RNS Number : 9514J
BBGI Global Infrastructure S.A.
27 August 2021

27 August 2021

BBGI Global Infrastructure S.A.

("**BBGI**" or the "**Company**")

Interim results for the six months ended 30 June 2021

The information contained within this Announcement is deemed by the Company to constitute inside information. Upon the publication of this Announcement via a Regulatory Information Service this inside information is now considered to be in the public domain.

BBGI Global Infrastructure S.A. (LSE ticker: BBGI), the global infrastructure investment company, is pleased to announce its interim results for the six months ended 30 June 2021.

SIX MONTHS IN NUMBERS

Financial highlights

Investment Basis NAV	Investment basis NAV per share	Total Shareholder Return ('TSR')
£918.1m Up 0.2% as at 30 June 2021 (31 December 2020: £916.0 million)[i]	**137.8pps** Up 0.03% as at 30 June 2021 (31 December 2020: 137.8pps[ii])	since IPO[iii] **165.1%** FY 2020: 157.5%

Annualised Total Shareholder Return	2021 Target Dividend	2022 Target Dividend
since IPO[iv] **10.8%** FY 2020: 11.0%	**7.33pps** Up 2.1% on the 2020 dividend	**7.48pps** Up 2.0% on the 2021 dividend target

2023 Target Dividend	Annualised Ongoing Charges[v]	Cash Dividend Cover[vi]
7.63pps Up 2.0% on the 2022 dividend target	**0.86%** FY 2020: 0.86%	**1.55x** FY 2020: 1.27x

Portfolio highlights

- Globally diversified portfolio of 51 high-quality, 100% availability-based infrastructure assets.
- Portfolio generated predictable cash flows fully in line with expectations, recording no material adverse operational or financial impact from Covid-19 pandemic.
- Consistently high level of asset availability at 99.9 per cent with no material lockups or defaults over the period.
- Ongoing sustainability monitoring being implemented across the portfolio.
- Acquisition of four low-risk, availability-based operational assets backed by public sector counterparties, all in the UK and with a total value of c. £75 million: Poplar Affordable Housing and Recreation Centres, and post-period end, the addition of Ayrshire and Arran Hospital, North West Fire and Rescue and Aberdeen Western Peripheral Route, bringing the portfolio size to 54 assets.
- Recent acquisitions have further diversified our social impact portfolio across the healthcare, educational, blue light, affordable housing, judicial and transport sectors.
- At 30 June 2021, the Group had a net cash position of £6.3 million with £25 million cash borrowings outstanding which were fully repaid in August 2021.
- Completed the amendment and restatement of the multi-currency RCF, increasing the committed amount to £230 million and the tenor from four years to five years thereby providing increased flexibility to consider larger transactions.
- The Company's shares have a five-year correlation of 28.4% and a beta of 0.26 compared to the FTSE All-share Index[vii].

- Post-period end, continued strong support for the Company's investment case was demonstrated by a significantly over-subscribed equity issue of £75 million by existing and new shareholders in July 2021.

Duncan Ball and Frank Schramm, Co-CEOs of BBGI, added:

"The Management Board continues to follow a proven operating model of value-driven active asset management, prudent financial management, and a selective acquisition strategy which has again preserved the net asset value over the period despite absorbing the impact of the UK corporate tax rate increase from 19 per cent to 25 per cent with effect from April 2023 and some foreign exchange losses. Cash receipts were ahead of our expectations. Thanks to the resilience of our 51 availability-based assets, the portfolio has not experienced any material adverse operational or financial impacts from the pandemic, and we've continued to actively support the users of our assets and the communities to which they provide essential services.

"This robust performance and the confidence in our business model allows the Company to reconfirm its dividend target of 7.33 pence per share for 2021 and 7.48 pence per share for 2022. The Board is pleased to provide a new dividend target for 2023 of 7.63 pence per share, corresponding to a 2 per cent annualised increase in target dividends over the next two years.

"The marketplace for the types of assets in which we invest remains competitive and our proven investment proposition enables the Company to originate new acquisitions in line with our strict investment criteria including ESG. The pipeline for availability-based transactions remains strong within the Company's target markets. These factors combined should allow the Company to maintain long-term, predictable, and stable income to our shareholders, and non-financial returns to the communities our assets serve."

Portfolio at a glance

The fundamentals

Based on portfolio value at 30 June 2021.

Investment type

100% availability-based revenue stream.

Investment Type	
Availability-Based Revenue Assets	100%
Regulated Assets	-
Demand-Based Assets	-
	100%

Investment status

Low-risk operational portfolio.

Investment Status	
Operational	99.5%
Construction	0.5%
	100%

Geographical split

Geographically diversified in stable developed countries.

Geographic Split	
Canada	38%
UK	31%
Australia	12%
Cont. Europe	10%
USA	9%
	100%

Sector split

Social impact portfolio with well diversified sector exposure.

Sector Split	
Transport	50%
Health	22%
Blue Light & Justice	14%
Education	10%
Affordable Housing	3%
Other	1%
	100%

Investment life

Long investment life with 60% of portfolio by value with a duration of greater than 20 years; weighted average life of 20.3 years. Average portfolio debt maturity of 17.1 years.

Investment Life	
≥25 years	16%
≥20 years and <25 years	44%
≥10 years and <20 years	34%
<10 years	6%
	100%

Top five investments

Well-diversified portfolio with no major single asset exposure.

Top Five Investments	
Golden Ears Bridge	9%
Ohio River Bridge	9%
Northern Territory Secure Facilities	6%
Victoria Correctional Facilities	5%
McGill University Health Centre	5%
Next five largest investments	18%
Remaining investments	48%
	100%

Investment ownership

82% of assets by value in the portfolio are 50% owned or more.

Investment Ownership	
100%	50%
≥75% <100%	6%
≥50% <75%	26%
<50%	18%
	100%

Country rating

All assets located in countries with ratings between AA and AAA.

Country Rating	
AAA	60%
AA+	9%
AA	31%
	100%

Projected portfolio cash flow

The portfolio has a steady stream of cash flows deriving from the Company's underlying assets until 2051. The cash flows are stable and long-term, with their predictability enhanced by government or government-backed counterparties and their contracted nature. The index-linked provisions provide a positive inflation linkage of approximately 0.46 per cent.

The investment made over the period contributed positively to both stable cash flows and the weighted average length of the portfolio. Based on current estimates and assuming no further investments, the existing portfolio is forecast to enter the repayment phase in 2035, after which cash inflows from the portfolio will be paid to the Company's shareholders as capital. By acquiring accretive investments, the intention is that the capital repayment phase is pushed further into the future.

As at 30 June 2021, BBGI has a weighted average portfolio life of 20.3 years, a decrease of 0.1 years compared with 31 December 2020.

FOR FURTHER INFORMATION, PLEASE CONTACT:

BBGI Management Team	+352 263 479-1
Duncan Ball	
Frank Schramm	
Maitland/AMO (Communications adviser)	+44(0) 7747 113 930
James Benjamin	BBGI-maitland@maitland.co.uk

NOTES

BBGI Global Infrastructure ('BBGI') is a responsible infrastructure investment company and a constituent of the FTSE 250 that invests in and actively manages for the long-term a globally diversified, low-risk portfolio of essential social infrastructure investments.

BBGI is committed to delivering stable and predictable cash flows with progressive long-term dividend growth and attractive, sustainable returns for shareholders. BBGI has a proactive approach to preserving and enhancing the value of its investments, and to delivering well maintained social infrastructure for communities and end users.

All of BBGI's investments are availability-based and underpinned by secure public sector-backed contracted revenues, with inflation-protection characteristics, that are paid so long as the assets are available for use.

BBGI's investment portfolio is over 99.5% operational with all its investments located across highly rated investment grade countries with stable, well-developed operating environments.

BBGI's in-house management team is incentivised by shareholder returns and consistently maintains the lowest comparative ongoing charges to its shareholders in the sector.

Further information about BBGI is available on its website at www.bb-gi.com.*

The Company's LEI: 529900CV0RWCOP5YHK95

Any reference to the Company or BBGI refers also to its subsidiaries (where applicable).

** Neither the Company's website nor the content of any website accessible from hyperlinks on its website (or any other website) is (or is deemed to be) incorporated into, or forms (or is deemed to form) part of this announcement.*

COMPANY OVERVIEW

ABOUT BBGI

BBGI Global Infrastructure S.A. (BBGI, the 'Company', and together with its subsidiaries, the 'Group') is a global infrastructure investment company providing responsible capital to build and maintain critical social infrastructure[viii] in the countries where we do business.

These are the important infrastructure assets on which citizens rely every day. They are the building blocks of the local economy, and as a long-term custodian, we partner with the public sector to help deliver and manage these assets.

In doing so, we follow a low-risk, globally diversified and internally managed investment strategy to deliver long-term and predictable shareholder returns.

WHY INVEST IN BBGI

BBGI provides access to a diversified portfolio of infrastructure investments that generate long-term, sustainable returns and serve an inherent social purpose in their local communities. The healthy demand for responsible private sector finance for public infrastructure is underpinned by the widening infrastructure spending gap in the developed countries where BBGI invests.

