,714	18,375
Audit fees	3.1	9,606	6,685
Other operating expenses		859	24
Total expenses		516,684	368,200
Total comprehensive income for the year / period		-	-
Attributable to Equity holder:			
Total comprehensive income for the year / period		-	-

The notes on pages 12 to 16 form part of these financial statements.

ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV LIMITED**STATEMENT OF FINANCIAL POSITION**
As at 31 December 2022

	<i>Notes</i>	2022 EUR	2021 EUR
Assets			
Current assets			
Receivables	4	149,534	101,735
Cash and cash equivalents		705,281	262,117
Total current assets		854,815	363,852
Total assets		854,815	363,852
Equity and liabilities			
Equity			
Share capital	6	1	1
Total equity		1	1
Liabilities			
Current liabilities			
Payables and accruals	5	854,814	363,851
Total liabilities		854,814	363,851
Total equity and liabilities		854,815	363,852

The financial statements on pages 9 to 16 of the Company were authorised for issue by the Board of Directors of the Company on 18 September 2023 and signed on its behalf by:



I H Wong
Director
18 September 2023

The notes on pages 12 to 16 form part of these financial statements.

ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

	Share capital EUR	Retained earnings EUR	Total equity EUR
Balance as at 19 January 2021*	-	-	-
Capital Contributions	1	-	1
Total comprehensive income for the period	-	-	-
Balance at 31 December 2021	1	-	1
Total comprehensive income for the year	-	-	-
Balance at 31 December 2022	1	-	1

*The Company was incorporated on 19 January 2021

The notes on pages 12 to 16 form part of these financial statements.

ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

1. GENERAL INFORMATION

The Company is domiciled in the United Kingdom. The address of its registered office is 280 Bishopsgate, London, EC2M 4AG.

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 18 September 2023.

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 to all years presented, 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 2022 have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') as issued by the Financial Reporting Council.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Application of FRS 101, in conjunction with the equivalent disclosures being available in the abrdn plc Annual Report and Accounts, 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, unless otherwise stated.

(b) Standards and amendments to existing standards effective 1 January 2022

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2022 that had a material impact on the Company.

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 has been reflected in the fair value of the investments in the financial statements of the underlying Funds.

The Company is currently in a net asset value position of EUR 1 (2021: EUR 1), holds a cash balance of EUR 705,281 (2021: EUR 262,117), and GPS receivable of EUR 149,459 (2021: EUR 101,734). As detailed in Note 2.9, advisory fees is a residual balance after all operating expenses are paid. Advisory fees payable represents a significant balance of the current payables balance and will only be paid when the Company has sufficient resources to do so. The value of the assets and operational structure of the Company is sufficient for the Company to cover its operating expenses for the next twelve months. The Directors believe 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.

ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation

(a) Functional and presentation currency

The Board of Directors consider the Euro ("EUR") 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.

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

(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.

2.4 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 Agreements (the "LPA") dated 22 March 2021, 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 Funds.

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 fifth anniversary of the Closing Date, 0.80% per annum of Invested Capital;
- (ii) in respect of the period from the fifth anniversary of the Closing Date up to and including the tenth anniversary of the Closing Date, 0.65% 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 fifteenth anniversary of the Closing Date, 0.55% 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.

A GPS waiver was entered into between the Company and Aberdeen Standard European Infrastructure Partners Co-Invest IV LP hence GPS is only earned by the Company from Aberdeen Standard European Infrastructure Partners IV LP.

ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2022**

2.5 Share capital

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

2.6 Receivables

Receivables are initially recognised at fair value and measured subsequently at amortised cost using the effective interest rate method less provision for impairment. The Company takes the practical expedient approach to the impairment of receivables.

2.7 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 2022 and 2021, the carrying amounts of cash and cash equivalents approximate their fair values.

2.8 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 2022 and 2021, the carrying amounts of payables and accruals approximate their fair values.

2.9 Expenses

Expenses are recognised on an accruals basis.

Investment Advisory fees represent the Company's share of the management fee income payable to abrdn Alternative Funds Limited (formerly known as Aberdeen Standard Alternative Funds Limited) in lieu of the provision of services as the Investment Manager to the Funds. Investment Advisory 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 Critical accounting estimates and judgements

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

ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

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 2022 were EUR 9,606 (2021: EUR 6,685).

3.2 Staff costs

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

4. RECEIVABLES

	2022 EUR	2021 EUR
GPS receivable	149,459	101,734
Amounts due from related party	74	-
Amounts due from Shareholder	1	1
	149,534	101,735

The amounts due from related party includes transfer to Aberdeen Standard European Infrastructure Partners Carry IV LP to cover bank charges. The amounts due from related party are unsecured, interest free, has no fixed date of repayment and are repayable on demand.

As at 31 December 2022 and 2021, the carrying amounts of receivables approximate their fair values.

5. PAYABLES AND ACCRUALS

	2022 EUR	2021 EUR
Advisory fees	684,496	343,116
Amounts due to group companies	156,675	9,550
Audit fees	9,230	6,773
TMF Group - administration	4,413	4,412
	854,814	363,851

Amounts due to Group companies includes payments for administration and advisory fees. The amounts due to Group companies are unsecured, interest free, has no fixed date of repayment and are repayable on demand.

As at 31 December 2022 and 2021, the carrying amounts of payables approximate their fair values.

ABERDEEN STANDARD EUROPEAN INFRASTRUCTURE GP IV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2022**

6. SHARE CAPITAL

	2022	2021
Authorised		
Unlimited ordinary shares of GBP1 nominal value	unlimited	unlimited
	2022	2021
	EUR	EUR
Authorised, issued and fully paid		
1 ordinary share of GBP1 nominal value	1	1

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.

7. 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.

The amounts due from related party EUR 74 (2021: EUR nil) includes transfer to Aberdeen Standard European Infrastructure Partners Carry IV LP to cover bank charges. The amounts due from related party are unsecured, interest free, has no fixed date of repayment and are repayable on demand.

8. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is abrdn Alternative 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 abrdn plc Annual Report and Accounts, 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.