In return for long-term investment in, and active ownership of, essential social infrastructure investments such as schools, healthcare, blue light, affordable housing, justice facilities, and transport procured using availability-based investment models, BBGI receives stable, predictable and contracted cash flows. These are underpinned by government or government-backed counterparties.

The predictability of these contracted revenues allows BBGI to return to investors a stable and progressive income stream in the form of a semi-annual dividend. The Management Board follows a proven operating model of value-driven active asset management, prudent financial management and a selective acquisition strategy to preserve value and achieve portfolio growth. Environmental, Social and Governance ('ESG') considerations are embedded in our business strategy, operations and investment processes. These operational pillars are fundamental to the Company's low-risk, globally diversified and internally managed investment strategy.

1. Low-risk[ix]
The Company is committed to an availability-based social infrastructure investment platform and this strategy generates stable, predictable cash flows backed by secure, contracted public sector revenues. This is the Management Board's area of expertise and the Company avoids style drift by maintaining a disciplined approach to this strategy.

2. Globally diversified
The investment strategy is deployed in stable, well-established developed markets where governments and local authorities maintain support for availability-based models to finance public infrastructure. This provides focused exposure to highly rated investment grade countries across the UK, North America, Australia, and Continental Europe.

3. Strong ESG approach
The Company has a values-driven active asset management approach which is aligned to five focused UN Sustainable Development Goals ('SDGs') and ESG principles which are integrated into the Company's investment and operating model, and which serve to strengthen the non-financial returns the portfolio generates for all stakeholders. This enables the Company to deliver, monitor and report social and environmental impact effectively, and incentivise strong ESG performance by directly linking results to executive compensation.

4. Internally managed
The Company's in-house management team is focused on delivering shareholder value, incentivised by shareholder returns and growth in Net Asset Value ('NAV') per share. This means that no NAV-based management or acquisition fees are charged, and the internal management team's interests are fully aligned with those of the shareholders, resulting in pricing discipline when managing the portfolio and assessing investment opportunities. As a result, the Company consistently maintains the lowest comparative ongoing charges to its shareholders in the sector.[x]

CHAIR'S STATEMENT

Dear Shareholders,

Our Company invests in, and manages, the essential social infrastructure assets on which society depends. Indeed, the important role that our assets play in their communities was brought sharply into focus by Covid-19.

But as the pandemic has made only too clear, the physical assets are only part of the story, and I would like to pay tribute to the people who have worked tirelessly to ensure that these assets have remained available in support of the communities they serve and our public sector clients. I particularly want to acknowledge the tremendous debt we owe to the healthcare workers and first responders who have shouldered a disproportionate burden during the pandemic across our 41 healthcare facilities.

Reliable portfolio performance and competitive ongoing charges

Despite the uncertainty, the Company's interim performance was again in line with our expectations. The portfolio has not experienced any material adverse operational or financial impact from the pandemic which has demonstrated the predictability of our portfolio's underlying cash flows. This underpins the robustness of the Company's strategy of building a 100 per cent availability-based infrastructure investment portfolio. Our availability level remained very high at 99.9 per cent, and we continued to operate without any material interruptions.

The Company is also proud of its commitment to delivering shareholders value for money by maintaining the lowest comparative annualised ongoing charges at 0.86 per cent[xi].

Stable NAV, strong dividend cover and progressive dividends

The NAV per share has remained stable against the backdrop of economic uncertainty. The Company's NAV remained constant at 137.8 pence per share despite absorbing the impact of the UK Corporate Tax rate increase from 19 per cent to 25 per cent with effect from April 2023 and some foreign exchange losses.

At a time of prolonged volatility in earnings and investment growth across the FTSE All-Share, our cash dividend cover of 1.55x supports our progressive dividend policy. I am also pleased to reaffirm the target dividend of 7.33 pence per share for this year and the dividend target of 7.48 pence per share for 2022. Furthermore, the Company is providing a new dividend target for 2023 of 7.63 pence per share, an increase of 2.0 per cent over the 2022 dividend target.

The Company has delivered a Total Shareholder Return since IPO of 165.1 per cent, or 10.8 per cent on a compound annual basis.

Selective acquisition strategy

The Company continued to invest selectively in low-risk, availability-based infrastructure assets that fulfil our ESG principles.

In April, the Company completed the acquisition of Poplar Affordable Housing and Recreation Centres, which consists of 100 affordable residential units for the local community and two public leisure facilities. In July, post-period end, the Company entered into an agreement to acquire three additional social infrastructure investments in the UK: a 100 per cent interest in Ayrshire and Arran Hospital in Irvine, Scotland; a 100 per cent interest in North West Fire and Rescue, which manages 16 new community fire stations located at various sites in Merseyside, Lancashire and Cumbria; and a 33.33 per cent interest in the Aberdeen Western Peripheral Route dual carriageway in Scotland. The collective value of BBGI's interests in these four investments is approximately £75 million.

All these investments are fully operational, have strong ESG credentials, and cash flows that come in the form of availability payments from public sector counterparties. These acquisitions will further diversify our social impact portfolio across the healthcare, educational, blue light, affordable housing, judicial and transport sectors. Additional details of these investments can be found in the Portfolio Review.

In line with previous periods, we assessed many more assets than the Company acquired and declined all potential investments which did not match our disciplined and selective investment and ESG criteria.

Prudent financial management

The Company secured the amendment and restatement of its multi-currency RCF, increasing the committed amount to £230 million and the tenor from four years to five. The Company has the increased flexibility to consider larger transactions by accessing a further uncommitted £70 million incremental accordion tranche, on which no commitment fees will be paid.

The Company maintained its tried and tested financing methodology for new acquisitions by drawing on the RCF and refinancing the facility through raising capital. This approach limits cash-drag on our balance sheet.

Post-period end, the Company completed a successful capital raise of £75 million which was significantly over-subscribed. I would like to thank existing shareholders for their strong support, and welcome new shareholders.

ESG progress

Following the publication of our inaugural standalone ESG report, the Company continues to strengthen our monitoring of our portfolio's ESG performance.

Through our compliance with the Sustainable Finance Disclosure Regulation ('SFDR') since March 2021, the Company has enhanced its disclosure in line with the relevant articles of SFDR to demonstrate our portfolio's ESG characteristics and how it follows good governance practices.

Specifically, as part of SFDR's self-reporting regime, the Company takes the view that it falls within the scope of Article 8 and meets the criteria for socially beneficial investment. This approach complements our voluntary disclosure to the Principles for Responsible Investment.

The Management Board has embarked on a journey, commencing with the reporting of Scope 1, 2 and 3 emissions at a corporate level from the end of 2021, towards remaining transparent and accountable for the impact of our business activities on the environment. I believe this will accelerate our progress towards following more recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD'), as I signposted in the Company's last Annual Report.

Governance

As disclosed in the last Annual Report and following the AGM approval, I am delighted to formally welcome Chris Waples to the Supervisory Board. Chris has over 35 years of experience in global infrastructure investment, including 12 years with John Laing Group plc.

Following the 2020 remuneration review, and in the interests of greater transparency, the Company voluntarily disclosed additional remuneration detail in the Company's 2020 Remuneration Report. The amendment of the Company's long-term incentive plan ('LTIP') was subject to shareholder approval at the 2021 AGM where 22.8 per cent of votes cast were against the resolution. Whilst the Board is conscious that a significant majority of shareholders approved this proposal, the Remuneration Committee has also written to and consulted with the Company's largest shareholders and those shareholders who it is aware voted against the proposal to understand any specific concerns they may have. We will provide a further update in the December 2021 Annual Report and Accounts.

I can also confirm that after concluding a competitive tender process, PricewaterhouseCoopers société cooperative ('PwC') has been selected as the new external auditor, subject to the completion of the necessary processes and the receipt of approval from the Luxembourg Financial Sector Supervisory Commission ('CSSF'). It is planned that their engagement will commence with the 2022 interim review.

Shareholder approval to confirm the appointment of PwC, as the statutory auditor for the financial year ending on 31 December 2022 will be sought at the annual general meeting of the shareholders approving the annual accounts of the financial year ending on 31 December 2021 (the **General Meeting**).

The Management and Supervisory Boards continue to place a significant emphasis on risk management as part of our established internal controls, and as outlined in this report, the material risks to the Company have not changed since our last Annual Report.

Brexit and Regulatory Change
I am pleased to report that following the UK's departure from the EU, there have been no material adverse impacts on the Company. During the reporting period, the Company was able to continue to access the UK market in the same manner as before the transition period ended by using the UK's Temporary Permission Regime ('TPR'). In June, the Company received the necessary direction from the UK FCA allowing the Company to notify under the UK national private placement regime ('NPPR'). The required notification was made in August 2021.

Due to the cessation of LIBOR, BBGI is currently working on the transition from LIBOR to SONIA for part of its UK portfolio. This change is scheduled to conclude at the end of the calendar year. BBGI will continue to actively engage with key stakeholders, such as lenders and our public sector clients, on the issue to ensure a smooth transition in advance of the 31 December 2021 LIBOR cessation date.