9. SUBSEQUENT EVENTS

The Directors have evaluated the impact of all subsequent events on the Company occurring between the end of the reporting period and 18 September 2023, 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 Infrastructure Partners II LP

Annual Report and Audited Financial Statements

For the year ended 31 December 2022

ABERDEEN INFRASTRUCTURE PARTNERS II LP

TABLE OF CONTENTS

	Page
Summary of Officers and Professional Advisers	1-2
Report of the General Partner	3-5
Report of the Investment Manager	6-10
Strategic Report	11
Independent Auditor's Report	12-15
Statement of Comprehensive Income	16
Statement of Financial Position	17
Statement of Changes in Net Assets Attributable to the Limited Partners	18
Statement of Cash Flows	19
Notes to the Financial Statements	20-42

ABERDEEN INFRASTRUCTURE PARTNERS II LP

SUMMARY OF OFFICERS AND PROFESSIONAL ADVISERS

GENERAL PARTNER:	<p>Aberdeen Infrastructure GP II Limited From 6 December 2022 280 Bishopsgate London EC2M 4AG</p> <p>Until 6 December 2022 Bow Bells House 1 Bread Street London EC4M 9HH</p>
DIRECTORS OF THE GENERAL PARTNER:	<p>M S Amin G D Cohen I H Y Wong</p>
REGISTERED OFFICE:	<p>From 13 December 2022 280 Bishopsgate London EC2M 4AG</p> <p>Until 13 December 2022 Bow Bells House 1 Bread Street London EC4M 9HH</p>
ADMINISTRATOR:	<p>TMF Group Fund Services (Guernsey) Limited Top Floor Mill Court La Charroterie St Peter Port Guernsey GY1 1EJ</p>
BANKER:	<p>Barclays Bank PLC, Guernsey Branch St Julian's Court St Julian's Avenue St Peter Port Guernsey GY1 1WA</p>
INDEPENDENT AUDITOR:	<p>PricewaterhouseCoopers CI LLP P.O. Box 321 Royal Bank Place 1 Glatigny Esplanade St Peter Port Guernsey GY1 4ND</p>

ABERDEEN INFRASTRUCTURE PARTNERS II LP

SUMMARY OF OFFICERS AND PROFESSIONAL ADVISERS (CONTINUED)

INVESTMENT MANAGER:

abrdn Fund Managers Limited*
From 5 December 2022
280 Bishopsgate
London
EC2M 4AG

Until 5 December 2022
Bow Bells House
1 Bread Street
London
EC4M 9HH

DEPOSITARY:

Apex Fund and Corporate Services (UK) Limited
6th Floor, Bastion House
140 London Wall
London
EC2Y 5DN

*On 1 August 2022 Aberdeen Standard Fund Managers changed its name to abrdn Fund Managers Limited.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

REPORT OF THE GENERAL PARTNER For the year ended 31 December 2022

The General Partner presents its annual report and audited financial statements for Aberdeen Infrastructure Partners II LP (the "Fund", "Partnership" or "Investment Entity") for the year ended 31 December 2022.

Limited partnership

The Fund was established on 12 August 2014 and is registered as a limited partnership in England under The Limited Partnerships Act 1907.

The General Partner has responsibility for ensuring that the Fund is 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 a portfolio of high-quality, operational, Private Finance Initiative/Public Private Partnerships ("PFI/PPP") assets in the UK and Europe through its wholly owned direct subsidiaries, Aberdeen Infrastructure II Limited ("AI II Ltd") and Aberdeen Infrastructure II (Europe) Limited ("AI II Europe Ltd"), together being the ("Subsidiaries").

The Fund acquired a portfolio of assets held through a group of corporate entities on 20 November 2014. The group comprised a number of holding companies and a UK registered partnership. During December 2015, the Fund completed the consolidation and simplification through the collapse of the group structure such that AI II Ltd held directly the investment in the underlying assets.

During 2017 the Fund was restructured and a wholly owned subsidiary, AI II Europe Ltd was incorporated. The non-UK domiciled assets and liabilities of AI II Ltd were transferred to AI II Europe Ltd.

The Fund's objective is to generate long-term investment yield over its projected 20 year life. The portfolio is expected to generate long-term, inflation-linked cashflows, principally driven by low-risk, availability-based contracts with government agencies. The investments are held in social and economic infrastructure projects (including health, education, leisure centres and accommodation) underpinned by long-term secure government contracts characterised by stable, predictable, availability-based cash flows.

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 management of the Fund's liquidity risk is delegated to the Investment Manager.

Results and review of business

The Fund's net increase in net assets attributable to the Limited Partners from operations for the year was EUR 11,266,396 (2021: EUR 14,473,090). Capital returned during the year amounted to EUR 9,301,337 (2021: EUR 18,567,263).

ABERDEEN INFRASTRUCTURE PARTNERS II LP

REPORT OF THE GENERAL PARTNER (CONTINUED) **For the year ended 31 December 2022**

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 UK-adopted international accounting standards, 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 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, UK-adopted International Accounting Standards 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

The General Partner has evaluated the impact of all subsequent events on the Fund occurring between the end of the reporting period and 30 March 2023, 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.

Coronavirus

The General Partner has considered the impact of coronavirus 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 private infrastructure market has not been immune. The Fund's portfolio is however made up of infrastructure assets with limited demand risk and strong downside protection, limiting the impact to the investment portfolio to date. The Investment Manager continues to manage its investments to ensure they are well positioned to deal with the ever changing macro situation and believes that the Fund will continue to create value for its Limited Partners. Please refer to the General Partner's assessment of the Fund's ability to continue as a going concern highlighted the next page.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

REPORT OF THE GENERAL PARTNER (CONTINUED)

For the year ended 31 December 2022

Geopolitical situation in Ukraine

On 24 February 2022, Russia launched a military offensive against Ukraine resulting in widespread sanctions on Russia and heightened security and cyber threats.

As at the date of approval of the financial statements, the Fund did not hold any assets in Ukraine or Russia. The Fund's key suppliers do not have operations pertaining to the Fund in Ukraine or Russia. The General Partner and the Investment Manager continue to monitor the situation carefully and will take whatever steps are necessary in the best interests of the Fund's Investors. This includes but is not limited to ensuring that the requirements of all international sanctions are adhered to, managing the assets of the Fund proactively to best mitigate risk and ensuring that the Investment Manager and other key suppliers continue to operate all protections, protocols and monitoring of heightened cyber threats. At the date of approval of the financial statements, there is not expected to be any significant long term adverse impact from the military operation in Ukraine on the assets, operational activities, processes and procedures of the Fund.

Macroeconomic environment

The General Partner has considered the continuing inflationary pressures across the Fund's geographies and the central bank interest rate rises in response. The rise of government bond rates has led to pressure on infrastructure discount rates. The Fund has recognised this by increasing the weighted average discount rate of the portfolio by 6.00 bps to 6.56% (2021: 6.50%). There is a risk that fair value market discount rates could increase further, reducing the valuation, all else being equal.