Looking ahead
The outlook for global infrastructure investment is robust, and there continues to be strong competition for the types of assets in which we invest. The value of an availability-based and globally diversified portfolio has strengthened thanks to the proven resilience of these types of assets against external shocks such as the Covid-19 pandemic.

We continue to demonstrate our competitive differentiation to both the marketplace - in originating new acquisitions - and to our shareholders, as we deliver the benefits of a proven investment proposition. This will continue to be at the foundation of all we do as we look to mark our tenth anniversary as a public company later in the year.

For these reasons, we remain confident in the Company's ability to maintain long-term, predictable, and stable income to our shareholders, and to fulfil our social purpose in communities where the assets operate.

Sarah Whitney
Chair
26 August 2021

STRATEGIC REPORT OF THE MANAGEMENT BOARD

INVESTMENT PROPOSTION

We are a responsible global social infrastructure investor with a low-risk investment strategy focused on delivering long-term sustainable returns.

Strategic Pillars

1 **Low-risk[1]**	**2** **Globally diversified**	**3** **Strong ESG approach**	**4** **Internally managed**

Investment Strategy

Availability-based investment strategy Secure public sector-backed contracted revenues Stable and predictable cash flows with progressive long-term dividend growth	Focus on highly-rated investment grade countries Stable, well-developed operating environments A global portfolio serving society through supporting local communities	ESG fully integrated into the business model Focus on five UN Sustainable Development Goals Executive compensation linked to ESG performance	Alignment of interests Shareholder value first, portfolio growth second Lowest comparative ongoing charges[2]

Consistent delivery of objectives

Robust total shareholder returns

Low correlation to other asset classes

Sustainable growth

[1] In comparison to other equity infrastructure asset classes.

[2] In comparison to the latest publicly available information for all closed-ended, LSE-listed equity infrastructure investment companies.

The Company seeks to provide its shareholders with unique access to a global portfolio of social infrastructure investments which generate stable, predictable cash flows over the life of government or government-backed contracts that typically extend to 20 years and more in length.

The predictability of these government-backed revenues enables BBGI to return to investors a sustainable and progressive income stream in the form of a semi-annual dividend.

The Company's investment policy dictates that no more than 25 per cent of the Company's portfolio value calculated at the time of investment will be derived from investments whose revenue streams are not public sector or government-backed (currently zero per cent). To ensure a spread of investment concentration risk, any new acquisition will not have an acquisition value greater than 25 per cent of portfolio value of the Company immediately post-acquisition.

Avoiding style drift

As the competition to acquire availability-based assets at attractive valuations has intensified, the Company's Management Board has consciously worked to avoid 'style drift'. This refers to the practice of moving up the risk spectrum, particularly where pricing does not accurately reflect inherent risks, both to find investible assets and to make the targeted returns to investors.

The Management Board has made the conscious decision to avoid investing in infrastructure transactions where the revenue stream is demand-based, which is typically highly correlated to Gross Domestic Product or subject to uncertainty due to regulatory review periods and political interventions.

While this disciplined approach may at times result in periods of lower portfolio growth, we believe the benefits of this continued specialisation and focus on a low-risk, availability-based investment model result in dependable and consistent income and returns with low volatility. By staying focused on the availability sector and by remaining within our sphere of expertise, we believe we offer a less complex business proposition, and consequently the returns to our shareholders should remain predictable and consistent. The robustness of this strategy has been validated during the recent global pandemic, which saw a strong performance from our portfolio, and no material impact on our distributions due to Covid-19.

Strategic investment partnerships

The Company continues to leverage strong relationships with leading construction companies to source a potential pipeline that supports a low-risk and globally diversified investment strategy.

Typically, these contractors have secured the mandate to design and build new assets but continue to look to divest financially after the construction period has finished - thereafter often maintaining facility management contracts through a long-term partnership. The Company is an attractive partner for a number of reasons:

- We have extensive asset credentials and a strong track record that can assist with the shortlisting process for new projects.
- Having a financial partner is a pre-requisite for some construction companies so they can avoid consolidating the Portfolio Company debt onto the balance sheet of the parent company.
- Our cost of capital is typically lower than construction companies, so involving BBGI can make the bid more competitive.
- We are a long-term investor which is attractive to government and government-backed counterparties.
- We are considered a reliable source of liquidity should a construction partner decide to sell in the future.
- Our flat governance structure, experienced transaction team and access to a £230 million credit facility enables us to transact quickly and effectively.

One notable relationship is the North American strategic partnership with SNC-Lavalin which covers five assets. The Company estimates that further investment opportunities in excess of C$250 million could result from the pipeline agreement over the coming years; all of which will be assessed on a case-by-case basis.

OPERATING MODEL

The Management Board follows a proven operating model of value-driven active asset management, prudent financial management and a selective acquisition strategy to preserve value, achieve portfolio growth and ensure ESG considerations are embedded in our investment processes. These three operational pillars are fundamental to the Company's success.

We ensure stable operational performance through an active asset management approach, where we actively seek to preserve value and, where possible, identify and incorporate value enhancements over the lifetime of asset ownership. At the same time, we deliver well-maintained infrastructure for communities and end-users. Our active asset management approach allows the Company to generate a high level of asset availability, which supports high client satisfaction rates and underpins the strong social purpose of our entire portfolio.

Our prudent financial management is focused on efficient cash management and implementation of our foreign exchange hedging strategy. The portfolio's geographical diversification results in exposure to multiple currencies. We actively seek to manage geographical concentration and mitigate foreign exchange risk by balance sheet hedging through foreign exchange forward contracts and hedging of forecast portfolio distributions. Furthermore, Euro-denominated running costs provide a natural hedge against the Euro-denominated portfolio distributions.

The Company's disciplined acquisition and portfolio strategy aims to further grow and diversify the portfolio whilst consistently focusing on shareholder returns and stakeholder benefits.

We actively consider acquisitions that have inflation-protection characteristics which supports the portfolio's inflation linkage.

Value-driven active asset management
We pursue a standardised approach across all investments in the portfolio to help derive operational and value enhancements and preserve value, including:

- Preserving value and where possible identifying and delivering value enhancements to improve customer experience and financial performance.
- Focused management at the asset level to ensure distributions are on time, and on or above budget.
- Applying a high-quality corporate governance framework.
- Ongoing sustainability risk monitoring being implemented across the portfolio including an ESG KPI tracking tool to evaluate non-financial performance and a climate resilience questionnaire to consider climate risks and opportunities within the portfolio.
- Comprehensive monitoring to ensure fulfilment of contractual and legal obligations, which additionally serves to maintain high availability levels and prevent deductions.
- Strong client relationship management, including regular meetings to uphold client satisfaction[xii].
- Focused and active asset management including site visits[12] to all significant investments annually and proactive management of issues.
- Focused cost management and portfolio-wide cost-saving initiatives leveraging economies of scale (e.g. portfolio insurance and standardised management contracts for project companies).
- Identifying and continuing initiatives at the individual asset level to outperform base case (e.g. lifecycle reviews).

Prudent financial management
We maintain focus and attention on cash performance at the asset and portfolio level to drive efficiencies, including:

- Maintaining modest cash balances to limit cash drag.
- Actively seeking to manage and mitigate foreign exchange risk through our hedging strategy.
- Maintaining a comparatively low ongoing charge through an efficient and cost-effective internal management structure.
- Progressive future dividend growth underpinned by predictable portfolio distributions.

Selective acquisition strategy
We maintain strategic discipline in our acquisition strategy and portfolio composition to ensure we pursue growth that is accretive to shareholder value, not just for growth's sake, including:

- Broad industry relationships in multiple geographies.
- Pre-emption rights to acquire co-shareholders' interests.
- Global exposure to avoid geographical concentration.
- Robust framework embedding ESG principals into investment due diligence.
- Revolving corporate debt facility to support transaction execution.
- Visible pipeline through a North American strategic partnership.
- Maintaining focus on the Management Board's core areas of expertise.

OUR APPROACH TO ESG

Responsible stewardship and a strong ESG approach guide our business decisions

Investment Strategy
Our investment strategy embodies the Company's purpose to provide the responsible capital required to build and maintain the developed world's social infrastructure. To demonstrate how we deliver social value, we align our investment strategy with the UN's SDGs. Specifically, our investment strategy helps to deliver Target 9.1 *by developing quality, reliable, sustainable, and resilient infrastructure to support economic development and human well-being, with a focus on affordable and equitable access for all.*

All capital investments in our portfolio enable our public sector clients to deliver quality services and contribute to the following SDGs:

- SDG3: providing capital for 41 hospitals and healthcare facilities to help ensure healthy lives and promote wellbeing for all at all ages.

- SDG4: capital investment in 34 schools and colleges to help ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

- SDG9: across BBGI's portfolio, helping to build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

- SDG11: capital investment in and construction of 17 transportation infrastructure and one affordable housing and community leisure centre investment help make cities and human settlements inclusive, safe, resilient and sustainable.