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 that they be reappointed will be proposed at the Annual General Meeting.

By order of the Board,



I H Y Wong
Aberdeen Infrastructure GP II Limited
30 March 2023

ABERDEEN INFRASTRUCTURE PARTNERS II LP

REPORT OF THE INVESTMENT MANAGER For the year ended 31 December 2022

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.

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 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 abrdn plc Remuneration Policy applies with effect from 1 January 2022. The purpose of the abrdn plc Remuneration Policy (the "Policy") is to document clearly the remuneration policies, practices and procedures of abrdn as approved by the abrdn plc Remuneration Committee (the "Committee"). The Policy is available on request.

The Policy applies to employees of the abrdn group of companies ("Group" or "abrdn") including AIFMD Management Companies ("ManCos") and the AIFMD funds that the ManCo manages.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

REPORT OF THE INVESTMENT MANAGER (CONTINUED) **For the year ended 31 December 2022**

Remuneration disclosure (continued)

Remuneration principles

abrdn applies Group wide principles for remuneration policies, procedures and practices ensuring that:

- Remuneration within the Group is simple, transparent and fair.
- Our Policy supports our long-term strategy by reinforcing a performance-driven culture. It aligns the interests of our employees, shareholders and, importantly, our clients/customers.
- Our remuneration structure recognises the different challenges and priorities of roles and Vectors and Functions across the organisation as appropriate.
- Remuneration policies, procedures and practices promote good conduct, including sound and effective risk management and do not encourage risk taking that exceeds the level of tolerated risk appetite.
- Remuneration extends beyond the provision of fixed and variable pay, with a focus on the retirement provision and the wellbeing needs of our employees, as part of our remuneration philosophy.
- Total remuneration delivered is affordable for the Group.

Remuneration framework

Employee remuneration is composed 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 to 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 abrdn to operate a fully flexible policy on variable remuneration components, including having the ability to award no variable remuneration component in certain circumstances where either individual and/or Group performance does not support such award.

<i>Base salary</i>	Base salary provides a core reward for undertaking the role 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. Periodic reviews take into account the employee's role, scope of responsibilities, skills and experience, salary benchmarks (where available) and, where relevant, any local legislative or regulatory requirements.
<i>Benefits (including retirement benefit where appropriate)</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 which may require contribution through salary sacrifice or other arrangements. Retirement benefits are managed in line with the relevant legislative requirements and governance structures. In certain, very limited circumstances, a cash allowance may be offered in lieu of a retirement arrangement.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

REPORT OF THE INVESTMENT MANAGER (CONTINUED) For the year ended 31 December 2022

Remuneration disclosure (continued)

Remuneration framework (continued)

<i>Annual Performance Bonus Awards</i>	<p>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.</p> <p>Annual bonuses are based upon group, vector, function, team and individual performance (with individual performance assessed against agreed goals and behaviours). The variable remuneration pool for all eligible employees, including Identified Staff or Material Risk Takers ("MRTs"), is determined initially by reference to profitability and other quantitative and qualitative financial and non-financial factors including risk considerations (on an ex-post and ex-ante basis). In reaching its final funding decision, the Committee exercises its judgement to ensure that the outcome reflects holistic Company performance considerations.</p> <p>abrdn Fund Managers Limited has specific obligations to act in the best interests of the AIFMD funds it manages and its investors. Accordingly, the performance of the underlying funds and the interests of investors (including, where relevant, investment risk) are also taken into account as appropriate. The Risk and Capital Committee and the Audit Committee formally advise the Committee as part of this process.</p> <p>The overall bonus pool is allocated to vectors and functions based on absolute and relative performance for each vector and function, and their alignment with strategic priorities and risk considerations. Allocation by region and subdivision/team is determined on a discretionary basis by the vector, regional and functional heads based on the absolute and relative performance of the constituent teams and alignment with strategic priorities.</p> <p>Individual annual bonus awards are determined at the end of the 12-month performance period with performance assessed against financial and nonfinancial individual objectives, including behaviour and conduct. Individual awards for Identified Staff are reviewed and approved by the Committee (with some individual award approvals delegated, as appropriate, to the Group's Compensation Committee, over which the Committee retains oversight). In carrying out these approvals, the Committee seeks to ensure that outcomes are fair in the context of overall Group performance measures and adjusted, where appropriate, reflect input from the Risk and Capital Committee and the Audit Committee. Variable remuneration awards are subject to deferral for a period of up to three years. A retention period may also be applied as required by the relevant regulatory requirements. Deferral rates and periods comply, at a minimum, with regulatory requirements and may exceed these. In addition to the application of ex-ante adjustments described above, variable remuneration is subject to ex-post adjustment (malus / clawback arrangements).</p>
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ABERDEEN INFRASTRUCTURE PARTNERS II LP

REPORT OF THE INVESTMENT MANAGER (CONTINUED) For the year ended 31 December 2022

Remuneration disclosure (continued)

Remuneration framework (continued)

<i>Other elements of remuneration – selected employees</i>	<p>The following remuneration arrangements may be awarded in certain very limited circumstances:</p> <p>Carried Interest Plans – These arrangements are designed to reward performance in roles where a carried interest plan is appropriate. Selected employees are granted carried interest shares in private market funds established by the Group.</p> <p>Buy-Out Awards/Guaranteed Bonuses – These are intended to facilitate/support the recruitment of new employees. Buy-outs are not awarded, paid or provided unless they are in the context of hiring new employees. Guaranteed bonuses are not awarded, paid or provided unless they are exceptional and in the context of hiring new employees and limited to the first year of service. These awards are only made where such a payment or award is permitted under any relevant remuneration regulations and are designed to compensate for actual or expected remuneration foregone from previous employers by virtue of their recruitment.</p> <p>Retention and Special Performance Awards / LTIP – Supports retention and/or the delivery of specific performance outcomes. The Company may determine that it is appropriate to grant an exceptional award in limited circumstances. Awards are structured to deliver specific retention and/or performance outcomes. Retention and/or special performance awards comply with all relevant regulatory requirements.</p> <p>Severance Pay – Payment made to support an employee whose role is considered to be redundant. Severance payments comply with any legislative and regulatory requirements and any payments are inclusive of any statutory entitlement. In the event of severance, the treatment of any individual elements of an employee's remuneration is governed, as appropriate, by relevant plan or scheme rules.</p>
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Control functions

The Group ensures that, as appropriate, senior employees engaged in a control function are independent from the business units they oversee and have appropriate authority to undertake their roles and duties. These include, but are not necessarily limited to, Risk, Compliance and Internal Audit function roles. Senior employees engaged in a control function are remunerated in a way that ensures they are independent from the business areas they oversee, have appropriate authority, and have their remuneration directly overseen by the Remuneration Committee.

Conflicts of interest

The Remuneration Policy is designed to avoid conflicts of interest between the Group and its clients and is designed to adhere to local legislation, regulations or other provisions. In circumstances or jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions then the latter prevail. Where the Committee receives input from members of management on the remuneration arrangements in operation across the Group this never relates to their own remuneration.

Personal investment strategies

The Company adheres to the regulatory principles and industry best practice on the use of personal hedging strategies which act in restricting the risk alignment embedded in employee remuneration arrangements.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

REPORT OF THE INVESTMENT MANAGER (CONTINUED) **For the year ended 31 December 2022**

Remuneration disclosure (continued)

AIFMD Identified Staff / MRTs

The 'Identified Staff' or MRTs of abrdn Fund Managers Limited are those employees who could have a material impact on the risk profile of abrdn Fund Managers Limited or the AIFMD Funds it manages. This broadly includes senior management, decision makers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

Quantitative remuneration disclosure

The table below provides an overview of the following:

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

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from 1 January 2022 to 31 December 2022 inclusive.

	Headcount	Total Remuneration £'000
abrdn Fund Managers Limited ¹	855	141,552
of which		
Fixed remuneration		101,713
Variable remuneration		39,839
abrdn Fund Managers Limited 'Identified Staff' ²	113	62,151
of which		
Senior Management ³	46	34,570
Other 'Identified Staff'	67	27,581

The above table has not been audited.

- 1 As there are a number of individuals indirectly and directly employed by abrdn Fund Managers Limited. This figure represents an apportioned amount of abrdn's total remuneration fixed and variable pay, apportioned to the Management Company on an AUM basis, plus any carried interest paid. The Headcount figure provided reflects the number of beneficiaries calculated on a Full Time Equivalent basis.
- 2 The Identified Staff disclosure relates to AIFMD MRTs and represents total compensation of those staff of the Management Company who are fully or partly involved in the activities of the Management Company.
- 3 Senior management are defined in this table as Management Company Directors and members of the abrdn plc Board, together with its Executive Committee, Investment Management Committee and Group Product Committee.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

STRATEGIC REPORT

For the year ended 31 December 2022

The General Partner presents its strategic report on the Fund for the year ended 31 December 2022.

Results and review of the business

The net increase in net assets attributable to the Limited Partners from operations 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 Fund and its prospects for the year ahead to be satisfactory.

Review and 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 long-term investment yield. It aims to achieve this objective from its investment portfolio of high-quality, operational PFI/PPP assets in the UK and Europe through its wholly owned subsidiaries, AI II Ltd and AI II Europe Ltd. The investment portfolio was created with the objective of generating 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 Stitching Depositary APG Infrastructure Pool 2012, acting in its capacity as depositary of APG Infrastructure Pool 2012, invests, to 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 key performance indicators is not necessary for understanding the development, performance or position of the business.

By order of the Board,



I H Y Wong
Aberdeen Infrastructure GP II Limited
30 March 2023

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the partnership's affairs as at 31 December 2022 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 2022; the statement of comprehensive income, statement of changes in net assets attributable to the limited partners and 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 INFRASTRUCTURE PARTNERS II 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 2022 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 INFRASTRUCTURE PARTNERS II 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 identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008, and we considered 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 by the engagement team 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 INFRASTRUCTURE PARTNERS II LP (CONTINUED)

Responsibilities for the financial statements and the audit (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 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.

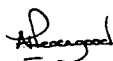
Other required reporting

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 2023

ABERDEEN INFRASTRUCTURE PARTNERS II LP**STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31 December 2022

	<i>Notes</i>	2022	2021
		EUR	EUR
Income			
Interest income	3	17,562,664	16,870,345
Dividend income		-	5,586,668
Total income		17,562,664	22,457,013
Expenses			
Net changes in fair value of financial assets at fair value through profit or loss	4	(4,884,533)	18,955,308
General Partner's Share		863,524	832,079
Legal and professional fees		99,353	110,981
Net foreign exchange losses		70,047	314,002
Audit fees		55,959	62,024
Administration fees		18,499	6,817
Other operating expenses		712	1,205
Total expenses		(3,776,439)	20,282,416
Profit for the year		21,339,103	2,174,597
Other comprehensive (loss) / income			
Currency translation differences		(10,072,707)	12,298,493
Increase in net assets attributable to the Limited Partners from operations		11,266,396	14,473,090

All amounts reported in the statement of comprehensive income relate to continuing operations.

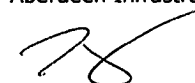
The notes on pages 20 to 42 form part of these financial statements

ABERDEEN INFRASTRUCTURE PARTNERS II LP

STATEMENT OF FINANCIAL POSITION As at 31 December 2022

	<i>Notes</i>	2022	2021
		EUR	EUR
Assets			
Non-current assets			
Financial assets at fair value through profit or loss	4	141,819,069	145,302,880
Loan interest receivable	6	33,275,535	-
Total non-current assets		175,094,604	145,302,880
Current assets			
Loan interest receivable	6	-	27,793,169
Receivables and prepayments	11	5,793	4,982
Cash and cash equivalents		101,098	142,342
Total current assets		106,891	27,940,493
Total assets		175,201,495	173,243,373
Current liabilities			
Payables and accruals	7	277,390	282,814
Loan payable - intercompany	11	25,420	26,933
Total liabilities		302,810	309,747
Net assets attributable to the Limited Partners		174,898,685	172,933,626
Limited Partners' interest represented by:			
Partners' capital		115,158,060	124,459,397
Partners' current account		82,670,735	61,331,632
Cumulative translation adjustment reserve		(22,930,110)	(12,857,403)
Total Limited Partners' interest		174,898,685	172,933,626

The financial statements on pages 16 to 42 of the Fund were authorised for issue by the Board of Directors of Aberdeen Infrastructure GP II Limited on 30 March 2023 and signed on its behalf by:



I H Y Wong
Director
30 March 2023

The notes on pages 20 to 42 form part of these financial statements

ABERDEEN INFRASTRUCTURE PARTNERS II LP**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE LIMITED PARTNERS**
For the year ended 31 December 2022