- SDG16: ten fire stations, four police facilities, and three modern correctional facilities to promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective institutions at all levels.

To further develop our approach to Responsible Investment, we are identifying a set of social value indicators which will improve the transparency of how we are fulfilling our social purpose and which will align with the technical standards of SFDR.

Our approach to Responsible Investment

BBGI became signatory to the PRI in 2019, and in the last reporting cycle, we received an 'A' rating for our strategy, governance, and infrastructure and look forward to the next assessment post-period end under the new PRI scoring framework.

BBGI uses the six PRI investment principles as a framework for the integration of ESG principles into the Company's whole investment process and the lifecycle for each of our portfolio assets. These principles and how they apply to our investment practice are as follows:

- *Investment analysis and decision-making*: we follow a robust framework for the integration of ESG principles into our business model including all aspects of our investment lifecycle, from initial screening through to the end of our asset's investment life. Discretionary performance-related remuneration for staff and executive management are, in part, conditional on delivering positive ESG outcomes.
- *Active ownership*: since our IPO in 2011, we have taken an active approach to asset management. As stewards of responsible long-term capital, our ESG approach is aligned with and guided by relevant SDGs at both a corporate level and the Portfolio Company level.
- *Appropriate disclosure:* we make sure ESG principles are embedded in our core metrics for our investments. In 2018, we implemented a standardised ESG KPI tracking tool across our portfolio of investments, in 2020 we started tracking our portfolio's climate resilience with a proprietary tool, and we publish on our website an updated individual ESG information sheet.
- *Promoting acceptance and implementation:* we routinely engage with co-investors and sponsors on the rationale for ESG integration, and we communicate ESG expectations to investment service providers, including FM and O&M contractors.
- *Enhance effectiveness:* we actively participate in ESG and Responsible Investment industry initiatives.
- *Reporting progress:* we report regularly on our Responsible Investment activities each year, submitting a Public Signatory Report to the PRI, publishing a standalone corporate ESG Report, updating our disclosures as required under the SFDR, and submitting an annual Communication on Progress ('CoP') to the UN Global Compact. These are all available to view via our corporate website.

Adverse Sustainability Impacts Disclosures

At BBGI, we recognise that, whilst the purpose of our investments is to provide responsible capital for social infrastructure, the construction, operation and decommissioning of such assets can have adverse sustainability impacts. We take a stewardship approach towards our investments, and we continue to invest in these assets throughout the investment lifecycle and take an active management role in order to mitigate risks and minimise their adverse sustainability impacts. We are working to develop a set of sustainability indicators, aligned to the SFDR, which will allow us to monitor and disclose our performance over time, demonstrating how we are meeting this principle.

Climate-Related Financial Disclosures

We continue to refine and develop our approach to climate related financial disclosure, as we progress our understanding of the financial risks and opportunities of climate change to our business. This is in order to meet the recommended disclosures of the TCFD recommendations, as required to be disclosed by the Company, as an in-scope UK premium listed company, in our next Annual Report for the full year accounting period beginning 1 January 2021.

- **Governance:** The Management Board has close oversight over sustainability risks including climate-related risks and opportunities from our portfolio of investments. Sustainability risks are monitored in our Company overall risk framework, as well as being tracked in our operational set of KPIs for each of our assets.

- **Strategy:** We are presently focused on identifying current and evolving sustainability risks including climate risks and mitigating those risks. We are also working towards obtaining a better understanding of the potential financial impacts and our resilience with regard to different climate scenarios. We are considering physical risks such as rising temperatures, rising sea-levels, changes in precipitation, changes in storm patterns, and changes to resource quality and availability; as well as transition risks such as increased regulation, litigation and reputational risks. This will enable us to start to quantify the potential financial impacts of climate change on our business and provide further insights to take into our strategic approach to mitigating these impacts.

- **Risk:** We have a comprehensive risk management framework which integrates the identification, assessment and management of sustainability risk including climate risk.

- All new investments are screened for climate-related risks, and we have undertaken a systematic review of all existing investments for climate change considerations. We will report these findings in our next stand-alone ESG report.

- **Metrics:** We take our environmental impact and responsibilities seriously and recognise the value of measurement, target setting and reporting in driving down our emissions. We have worked with a specialist external consultancy to quantify our carbon footprint.

BBGI has set the following voluntary targets for 2021:

- Collect the necessary data that will allow us to voluntarily report BBGI's corporate level Scope 1, 2 and 3 emissions in our 2021 Annual Report and our next stand-alone ESG report.
- Once corporate level Scope 1, 2 and 3 emissions are known and disclosed for BBGI, we commit to being a carbon neutral company by the end of 2021.
- Collect the necessary data that will allow us to track the Scope 1 and Scope 2 emissions at our various Portfolio Companies beginning 1 January 2022. This information will be shared with our public sector clients with the hope that it will help influence outcomes that support a reduction in GHG emissions at the Portfolio Companies.
- We aspire to set a corporate Net Zero Target by end of 2021 which will follow Science-Based Targets.

PORTFOLIO REVIEW

Portfolio summary

The Company's assets as at 30 June 2021 consist of interests in 51[xiii] high-quality, availability-based social infrastructure assets, 99.5 per cent of which are fully operational (by portfolio value). The portfolio has no exposure to demand-based or regulated investments, and is well diversified across sectors in education, health[xiv], blue light, affordable housing, justice, and transport.

Located in the UK, Continental Europe, North America and Australia, all asset companies in the portfolio are located in stable, well-developed and highly rated investment grade countries.

Portfolio breakdown*

For portfolio statistics, refer to the Portfolio at a Glance section.

No	Asset	Country	Legal holding %
1	A1/A6 Motorway	Netherlands	37.1
2	Avon & Somerset Police HQ	UK	100
3	Barking Dagenham & Havering (LIFT)	UK	60
4	Bedford Schools	UK	100
5	Belfast Metropolitan College	UK	100
6	Burg Prison	Germany	90
7	Canada Line	Canada	26.7
8	Champlain Bridge	Canada	25
9	Clackmannanshire Schools	UK	100
10	Cologne Schools	Germany	50
11	Coventry Schools	UK	100
12	E18 Motorway	Norway	100
13	East Down Colleges	UK	100
14	Frankfurt Schools	Germany	50
15	Fürst Wrede Military Base	Germany	50
16	Gloucester Royal Hospital	UK	50
17	Golden Ears Bridge	Canada	100
18	Highway 104	Canada	50
19	Kelowna and Vernon Hospital	Canada	100
20	Kent Schools	UK	50
21	Kicking Horse Canyon	Canada	50
22	Lagan College	UK	100
23	Lisburn College	UK	100
24	Liverpool & Sefton Clinics (LIFT)	UK	60
25	M1 Westlink	UK	100
26	M80 Motorway	UK	50
27	McGill University Health Centre	Canada	40
28	Mersey Care Hospital	UK	79.6
29	Mersey Gateway Bridge	UK	37.5
30	N18 Motorway	Netherlands	52
31	North Commuter Parkway	Canada	50
32	North East Stoney Trail	Canada	100

No	Asset	Country	Legal holding %
33	North London Estates Partnership (LIFT)	UK	60
34	North West Regional College	UK	100
35	Northwest Anthony Henday Drive	Canada	50
36	Northern Territory Secure Facilities	Australia	100
37	Ohio River Bridges	US	66.7
38	Poplar Affordable Housing & Recreation Centres	UK	100
39	Restigouche Hospital Centre	Canada	80
40	Rodenkirchen Schools	Germany	50
41	Royal Women's Hospital	Australia	100
42	Scottish Borders Schools	UK	100
43	South East Stoney Trail	Canada	40
44	Stanton Territorial Hospital	Canada	100
45	Stoke & Staffs Rescue Service	UK	85
46	Tor Bank School	UK	100
47	Unna Administrative Centre	Germany	90
48	Victoria Prisons	Australia	100
49	Westland Town Hall	Netherlands	100
50	William R. Bennett Bridge	Canada	80
51	Women's College Hospital	Canada	100

*In alphabetical order

Operating model in action

Preserving value through active asset management

The Management Board's focus on preserving portfolio value during the period resulted in a further £3.0 million of operational and value-accretive enhancements over the period, equating to a 0.3 per cent increase in NAV.

Further to the Chair's Statement, the asset management activities undertaken in the period supported our clients through the uncertain implications of the pandemic. Owing to our active approach to asset management and the robustness of our portfolio, the availability level of the Company's assets was recorded at approximately 99.9 per cent[xv] and deductions were either borne by third-party facility management companies and road operators or were part of planned lifecycle expenditures.

There were no material lock-ups or events of default reported during the period.

Prudent financial management

The assets continued to perform well during the reporting period with cash receipts ahead of expectations. This robust performance and the confidence in the business model allows the Company to reconfirm its dividend target of 7.33 pence per share for 2021, 7.48 pence per share for 2022 and to provide a new dividend target for 2023 of 7.63 pence per share.

The net cash position as at 30 June 2021 was £6.3 million. The Company's hedging strategy aims to limit the impact of a 10 per cent adverse foreign exchange movement to approximately 3 per cent of NAV.

The Company has efficient cash management in place which aims to avoid cash drag. This includes using the proven financing methodology of drawing on its RCF before raising new equity to repay the temporary debt. The Company secured the amendment and restatement of the RCF, increasing the committed amount to £230 million, and which will now mature in 2026, Furthermore, the Company has the possibility of increasing the quantum to £300 million by means of an accordion provision.

This enables the Company to be a trusted and repeat partner in its key markets and supports the Management Board's ability to execute larger acquisitions in an efficient manner.

Selective acquisition strategy

The Company continued to pursue a selective acquisition strategy over the period, with 100 per cent availability-based acquisitions. This demonstrates the Management Board's commitment to avoiding style drift and evidences how BBGI's strong industry relationships and nimble operating model continue to realise a strong pipeline of acquisition opportunities, with the Management Board having assessed many more potential opportunities than those acquired.

During the period, the Company completed one new acquisition:

- Poplar Affordable Housing and Recreation Centres (UK): On 30 April 2021, BBGI completed this acquisition of design, construction, financing, operations and maintenance of 100 affordable residential units for the local community, across two sites in the London Borough of Tower Hamlets, and two public leisure facilities.

    The PPP project consists of the design, construction, financing, operation, maintenance and rehabilitation of separate buildings: the major regeneration and refurbishment of the derelict Poplar Baths building into a modern first-class community leisure centre, and the construction of the Haileybury Community Centre, Randall House (60 affordable residential units), Dame Colet Court (25 affordable residential units) and Baltonsborough Court (15 affordable residential units).

Construction was completed in 2016 and the concession runs until 2051. The asset is classified as availability-based under the investment policy of the Company. Availability payments are received from the London Borough of Tower Hamlets.

London Borough of Tower Hamlets is responsible for the operation of the leisure centre and the affordable housing units. BBGI is not responsible for letting risk or responsibilities within the residential units or the community centre.

The asset is located in an area with high levels of social inequality. All of the residential buildings are designed and built to the Code for Sustainable Homes Level 4. A proportion of the residential units and public buildings are powered by rooftop solar photovoltaic panels which collectively help reduce CO_2 emissions by over 22 tonnes per year.

Post period end on 7 July 2021, BBGI announced the acquisition of interests in three social infrastructure investments:

- Ayrshire and Arran Hospital (UK): a 100 per cent stake in design, construction, financing, operations and maintenance of the 206-bed acute mental health facility in Irvine, Scotland. The hospital became operational in 2016 and the concession runs until 2041. The facility has significantly increased the availability of and access to mental health services and treatment in the region. The facility was awarded a BREEAM[xvi] rating of 'very good' and is equipped with low or zero carbon heating and power technology. Availability payments are received from the Ayrshire and Arran Health Board and is backed by the Scottish Government. The completion of this acquisition occurred on 6 July 2021.

- North West Fire and Rescue (UK): a 100 per cent stake in design, construction, financing, operations and maintenance of 16 new community fire stations located at various sites in Merseyside (seven), Lancashire (four) and Cumbria (five). The facilities became fully operational in 2013 and the concession runs until 2038. The facilities play an integral role in delivering fire safety and protection to more than 500,000 people in the local communities. The facilities were awarded a BREEAM ratings of 'very good' to 'excellent' and sustainability measures have been integrated into the buildings. Availability payments are received from Cumbria County Council, Lancashire Combined Fire Authority and Merseyside Fire and Rescue Authority. The completion of this acquisition occurred on 6 July 2021.

- Aberdeen Western Peripheral Route: a 33.33 per cent interest in design, construction, financing, operations and maintenance of 12 km of the existing roadway (upgraded) and 47 km of new dual carriageway including two significant river crossings. The final section of the road opened in 2019 and the concession runs until 2047. The project was developed in compliance with strict EU environmental legislation and has reduced congestion in Aberdeen by approximately 46 per cent and HGV traffic on local routes by approximately 55 per cent. Availability payments are received from the Scottish Ministers. The completion of this acquisition, which was subject to final compliance clearance by the lender, occurred on 6 August 2021.

All projects acquired or committed to in the period add to the portfolio's diversification across multiple social infrastructure sectors where the demand for private sector investment remains high. The Management Board continues to source a selective pipeline of investments from construction companies and developers who are looking to divest operational PPP assets. Owing to the nature of the portfolio, the Company has a competitive advantage to execute such transactions effectively and enable a smooth transition in ownership for end-users.

Supply chain monitoring

The Management Board continually reviews the potential concentration risk of operational and maintenance ('O&M') contractors who provide counterparty services to the Company's assets. The table illustrates the level of O&M contractor exposure as a percentage of portfolio value[xvii].

	O&M Contractors	
1	*Project Company in house*	11%
2	*SNC-Lavalin O&M Inc*	10%
3	*Capilano Highway Services*	9%
4	*Black & McDonald*	7%
5	*Honeywell*	6%
6	*Cushman and Wakefield*	6%
7	*Integral FM*	4%
8	*Carmacks Maintenance Services*	4%
9	*BEAR Scotland*	4%
10	*Graham AM*	3%
11	*Amey Community Ltd*	3%
12	*Intertoll Ltd*	3%
13	*Guildmore Ltd*	3%
14	*Galliford Try FM*	3%
15	*ENGIE FM Limited*	3%
16	*Remaining investments*	21%
		100%

The Management Board has not identified any significant risk exposure and remains comfortable with the current contractor allocation.

The Company benefits from a diversified contractor base and supply chain with no concentrated exposure, combined with a rigorous supply chain monitoring policy. We pay close attention to how subcontractors are performing on an ongoing basis and have risk mitigation procedures in place in case of any supply chain failure.

The continuation of the Covid-19 pandemic was inevitably a key area of focus for the Management Board during the reporting period, and further reinforced the absolute importance of active asset management and a robust supply chain. Our immediate response was to request all Facility Managers ('FM') and O&M contractors conduct a review of their Business Continuity Policies under severely stressed scenarios, and these assessments have been tested during the pandemic. The Company is pleased to confirm again that, despite the ongoing unprecedented strain on our supply chain resulting from Covid-19, we have not recorded any material adverse supply chain issues over the period.

Construction defects
The Company routinely monitors the quality of its assets to identify any construction defects early on and to implement the appropriate remediation measures.

The responsibility for, and the cost of, remediation and related deductions falls to the relevant construction subcontractor on each asset subject to statutory limitation periods. This is a key component of the Company's effective counterparty risk management.

Latent defects risk was mitigated over the period with 61 per cent of portfolio value covered by either limitation or warranty periods and there were no material defects reported on any of the Company's portfolio assets.

Latent Defects Limitations / Warranty Period Remaining	
Expired	39%
Within 1 year	5%
1-2 years	1%
2-5 years	29%
5-10 years	16%
10+ years	10%
	100%

MARKET TRENDS & PIPELINE

Covid-19 has served to highlight the critical nature of many infrastructure assets, both for maintaining economic and social activity and enabling responses to unexpected threats and challenges. Within the broad infrastructure sector, there has been a wide variation in how different types of assets have performed. While demand-based assets like airports and toll roads generally have experienced significant financial challenges due to reduced volumes, the availability-based infrastructure assets in which the Company invests have largely been unaffected.

While the full consequences of the pandemic and its long-term effects, both economic and social, remain unclear, the Company believes its business model continues to offer a significant degree of protection for investors. There continues to be robust demand for availability-based social infrastructure assets in all the regions where the Company is active. In fact, the global pandemic has caused many investors to develop a greater appreciation for the robustness and resiliency of these availability-based infrastructure assets.

New primary opportunities
The level of PPP procurement is expected to vary between markets, but governments and local authorities in most of the countries where the Company operates acknowledge the current situation as a valuable opportunity to improve local and regional infrastructure and expand the economic opportunity this affords. Lower interest rates make borrowing cheaper compared to recent years, reducing the upfront costs of multi-generational projects. Infrastructure spending can also create immediate professional opportunities through the mix of design, construction, and operational jobs. The mix of short-term employment and long-term investment makes infrastructure an attractive area for countercyclical fiscal stimulus.

Significant infrastructure investment is also anticipated in many countries where climate change targets have been announced. As an example, PwC has forecast that the UK would need to invest a minimum of £40 billion a year for the next ten years to ensure a credible pathway to Net-Zero decarbonisation by 2050[xviii].

There is no certainty that the planned infrastructure spending noted below will follow a PPP or similar styled procurement methodology. However, the Company is optimistic that at least some of the infrastructure will be procured using a PPP or a similar style procurement model, as it believes public sector balance sheets will be stressed, in part due to the tremendous cost of the fiscal stimulus and support undertaken by governments during Covid-19, and governments will likely welcome the involvement of some private sector capital.

Canada: In April, the Canadian federal government announced its budget which included over CAD $100 billion to be spent over three years on infrastructure to support a resilient recovery. Significant expenditures are expected in public transit, initiatives to support a low-carbon transition, and to establish a national infrastructure fund.