	Partners' capital EUR	Partners' current account EUR	Cumulative translation adjustment reserve EUR	Total EUR
As at 1 January 2021	143,026,660	59,157,035	(25,155,896)	177,027,799
Return of capital	(18,567,263)	-	-	(18,567,263)
Profit for the year	-	2,174,597	-	2,174,597
Other comprehensive income for the year	-	-	12,298,493	12,298,493
Movement in net assets attributable to the Limited Partners	(18,567,263)	2,174,597	12,298,493	(4,094,173)
As at 31 December 2021	124,459,397	61,331,632	(12,857,403)	172,933,626
Return of capital	(9,301,337)	-	-	(9,301,337)
Profit for the year	-	21,339,103	-	21,339,103
Other comprehensive loss for the year	-	-	(10,072,707)	(10,072,707)
Movement in net assets attributable to the Limited Partners	(9,301,337)	21,339,103	(10,072,707)	1,965,059
As at 31 December 2022	115,158,060	82,670,735	(22,930,110)	174,898,685

The notes on pages 20 to 42 form part of these financial statements

ABERDEEN INFRASTRUCTURE PARTNERS II LP**STATEMENT OF CASH FLOWS****For the year ended 31 December 2022**

		2022	2021
	Notes	EUR	EUR
Cash flows from operating activities			
Profit for the year		21,339,103	2,174,597
Net changes in fair value of financial assets at fair value through profit or loss	4	(4,884,533)	18,955,308
Proceeds from financial assets at fair value through profit or loss - debt securities	4	-	2,443,333
Currency translation differences		(1,704,363)	1,650,272
Movement in receivables and prepayments		(811)	(4,982)
Movement in loan interest receivable	6	(5,482,366)	(6,593,315)
Movement in current liabilities		(6,937)	(39,705)
Net cash flows generated from operating activities		9,260,093	18,585,508
Cash flows from financing activities			
Return of capital to Limited Partners		(9,301,337)	(18,567,263)
Net cash flows used in financing activities		(9,301,337)	(18,567,263)
Net (decrease) / increase in cash and cash equivalents		(41,244)	18,245
Cash and cash equivalents at 1 January		142,342	124,097
Cash and cash equivalents at 31 December		101,098	142,342

The notes on pages 20 to 42 form part of these financial statements

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

1. GENERAL INFORMATION

The Fund is established as a limited partnership under the laws of England. The address of its registered office is 280 Bishopsgate, London, England, EC2M 4AG.

The Fund was established to invest in a portfolio of high-quality, operational, PFI/PPP assets in the UK and Europe through its wholly owned subsidiary, AI II Ltd. The Fund acquired the portfolio on 20 November 2014 and subsequently during 2015 underwent a restructuring to simplify the corporate structure and eliminate superfluous intermediate holding companies. The Fund underwent a further restructuring during 2017 and a new wholly owned subsidiary, AI II Europe Ltd was incorporated.

The General Partner has responsibility for ensuring that the Fund is operated and managed under the terms of the Limited Partnership Agreement ("LPA"). The General Partner has delegated these responsibilities to the Investment Manager.

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

The Fund has invested in AI II Ltd and AI II Europe Ltd.

These financial statements were authorised for issue by the Board of the General Partner of the Fund on 30 March 2023.

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 and to all periods presented, 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 UK-adopted International Accounting Standards. 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 at fair value through profit or loss.

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 (Note 2.1.1) and is required to account for the investment in the Subsidiaries at fair value through profit and loss.

The preparation of financial statements in accordance with UK-adopted International Accounting Standards 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 INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(a) Standards and amendments to existing standards effective 1 January 2022

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2022 that would be expected to have a material impact on the Fund.

(b) New standards, amendments and interpretations effective after 1 January 2022 and not early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022, 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.

2.1.1 Investment entity

The Fund indirectly 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 Subsidiaries

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 and are instead reflected at fair value through the profit or loss. As at 31 December 2022, the Fund is directly invested in two such portfolio companies.

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 invests and commits to invest into various portfolio companies through Subsidiaries. As at 31 December 2022, 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 Fund primarily invests into the portfolio companies by purchasing, indirectly through its investment entity subsidiaries, the ordinary equity and subordinated loan notes of these PFI/PPP 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 through the respective subsidiary. There are no amounts due or accrued for preferred dividend or in-kind returns based on any of the shareholder agreements.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries (continued)

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 General Partner considers GBP as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Fund. However, the General Partner chooses to report in EUR, the functional currency of the Fund's investors.

(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.

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 using the exchange rates prevailing at the date of the transaction. All resulting exchange differences are recognised in other comprehensive income with the cumulative amount of the exchange differences presented in a separate component of Limited Partner's interest, the cumulative translation adjustment reserve. All items included in the Statement of Changes in Net Assets Attributable to the Limited Partner, other than the comprehensive income for the year, are translated at historical exchange rates.

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 at fair value through profit or loss".

In the Statement of Cash Flows, cash balances at the beginning and end of each period presented, are translated at exchange rates at the respective dates of the beginning and end of each period. All cash flows are translated at the exchange rates prevailing at the date of the transaction.

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

(a) Classification

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

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(a) Classification (continued)

(i) Financial assets

The Fund classifies its investments based on both the Fund's business model for managing those investments and their contractual cash flow characteristics. The portfolio of investments 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 assets and 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, 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.

Dividend and interest income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income in accordance with Note 2.9.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2022**

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

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 investment in subsidiaries is the net present value of the estimated future cash flows based on a discounted cash flow model.

The discounted cash flow model considers the total equity and debt investment made into the portfolio companies indirectly through the Fund's Subsidiaries. The Fund's policy is to fair value both the equity and shareholder debt investments in infrastructure assets together where they will be managed and valued as a single investment, as they were invested in 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. Similar to the earnings multiples model, cash flows used in the discount 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 measured subsequently at amortised cost using the effective interest method. Prepayments are assets 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. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value and are subsequently measured at amortised cost. At each reporting date, the Partnership should measure 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 Partnership should measure 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 at bank and instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and other short-term highly liquid investments with an original maturity of three months or less. Any bank overdrafts are shown as short term borrowings in the statement of financial position. For the purpose of presenting the statement of cash flows, any bank overdraft is presented net against the cash and cash equivalents as they are repayable on demand and are integral to the Fund's cash management.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Distributions payable to the Limited Partners

Return of funded committed capital is shown in the Statement of Changes in Net Assets attributable to the Limited Partners. Distributions of current year income is shown as finance costs in the Statement of Comprehensive Income.

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 10.1 of the LPA.

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. The distribution is recognised as a finance cost in the Statement of Comprehensive Income. Any capital returned is recognised in the Statement of Changes in Net Assets Attributable to the Limited Partners.

2.8 Payables and accruals

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 is discharged or cancelled or expires.

2.9 Interest income and dividend income

Interest income from shareholder debt investment 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 Expenses

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.

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.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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' fees etc., earned by the General Partner, Investment Manager or associates of either of them.

2.14 Allocation of profits and losses

a) Subject to clause 9.8(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 Limited 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 Limited Partners for the purpose of calculating when each Limited Partner has received sums equal to the aggregate of amounts under Clause 10.1 then, notwithstanding any other provision of this Clause 9.8, 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 Limited Partners 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 income or capital account.

2.15 Carried interest

In accordance with the LPA, if the performance conditions pertaining to the carried interest entitlement as defined in the LPA are met, the Carried Interest Partner will be entitled to receive carried interest as calculated in accordance with Schedule 3 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 are met.

2.16 Undrawn committed capital

Unfunded committed capital from the partners is not presented in the statement of financial position, since unfunded committed capital represents an undrawn financial instrument, where an effective interest rate in accordance with IFRS 9 Financial instruments would not be applicable.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

3. INTEREST INCOME

	2022 EUR	2021 EUR
From financial assets at fair value through profit or loss	17,562,664	16,870,345
	<u>17,562,664</u>	<u>16,870,345</u>

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	2022 EUR	2021 EUR
As at 1 January	145,302,880	156,053,300
Repayment of debt	-	(2,443,333)
Net changes in fair value of financial assets at fair value through profit or loss	4,884,533	(18,955,308)
Foreign exchange translation difference *	(8,368,344)	10,648,221
As at 31 December	<u>141,819,069</u>	<u>145,302,880</u>

Change in unrealised gain / (loss) 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 *

4,884,533	(18,955,308)
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During 2021 AI II Europe Ltd received funds of EUR 10,441,020 following the termination of Nacre 2008 SAS subsidiary contracts, these funds aggregated with residual funds held by AI II Europe Ltd totalling EUR 11,410,000 was distributed to the Fund as EUR 5,600,000 dividend income, EUR 2,443,333 debt repayment and EUR 3,366,667 loan interest repayments.

* The 'Foreign exchange translation difference' arises from the conversion of the GBP denominated financial assets from the GBP functional currency into the EUR presentation currency and is recognised in the 'Cumulative translation adjustment reserve'.

	2022		2021*	
Financial assets at fair value through profit or loss	Fair Value	% of net assets	Fair Value	% of net assets
Debt Securities	111,113,756	63.53%	116,323,763	67.26%
Equity Securities	30,705,313	17.56%	28,979,117	16.76%
Investment in the Subsidiaries	<u>141,819,069</u>	<u>81.09%</u>	<u>145,302,880</u>	<u>84.02%</u>

*The 2021 comparative has been amended to address a presentational error in the prior year financial statements

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2022**

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 Subsidiaries during the year ended 31 December 2022 were EUR Nil (2021: EUR Nil). As at 31 December 2022 and 31 December 2021 there were no capital commitment obligations and no amounts due to the Subsidiaries for unsettled purchases.

The Subsidiaries of the Fund are as follows:

Investment in the Subsidiaries held by the Fund

Subsidiary	Address of the registered office	Principal activity	Date of incorporation	Country of incorporation	Holding %
Aberdeen Infrastructure II Limited	280 Bishopsgate, London, England, EC2M 4AG	Investment holding	12 August 2014	United Kingdom	100
Aberdeen Infrastructure II (Europe) Limited	280 Bishopsgate, London, England, EC2M 4AG	Investment holding	05 July 2017	United Kingdom	100

Investment in the Subsidiaries held by Aberdeen Infrastructure II Limited

Bristol Schools (Holdings) Ltd	Kelvin House, Buchanan Gate Business Park, Stepps, Glasgow, G33 6FB	Infrastructure	12 February 2004	Scotland	100
Crawley Schools (Holdings) Ltd	Kelvin House, Buchanan Gate Business Park, Stepps, Glasgow, G33 6FB	Infrastructure	22 May 2003	Scotland	100
Dalkeith SPV (Holdings) Ltd	Kelvin House, Buchanan Gate Business Park, Stepps, Glasgow, G33 6FB	Infrastructure	18 January 2002	Scotland	100
East Renfrewshire Schools (Holdings) Ltd	Kelvin House, Buchanan Gate Business Park, Stepps, Glasgow, G33 6FB	Infrastructure	19 February 2004	Scotland	100
Healthcare Solutions (Hull) Holdings Ltd	Unit 18 Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP	Infrastructure	28 July 2005	England	100

ABERDEEN INFRASTRUCTURE PARTNERS II LP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
For the year ended 31 December 2022**5. SUBSIDIARIES (continued)***Investment in the Subsidiaries held by Aberdeen Infrastructure II Limited (continued)*

Subsidiary	Address of the registered office	Principal activity	Date of incorporation	Country of incorporation	Holding %
Linteum (Lewisham) Holdings Ltd	Unit 18 Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP	Infrastructure	20 August 2004	England	100
Axiom Education (Rochdale) Holdings Ltd	Unit 18 Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP	Infrastructure	28 July 2005	England	100
Healthcare (St. Andrews) Ltd	PO Box 17452 2 Lochside View Edinburgh EH12 1LB	Infrastructure	06 June 2007	Scotland	100
Linteum (Uttlesford) Holdings Ltd	Unit 18 Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP	Infrastructure	28 December 2001	England	100
Linteum (Willesden) Holdings Ltd	Unit 18 Riversway Business Village Navigation Way, Ashton-On-Ribble, Preston, PR2 2YP	Infrastructure	20 August 2004	England	100

Investment in the Subsidiaries held by Aberdeen Infrastructure II (Europe) Limited

Douai Logi Services S.A.S.	19 Rue Stephenson 78180 MONTIGNY LE BRETONNEUX	Infrastructure	26 May 2005	France	90
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ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

5. SUBSIDIARIES (continued)

Investment in the Subsidiaries held by Aberdeen Infrastructure II (Europe) Limited (continued)