UK: In order to catalyse growth in the UK and support the transition to Net Zero by 2050, the Government is establishing the UK Infrastructure Bank. Together with the private sector and local government, the Bank will lead a shared mission to accelerate investment in the UK's infrastructure. The Government expects this Bank to support at least £40 billion of investments in UK infrastructure.

US: In the US, there are expectations of support for increased infrastructure spending. The non-partisan Congressional Budget Office estimated that every $1 on infrastructure brought an economic benefit of up to $2.20. The US Council of Economic Advisers has calculated that $1 billion of transportation-infrastructure investment supports 13,000 jobs for a year.[xix] The US Senate has passed its infrastructure bill with over $500 billion in federal spending over the next four years allocated to physical infrastructure, like roads and bridges. Democrats hope to pass an additional $3.5 trillion bill that focuses on home care for the elderly and children, climate change, and other non-traditional 'human infrastructure'.

EU: In July 2021, the European Union foreign ministers agreed to launch a global infrastructure plan linking Europe to the world. The upgraded Connecting Europe Facility ('CEF') programme, worth €30 billion for 2021 to 2027, will fund transport, energy, and digital infrastructure projects. It will aim to ensure essential trans-European projects, such as Rail Baltica, alternative fuels charging infrastructure, and the roll out of 5G coverage to important transport axes are finished on schedule by 2030.

Australia: The Australian Government is investing AUD $110 billion over ten years from 2021-22 in transport infrastructure across Australia through its rolling infrastructure pipeline, of which a substantial component is under the Infrastructure Investment Program. The Federal Government is working with every state and territory to build much-needed infrastructure across a number of individual funding programmes. This significant investment is a crucial part of the Australian Government's strategy to alleviate congestion, better connect regions, improve road safety, and meet the national freight challenge.

Ongoing secondary opportunities
Historically, construction companies have been a good source of investment opportunities for BBGI and this trend has continued in 2021, with the acquisition in, April 2021, of Poplar Affordable Housing and Recreation Centres, and the post period end acquisitions of Aberdeen Western Peripheral Route, Ayrshire and Arran Hospital and North West Fire & Rescue, all of which originated from construction companies. BBGI has developed well established relationships with potential vendors over the years and enjoys a reputation for transacting quickly with low execution risk, which is appealing to vendors in the current market.

The Management Board anticipates this trend will continue as strong market demand for the asset class may cause construction companies to accelerate plans they have to sell PPP assets.

These factors support the Company's selective acquisition strategy, and the Management Board continues to believe that attractive opportunities will be available for the Company. The Company is currently working on a number of attractive secondary opportunities.

2021 and beyond:
Investment activities in 2021 and beyond will involve sourcing, originating and bidding for new operational availability-based assets, with consideration for measured exposure to construction assets to support valuation uplift.

The pipeline for availability-based transactions remains strong within the Company's target markets. The Company will maintain its selective acquisition strategy in assessing any potential new assets and we remain confident in our ability to originate attractive investment opportunities which match our investment criteria. We anticipate these will come from a variety of sources, including:

- Soliciting off-market transactions through the Company's extensive network of market participants in Europe, North America and Australia;
- A pipeline agreement with SNC-Lavalin covering five potential future availability-based PPP investment opportunities;
- Participating in primary investment opportunities and bidding on new availability-based assets as part of public sector procurement processes;
- Acquiring equity interests from co-shareholders in existing assets; and,
- Participating selectively in competitive sale processes.

The Company will continue to source assets that fit the requirements of its low-risk and globally diversified investment strategy, and strong approach to ESG.

OPERATING & FINANCIAL REVIEW

The Management Board is pleased to present the Operating & Financial Review for the six months ended 30 June 2021.

Highlights and Key Performance Indicators
Please refer to Six Months in Numbers for 2021 for a summary. Certain key performance indicators ('KPIs') for the last 3.5 years are highlighted below:

KPI	Target	Dec-18	Dec-19	Dec-20	Jun-21	Commentary
Dividends (paid or declared)	Progressive long-term dividend growth in pps	6.75	7.00	7.18	7.33 target, 3.665 interim dividend	50% of the 2021 target declared
NAV per share	Positive NAV per share growth	2.8%	2.0%	1.2%	0.03%	Achieved
Annualised Shareholder Return Since IPO[xx]	7% to 8% annualised on IPO issue price of £1 per share	11.2%	11.3%	11.0%	10.8%	Achieved
Annualised Ongoing Charges	Competitive cost position	0.93%	0.88%	0.86%	0.86%	Achieved
Cash Dividend Cover	>1.0x	1.5x	1.3x	1.27x	1.55x	Achieved
Refinancing Risk (as a percentage of portfolio)	Minimise refinancing risk	7%	6%	7%	6%	Achieved[xxi]
Asset availability	> 98% asset availability	✓	✓	✓	✓	Achieved
Single asset concentration risk (as a percentage of portfolio value)	To be less than 25% of portfolio immediately post acquisition	11% (GEB)	10% (GEB)	9% (GEB)	9% (GEB)	Achieved
Availability-based assets (as a percentage of portfolio value)	Maximise availability-based assets	100%	100%	100%	100%	Achieved

Asset Management

Cash Performance
The Company's portfolio of 51 high quality, availability-based PPP infrastructure investments performed well during the period, with total cash flows ahead of business plan and the underlying financial models.

Construction exposure
The Company's investment policy is to invest principally in assets that have completed construction and are operational. Accordingly, investments in assets that are under construction are limited to 25 per cent of the portfolio's value. This aims to produce a stable dividend for our shareholders, while at the same time gaining some exposure to the potential NAV uplift that occurs when assets move from a successful construction stage to the operational stage.

As at 30 June 2021, 99.5 per cent of the assets were operational. Highway 104 in Canada is the only project currently in the construction phase. The Company reached financial close on the Highway 104 project in May 2020 and construction work is progressing to plan.

The Management Board believes the Company's ability to meet its dividend targets will not be compromised by measured construction exposure.

Investment performance

Return track record
The Company's share price maintained a strong premium to NAV per share through the reporting period.

Against the FTSE All-Share, the Company has shown a low five-year correlation of 28.4 per cent and a beta of 0.26[xxii].

BBGI's Share Price Performance

The share price closed for the period at 175.4 pence on 30 June 2021, representing a 27.2 per cent premium to the NAV per share at the period-end.

TSR from IPO to 30 June 2021 was 165.1 per cent or 10.8 per cent on an annualised basis.

The total accounting return[xxiii] per share in the six month reporting period was 2.6 per cent.

Distribution policy
Distributions on the ordinary shares are planned to be paid twice a year, normally in respect of the six months to 30 June and the six months to 31 December.

Dividends
On 1 April 2021, the Company paid a second interim dividend of 3.59pps for the period 1 July 2020 to 31 December 2020. Together with the first interim dividend (which was paid in October 2020) the total dividend for the year ended 31 December 2020 amounted to 7.18pps. The Board approved a 2021 interim dividend of 3.665pps, which is in line with its target of 7.33pps, to be paid on 21 October 2021. Furthermore, the Board is reaffirming its 2022 dividend target of 7.48pps and is providing a new dividend target for 2023 of 7.63 pence per share.

- Average dividend increase of 3.3 per cent from 2012 to 2021
- FY 2022 target dividend of 7.48pps[xxiv], up 2.0 per cent from the 2021 target
- FY 2023 target dividend of 7.63pps[24], up 2.0 per cent from the 2022 target

VALUATION

The Management Board is responsible for carrying out the fair market valuation of the Company's investments, which it then presents to the Supervisory Board for consideration as part of their approval of this report. The valuation is undertaken on a six monthly basis as at 30 June and 31 December each year, and is reviewed by an independent third-party valuation expert.

The valuation is determined using the discounted cash flow methodology. The Company makes forecast assumptions for key macro-economic factors impacting upon the cash flow forecasts of investments such as inflation rates and deposit rates based on market data, publicly available economic forecasts and long-term historical averages, and adjusts for any enacted changes in taxation during the reporting period. In addition, the Company exercises its judgement in assessing the expected future cash flows from each investment based on the detailed financial models produced by each Portfolio Company, and adjusting these where necessary to reflect the Company's assumptions as well as any specific cash flow assumptions.

The fair value for each investment is then derived from the application of an appropriate discount rate, alongside reporting period-end currency exchange rates and withholding taxes (if applicable). The discount rate considers risks associated with the investment, including the phase of the investment (construction, ramp-up or stable operation), investment specific risks and opportunities, as well as country specific factors. The Company uses its judgement in determining the appropriate discount rates. This judgement is based on its knowledge of the market, considering information obtained from its investment and bidding activities, benchmark analysis with comparable companies and sectors, discussions with advisers in the relevant markets, and publicly available information. The valuation methodology remains unchanged from previous reporting periods.

A breakdown of the movements in the portfolio value and net asset value is shown in the table below.

Portfolio movement 31 December 2020 to 30 June 2021

The Company's portfolio value at 30 June 2021 was £913.3 million (31 December 2020: £895.7 million), representing an increase of 2.0 per cent.

NAV movement 31 December 2020 to 30 June 2021	£ million
NAV at 31 December 2020	916.0
Deduct: other net assets at 31 December 2020[(i)]	(20.3)

Portfolio value at 31 December 2020	**895.7**
Acquisitions(ii)	26.8
Distributions from investments(iii)	(42.1)
Rebased opening portfolio value at 1 January 2021	880.4
Unwinding of discount	29.4
Change in market discount rate	14.5
Change in macro-economic assumptions	(10.1)
Value enhancements	3.0
Foreign exchange loss(iv)	(3.9)
Portfolio value at 30 June 2021	**913.3**
Other net assets at 30 June 2021(i)	4.8
NAV at 30 June 2021	918.1

(i) These figures represent the net assets of the Group after excluding the investments at fair value through profit or loss (Investments at FVPL). Refer to the Pro forma balance sheet in the Financial Results section of this Interim Report for further breakdown.

(ii) Refer to the Portfolio Review for further details on the acquisitions during the period; this figure represents the cash amount paid at closing.

(iii) While distributions from Investments at FVPL reduce the portfolio value, there is no impact on the Company's NAV as the effect of the reduction in the portfolio value (Investments at FVPL) is offset by the receipt of cash at the consolidated Group level. Distributions in the above table are shown net of withholding tax.

(iv) The result from balance sheet hedging is recorded at the consolidated Group level, and while inversely correlated, does not directly impact portfolio value. The net foreign exchange gain on cash flow and balance sheet hedging over the period, recorded at the consolidated Group level, was £0.6 million.

Key drivers for NAV change

The rebased opening portfolio value after considering acquisitions in the reporting period of £26.8 million and cash distributions from investments of £42.1 million was £880.4 million.

Unwinding the discount and value enhancements:

During the period, the Company recognised £32.4 million, or a 3.5 per cent increase in NAV, from the unwinding of discounts and value accretive enhancements. As the Company moves closer to forecasted investment distribution dates, the time value of those cash flows increases on a net present value basis. The portfolio value growth from unwinding of discount during the period was approximately £29.4 million or a 3.2 per cent change in NAV.

The remaining £3.0 million, or a 0.3 per cent change in NAV, represents *inter alia* the net effect of value accretive enhancements across the portfolio through active management. This includes amongst others the net valuation effect of enhanced operational performance through our active and hands on asset management approach. The activities involved *inter alia* managing change orders and earning a projected fee for this service, cost savings due to lower fees on management service agreements, operations and maintenance agreements, and changes in lifecycle cost.

Change in discount rate:

The market for availability-based transactions continues to be very competitive and discount rates are compressing further. This is a result of a continued low interest environment and a high investment demand in the availability-based social infrastructure sector, while the supply of new greenfield infrastructure investments is not keeping pace. Based on data from transactional activity, benchmark analysis with comparable companies and sectors, discussions with advisers in the relevant markets, and publicly available information, BBGI has reduced its weighted average discount rate to approximately 6.56 per cent (31 December 2020: 6.77 per cent), representing a reduction of 21 bps from 31 December 2020.

Change in macro-economic assumptions:

During the period, the Company recognised a reduction in the portfolio value due to changes in the macro-economic assumptions: mainly due to a change in the UK corporate tax rate resulting in a portfolio value decrease of £8.9 million, or a 1.0 per cent decrease in NAV, and the net effect of actual inflation, against the 31 December 2020 modelled macro-economic assumptions, resulting in a portfolio value decrease of £1.2 million, or a 0.1 per cent decrease in NAV.

In total, the Company recognised a reduction of £10.1 million, or a 1.1 per cent decrease in NAV, from changes in these assumptions.

Foreign Exchange:

The forecasted distributions from investments are converted to Pounds Sterling at either the hedged rate, for a predetermined percentage of cash flows forecast to be received over the next four years, or at the closing rate for unhedged future cash flows.

A significant proportion of the Company's underlying investments are denominated in currencies other than Pounds Sterling. The Company maintains its accounts, prepares the valuation and pays dividends in Pounds Sterling. Accordingly, fluctuations in exchange rates between Pounds Sterling and the relevant local currencies will affect the value of the Company's underlying investments.

During the period ended 30 June 2021, the depreciation of Pounds Sterling against the Canadian Dollar, and the appreciation of Pounds Sterling against the Australian Dollar, the Euro, the US Dollar and the Norwegian Krone accounted for a net decrease in the portfolio value of £3.9 million. Since listing in December 2011, the net cumulative effect of foreign exchange movements on the portfolio value, after considering the effect of balance sheet hedging, has been a decrease of £11.4 million, or 1.2 per cent of the 30 June 2021 NAV.

The table below shows those closing rates, which were used to convert unhedged future cash flows into the reporting currency at 30 June 2021.

GBP/	Valuation impact	FX rates as of 30 June 2021	FX rates as of 31 December 2020	FX rate change
AUD	Negative	1.843	1.771	(4.07%)
CAD	Positive	1.715	1.739	1.37%
EUR	Negative	1.165	1.113	(4.65%)
NOK	Negative	11.873	11.670	(1.74%)
USD	Negative	1.384	1.365	(1.36%)

Although the closing rate is the required conversion rate to use, it is not necessarily representative of future exchange rates as it reflects a specific point in time.

The Group uses forward currency swaps to (i) hedge 100 per cent of forecasted cash flows over the next four years on an annual rolling basis and (ii) to implement balance sheet hedging in order to limit the decrease in the NAV to approximately 3 per cent for a 10 per cent adverse movement in foreign exchange rates[xxv]. This is achieved by hedging a portion of the non-Pounds Sterling and non-Euro portfolio value[xxvi]. The effect of the Company's hedging strategy can also be expressed as a theoretical or implicit portfolio allocation to Pounds Sterling exposure. In other words, on an unhedged basis, the portfolio allocation to Pounds Sterling exposure at 30 June 2021 would need to be approximately 73 per cent to obtain the same NAV sensitivity to a 10 per cent adverse change in foreign exchange rates as shown in the Foreign Exchange Sensitivity table below.

Covid-19
The portfolio continued its strong performance over the reporting period with no material adverse effect on valuation resulting from Covid-19. This strong performance is primarily as a result of the Company holding a low-risk, 100 per cent availability-based portfolio, coupled with strong stakeholder collaboration during the reporting period. Significant uncertainty remains surrounding Covid-19 with the consequences and potential disruptions difficult to foresee, but currently our portfolio remains resilient in this challenging market environment. We will continue to work closely with all stakeholders to help mitigate the risks and effects of this global pandemic.

Discount rates
The discount rates used for individual investments range between 6.00 per cent and 8.58 per cent. The weighted average rate is approximately 6.56 per cent (31 December 2020: 6.77 per cent), representing a reduction of 21 bps from 31 December 2020, which management believes to be towards the conservative end of the range for a portfolio of availability-based social infrastructure investments. This methodology calculates the weighted average based on the value of each investment in proportion to the total portfolio value i.e. based on the net present value of their respective future cash flows.

The discount rate considers risks associated with the investment including the phase the investment is in, such as construction, ramp-up or stable operation, investment specific risks and opportunities as well as country specific factors.

BBGI applies a risk premium for investments in construction to reflect the higher-risk inherent in the construction phase of any investment's lifecycle. Currently, the portfolio has one investment in construction, Highway 104, which represents 0.5 per cent of the overall portfolio value. BBGI has also applied a risk premium to a limited number of other investments to reflect the individual situations. For example, adjustments have been applied to acute hospitals in the UK where a risk premium of 50bps continues to be applied. The only UK acute hospital in the portfolio is Gloucester Royal Hospital, which represents less than 1 per cent of the overall NAV. The risk premium reflects the continued situation in the UK where some public health clients are under cost pressure and are actively looking for cost savings including deductions. To date, BBGI has not been affected.

General market activity
Through the course of the Covid-19 pandemic, there has been an increased focus on valuation from investors as the varied risk profiles of the different investment classes within the infrastructure sector have become more pronounced. For example, demand-based investments such as airports, and (shadow) toll roads have generally suffered severe traffic reductions, thereby reducing revenue. Investors in demand-based investments have revisited traffic growth assumptions, at least in the short-term. In addition, lower than forecasted volumes will not only impact demand-based income but also other third-party income such as retail business in airports and rail stations, motorway service stations and other income sources reliant on customer footfall.

On the other hand, availability-based investments passed the stress test and proved to be very robust as the sector has not experienced any material negative impact. This, coupled with the prolonged low interest rate environment, has further contributed to increased competition for availability-based investments. The deal volume in the first half of 2021 shows that demand for stable yielding investments is strong even with the uncertainty surrounding Covid-19 remaining, and market intelligence suggests discount rates in the very competitive secondary market are likely to decrease further in the future.