Subsidiary	Address of the registered office	Principal activity	Date of incorporation	Country of incorporation	Holding %
MPFI Schools 1 Investments DAC	Suite 54, Morrison Chambers, 32 Nassau Street, Dublin 2	Infrastructure	13 December 2007	Ireland	100
Safire Holding B.V.	p.a. Strukton Integrale Projecten, Westkanaaldijk 2, Utrecht, Postbus 1025, 3600 BA Maarssen	Infrastructure	07 April 2006	Netherlands	100
OPP Arkivet A/S	Roskildevej 12, 2620, Albertslund	Infrastructure	18 June 2007	Denmark	100

6. LOAN INTEREST RECEIVABLE

	2022 EUR	2021 EUR
Loan interest receivable	33,275,535	27,793,169
	<u>33,275,535</u>	<u>27,793,169</u>

Loan interest receivable relates to the interest accrued on the shareholder loans the Fund has with its subsidiaries AI II Ltd and AI II Europe Ltd. The General Partner has reevaluated the expected timing of the receipt of the interest and this now is not expected within 12 months of the year end and hence has been reclassified from a current asset in the prior year to a non-current asset in the statement of financial position as at 31 December 2022. As at 31 December 2022 and 31 December 2021, the carrying amount of receivables approximates its fair value.

7. PAYABLES AND ACCRUALS

	2022 EUR	2021 EUR
General Partner Share (Note 11)	212,963	208,722
Audit fees	53,933	57,143
Administration fees	7,123	3,616
Legal and professional fees	3,371	13,333
	<u>277,390</u>	<u>282,814</u>

As at 31 December 2022 and 31 December 2021, the carrying amount of payables and accruals approximates to their fair values.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

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 Investment Manager 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/or 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);
- equity markets (other price risk); and
- inflation 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 and approved 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.

(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 investment in the 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 investment in the Subsidiaries is set out below.

ABERDEEN INFRASTRUCTURE PARTNERS II LP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
For the year ended 31 December 2022**8. FINANCIAL RISK MANAGEMENT (continued)****8.1 Financial risk factors (continued)****8.1.1 Market risk (continued)****(a) Price risk (continued)**

At the reporting date the carrying value of the investments in Subsidiaries amounted to EUR 141,819,069 (2021: EUR 145,302,880). For investments carried at fair value through profit or loss, changes in fair value would have a direct impact on the net movement in net assets attributable to the Limited Partners from operations for the year. The table below sets out the sensitivity of the net movement in net assets attributable to the Limited Partners from operations for the year to a 10% change in fair value of investments in Subsidiaries as at the reporting date.

Effect of investment in the Subsidiaries fair values on the net movement in net assets attributable to the Limited Partners from operations for the year:

	2022 EUR	2021 EUR
Effect of 10% increase in fair value of the investment in the Subsidiaries	14,181,907	14,530,288
Effect of 10% decrease in fair value of the investment in the Subsidiaries	(14,181,907)	(14,530,288)

(b) Currency risk

The Subsidiaries in which the Fund invests pays loan interest in Pound Sterling ("GBP"), Danish Krone ("DKK"), and Euro ("EUR"). 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 assets and liabilities denominated in GBP, DKK, and EUR at their carrying amounts in EUR are summarised below:

	31 December 2022 GBP	31 December 2022 DKK	31 December 2022 EUR	31 December 2022 Total
Total assets and liabilities	127,234,500	6,776,404	40,887,781	174,898,685
Sensitivity based on 5%	6,361,725	338,820	2,044,389	

This sensitivity analysis represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

	31 December 2021 GBP	31 December 2021 DKK	31 December 2021 EUR	31 December 2021 Total
Total assets and liabilities	125,262,469	9,271,079	38,400,078	172,933,626
Sensitivity based on 5%	6,263,123	463,554	1,920,004	

This sensitivity analysis represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

As at 31 December 2022, the foreign currency exchange rates were EUR/GBP 0.8900 and DKK/EUR 0.1300 (2021: EUR/GBP 0.8400 and DKK/EUR 0.1300).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.1 Financial risk factors (continued)

8.1.1 Market risk (continued)

(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 or fixed interest rate debt. 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, with fixed interest rate coupons. 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.

(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 project companies financial models only being updated on a 6 monthly basis.

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 Subsidiaries, AI II Ltd and AI II Europe Ltd. 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. The Fund's investments and their Subsidiaries 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.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.1 Financial risk factors (continued)

8.1.2 Credit risk (continued)

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:

	2022	2021
	EUR	EUR
Investments in Subsidiaries - debt securities	111,113,756	116,323,763
Loan interest receivable	33,275,535	27,793,169
Receivables	5,793	4,982
Cash and cash equivalents	101,098	142,342
Total	<u>144,496,182</u>	<u>144,264,256</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 4 (2021: 4) debt securities.

Cash transactions are limited to Barclays Bank which is a subsidiary of a financial institution with a long term debt credit rating of A (2021: 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.

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 financed by long-term funding, as it is closed ended and hence the Limited Partners do not have the option to redeem their investment in the Fund. The Fund is exposed to limited liquidity risk. The management of liquidity risk is delegated to the Investment Manager.

The Fund's investments are 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 General Partner's Shares and (ii) maintaining cash levels to fund short term operating expenses. As at 31 December 2022, the amount of undrawn commitments was EUR 4,052,453 (2021: EUR 4,052,453).

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.1 Financial risk factors (continued)

8.1.3 Liquidity risk (continued)

The Fund operates as an investment structure whereby the Fund invests and commits to invest into various portfolio companies. As at 31 December 2022, 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 2022	Undrawn capital commitments EUR	Less than 1 month EUR	1 - 12 months EUR	More than 12 months EUR
Total assets drawn and undrawn capital commitments	4,052,453	101,098	5,793	208,370,139

As at 31 December 2021

Total assets drawn and undrawn capital commitments	4,052,453	142,342	27,798,151	145,302,880
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The amounts in the table are the contractual undiscounted cash flows.

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 2022					
Liabilities					
Payables and accruals	-	277,390	-	-	277,390
Loan payable - intercompany	-	25,420	-	-	25,420
Net assets attributable to the Limited Partners	-	-	-	174,898,685	174,898,685
	-	302,810	-	174,898,685	175,201,495

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.1 Financial risk factors (continued)

8.1.3 Liquidity risk (continued)

	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 2021					
Liabilities					
Payables and accruals	-	282,814	-	-	282,814
Loan payable - intercompany	-	26,933	-	-	26,933
Net assets attributable to the Limited Partners	-	-	-	172,933,626	172,933,626
	-	309,747	-	172,933,626	173,243,373

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 its Subsidiaries are subject to externally imposed capital requirements.

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

8.3 Fair value estimation

As at 31 December 2022, 100% (2021: 100%) of financial assets at fair value through profit or loss comprise of the investment in the Subsidiaries that has been fair valued in accordance with the policies set out above. Neither the Subsidiaries nor the Subsidiaries underlying investments are publicly traded; prior to maturity, an exit can only be made by the Subsidiaries through a sale of its investment and commitment in the underlying investments 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 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 a secondary market sale.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2022**

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.3 Fair value estimation (continued)

As the Subsidiaries are not traded on an active market, and its fair values are determined using valuation techniques, the value is primarily based on the latest available financial information of the Subsidiaries as reported by the Administrator of the Subsidiaries. The Subsidiaries financial information 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;
- 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.

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
As at 31 December 2022			
Financial assets at fair value through profit or loss	-	-	141,819,069
As at 31 December 2021			
Financial assets at fair value through profit or loss	-	-	145,302,880

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.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2022**

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.3 Fair value estimation (continued)

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

Valuation – the Subsidiaries

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

The following summarises the valuation techniques and input used for investments in the underlying project companies categorised in Level 3.

	Fair value EUR	Valuation technique	Significant unobservable inputs	Discount rate applied
As at 31 December 2022				
Investment in Subsidiaries	141,819,069	Discounted cash flow	Discount rate and expected cash flows	6.25% - 7.00%
	Reasonable possible shift (absolute value)		Change in valuation EUR	
Investment in Subsidiaries	5% movement in discount rate		3,820,850	
	Fair value EUR	Valuation technique	Significant unobservable inputs	Range of discount rate applied
As at 31 December 2021				
Investment in Subsidiaries	145,302,880	Discounted cash flow	Discount rate and expected cash flows	6.50%
	Reasonable possible shift (absolute value)		Change in valuation EUR	
Investment in Subsidiaries	5% movement in discount rate		4,087,894	

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

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

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2022**

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

8.3 Fair value estimation (continued)

The Fund has recognised unrealised income of EUR 4,884,533 (2021: loss of EUR 18,955,308) on its Level 3 investments, these are included in the Statement of Comprehensive Income as net changes in fair value of financial assets at fair value 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.

9.1 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.

Investment entity status

The General Partner has determined that the Fund meets the definition of an Investment Entity. An Investment Entity is defined as an entity that:

- a) has raised commitments from 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) 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) evaluates its infrastructure investments' performance on a fair value basis, in accordance with the policies set out in these financial statements.

Although the Fund met all three defining criteria, the General Partner has also assessed the business purpose of the Fund, the investment strategies, the nature of any earnings and the fair value models of its investments. The General Partner made this assessment in order to determine whether any additional areas of judgement exist with respect to the typical characteristics of an investment entity versus those of the Fund.

Functional currency

The General Partner considers GBP as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Fund. However, the General Partner chooses to report in EUR, the functional currency of the Fund's investor.

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2022

9. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

9.2 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 PFI/PPP or similar investments share the same investment characteristics and as such constitute a single asset class for IFRS 7 disclosure purposes.

The discount rate applied in the 31 December 2022 valuation was 6.25% - 7.00% (2021: 6.50%). 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.

The carrying value apportioned to the debt security element of the investment is represented by its principal cost, which is considered to be a reasonable proxy of the fair value with any residual fair value attributed to the equity instrument.

10. FINANCIAL INSTRUMENTS BY CATEGORY

At 31 December 2022, 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 EUR
As at 31 December 2022			
Assets			
Investment in subsidiaries	-	141,819,069	141,819,069
Loan interest receivable	33,275,535	-	33,275,535
Receivables	5,793	-	5,793
Cash and cash equivalents	101,098	-	101,098
	<u>33,382,426</u>	<u>141,819,069</u>	<u>175,201,495</u>
As at 31 December 2021			
Assets			
Investment in subsidiaries	-	145,302,880	145,302,880
Loan interest receivable	27,793,169	-	27,793,169
Receivables	4,982	-	4,982
Cash and cash equivalents	142,342	-	142,342
	<u>27,940,493</u>	<u>145,302,880</u>	<u>173,243,373</u>

ABERDEEN INFRASTRUCTURE PARTNERS II LP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
For the year ended 31 December 2022**10. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)**

	Other financial liabilities at amortised EUR	Designated at fair value through profit or loss EUR	Total EUR
As at 31 December 2022			
Liabilities			
Payables and accruals	277,390	-	277,390
Loan payable - intercompany	25,420	-	25,420
Net Assets attributable to the Partners	174,898,685	-	174,898,685
	<u>175,201,495</u>	<u>-</u>	<u>175,201,495</u>
	Other financial liabilities at amortised EUR	Liabilities at fair value through profit or loss EUR	Total EUR
As at 31 December 2021			
Liabilities			
Payables and accruals	282,814	-	282,814
Loan payable - intercompany	26,933	-	26,933
Net Assets attributable to the Partners	172,933,626	-	172,933,626
	<u>173,243,373</u>	<u>-</u>	<u>173,243,373</u>

11. RELATED PARTY TRANSACTIONS

A party is 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 a management fee equivalent to a certain percentage per annum of net asset value of all investments that are not realised as at year end for managing the affairs of the Fund.

During the year, the General Partner charged EUR 863,524 (2021: EUR 832,079) in respect of General Partner's Share, of which EUR 212,963 (2021: EUR 208,722) was outstanding at the end of the year.

As at 31 December 2022 EUR 25,420 was due as a unsecured, non-interest bearing, short term loan repayable on demand to AI II Ltd (2021: EUR 26,933) in relation to expenses incurred on behalf of the Fund.

During the year ended 31 December 2022 the Fund recognised interest receivable EUR 17,562,664 (2021: EUR 16,870,345), of which EUR 33,275,535 (2021: EUR 27,793,169) was receivable at the year end.

As at 31 December 2022 EUR 5,793 was due from AI II Europe Ltd (2021: EUR 4,982) in relation to expenses incurred by the Fund.

The payable relating to the General Partner's Share is disclosed in Note 7.

12. ULTIMATE PARENT UNDERTAKING

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

ABERDEEN INFRASTRUCTURE PARTNERS II LP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

13. UNDRAWN COMMITMENTS

As at 31 December 2022 the Fund had undrawn commitments of EUR 4,052,453 (2021: EUR 4,052,453).

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 2022 an amount of EUR Nil (2021: EUR Nil) would be due to the Carried Interest Partner.

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 2023, 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.