Macro-economic assumptions
Apart from the discount rates, the Company uses the following assumptions ('Assumptions') for the cash flows:

		30 June 2021	31 December 2020
Inflation	UK(i) RPI/CPIH	2.75% / 2.00%	2.75% / 2.00%
	Canada	2.00% / 2.35%	2.00% / 2.35%
	Australia	2.50%	2.50%

	Germany	2.00%	2.00%
	Netherlands(ii)	2.00%	2.00%
	Norway(ii)	2.25%	2.25%
	USA(iii)	2.50%	2.50%
Deposit rates (p.a.)	UK	0.25% to Q4 2023, then 1.00%	0.25% to Q4 2023, then 1.00%
	Canada	0.75% to Q4 2023, then 1.50%	0.75% to Q4 2023, then 1.50%
	Australia	0.50% to Q4 2023, then 2.00%	0.50% to Q4 2023, then 2.00%
	Germany	0.00% to Q4 2023, then 0.50%	0.00% to Q4 2023, then 0.50%
	Netherlands	0.00% to Q4 2023, then 0.50%	0.00% to Q4 2023, then 0.50%
	Norway	0.25% to Q4 2023, then 2.00%	0.25% to Q4 2023, then 2.00%
	USA	0.25% to Q4 2023, then 1.50%	0.25% to Q4 2023, then 1.50%
Corporate tax rates (p.a.)	UK(iv)	19.0% to Q1 2023, then 25.0%	19.0%
	Canada(v)	23.0% / 26.5% / 27.0% / 29.0%	23.0% / 26.5% / 27.0% / 29.0%
	Australia	30.0%	30.0%
	Germany(vi)	15.8% (incl. solidarity charge)	15.8% (incl. solidarity charge)
	Netherlands	25.0%	25.0%
	Norway	22.0%	22.0%
	USA	21.0%	21.0%

(i) On the 25th of November 2020, the UK Government announced the phasing out of RPI after 2030, and replacement with CPIH; the Company's UK portfolio indexation factor changes from RPI to CPIH beginning on 1 January 2031.

(ii) CPI indexation only. Where investments are subject to a basket of indices, a projection for non-CPI indices are used.

(iii) 80 per cent of ORB indexation factor for revenue is contractual and is not tied to CPI.

(iv) On 10 June, 2021, the UK Government enacted an increase in the UK Corporate Tax rate to 25.0 per cent with effect from April 2023.

(v) Individual tax rates vary among Canadian Provinces.

(vi) Individual local trade tax rates are considered in addition to the tax rate above.

Sensitivities

Discount rate sensitivity

The weighted average discount rate that is applied to the Company's portfolio of investments is the single most important judgement and variable.

The following table shows the sensitivity of the NAV to a change in the discount rate.

Discount Rate Sensitivity	Change in NAV 30 June 2021
Increase by 1% to c. 7.56%(i)	(76.0) million, i.e. (8.3)%
Decrease by 1% to c. 5.56%(i)	88.0 million, i.e. 9.6%

(i) Based on the weighted average discount rate of 6.56 per cent.

Inflation sensitivity

The Company's investments are contractually entitled to receive availability-based income streams from public sector clients, which are adjusted every year for inflation. Facilities management subcontractors for accommodation investments and operating and maintenance subcontractors for transport investments have similar indexation arrangements. The investment cash flows are positively correlated with inflation (e.g. RPI, CPI, or a basket of indices).

The table below shows the sensitivity of the NAV to a change in inflation rates compared to the assumptions in the table above:

Inflation Sensitivity	Change in NAV 30 June 2021
Inflation +1%	39.8 million, i.e. 4.3%
Inflation −1%	(32.8) million, i.e. (3.6)%

Foreign exchange sensitivity
As described above, a significant proportion of the Company's underlying investments are denominated in currencies other than Pounds Sterling.
The following table shows the sensitivity of the NAV to a change in foreign exchange rates:

Foreign Exchange Sensitivity	Change in NAV 30 June 2021
Increase by 10%(i)	(26.1) million, i.e. (2.8)%
Decrease by 10%(i)	26.6 million, i.e. 2.9%

(i) Sensitivity in comparison to the spot foreign exchange rates at 30 June 2021 and considering the contractual and natural hedges in place, derived by applying a 10 per cent increase or decrease to the Pounds Sterling/foreign currency rate.

Deposit rate sensitivity
Portfolio Companies typically have cash deposits that are required to be maintained as part of the senior debt funding requirements (e.g. six month debt service reserve accounts, maintenance reserve accounts). The asset cash flows are positively correlated with the deposit rates.

The table below shows the sensitivity of the NAV to a percentage point change in long-term deposit rates compared to the assumptions in the table above:

Deposit Rate Sensitivity	Change in NAV 30 June 2021
Deposit rate +1%	17.5 million, i.e. 1.9%
Deposit rate −1%	(17.4) million, i.e. (1.9)%

Lifecycle costs sensitivity
Lifecycle costs is the cost of planned interventions or replacing material parts of an asset to maintain it over the concession term. It involves larger items that are not covered by routine maintenance and for roads, it will include items such as replacement of asphalt, rehabilitation of surfaces, or replacement of electromechanical equipment. Lifecycle obligations are generally passed down to the facility maintenance provider with the exception of transportation investments where these obligations are typically retained by the Portfolio Company.

Of the 51 investments in the portfolio, 17 investments retain the lifecycle obligations. The remaining 34 investments have this obligation passed down to the subcontractor.

The table below shows the sensitivity of the NAV to of a change in lifecycle costs:

Lifecycle Costs Sensitivity	Change in NAV 30 June 2021
Increase by 10%(i)	(19.7) million, i.e. (2.1)%
Decrease by 10%(i)	19.5 million, i.e. 2.1%

(i) Sensitivity applied to the 17 investments in the portfolio which retain the lifecycle obligation i.e. the obligation is not passed down to the subcontractor.

Corporate tax rate sensitivity
The profits of each Portfolio Company are subject to corporation tax in the country where the Portfolio Company is located.

The table below shows the sensitivity of the NAV to a change in corporate tax rates compared to the assumptions in the table above:

Corporate Tax Rate Sensitivity	Change in NAV 30 June 2021
Tax rate +1%	(7.5) million, i.e. (0.8)%
Tax rate −1%	7.5 million, i.e. 0.8%

Senior debt refinancing sensitivity
Assumptions are used where a refinancing of senior debt financing is required for an investment during the remaining investment concession term. There is a risk that such assumptions may not be achieved.
The table below shows the sensitivity of the NAV to a +100bps adjustment to the forecasted margins. The base rate for senior debt is either fixed or a long-term interest swap is available with the effect that none of our investments are subject to changes in base rates.

Senior Debt Refinancing Sensitivity	Change in NAV 30 June 2021
Margin +1%(i)	(7.4) million, i.e. (0.8)%

(i) The Northern Territory Secure Facilities investment is the only remaining investment in the BBGI portfolio with refinancing risk.

GDP sensitivity
The BBGI portfolio is not sensitive to GDP.

The principal risks faced by the Group and the mitigants in place are outlined in the Risk section.

Key Portfolio Company and portfolio cash flow assumptions underlying NAV calculation include:

- Discount rates and the assumptions as set out above continue to be applicable.

- The updated financial models used for valuation accurately reflect the terms of all agreements relating to the Portfolio Companies and represent a fair and reasonable estimation of future cash flows accruing to the Portfolio Companies.
- Cash flows from and to the Portfolio Companies are received and made at the times anticipated.
- Non-UK investments are valued in local currency and their cash flows converted to Pounds Sterling at either the period-end exchange rates or the contract hedge rate.
- Where the operating costs of the Portfolio Companies are fixed by contract, such contracts are performed, and where such costs are not fixed, they remain within the current forecasts in the valuation models.
- Where lifecycle costs/risks are borne by the Portfolio Companies, they remain in line with the current forecasts in the valuation models.
- Contractual payments to the Portfolio Companies remain on track and contracts with public sector or public sector backed counterparties are not terminated before their contractual expiry date.
- Any deductions or abatements during the operational period of Portfolio Companies are fully passed down to subcontractors under contractual arrangements or are part of the planned (lifecycle) forecasts.
- Where the Portfolio Companies own the residual property value in an investment, the projected amount for this value is realised.
- In cases where the Portfolio Companies have contracts that are in the construction phase, they are either completed on time or any delay costs are borne by the construction contractors.
- Enacted tax or regulatory changes in the future which negatively impact cash flow forecasts are reflected in the financial models.

In forming the above assessments, BBGI works with Portfolio Company management teams, as well as using due diligence information from, or working with, suitably qualified third parties such as technical advisers, legal advisers, and insurance advisers.

FINANCIAL RESULTS

BASIS OF ACCOUNTING

The Group has prepared its Condensed Consolidated Interim Financial Statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU'). In accordance with IFRS, the Company qualifies as an Investment Entity and, as such, does not consolidate its investments in subsidiaries that qualify as investments at fair value through profit or loss ('Investments at FVPL'). Certain subsidiaries that are not Investments at FVPL, but instead provide investment-related services or activities that relate to the investment activities of the Group, are consolidated. As an Investment Entity, the Company recognises distributions from Investments at FVPL as a reduction in their carrying value. These distributions reduce the estimated future cash flows which are used to determine the fair value of the Investments at FVPL.

INCOME AND COSTS

Pro forma Income Statement

	Period ended 30 June 21 £ million	**Period ended 30 June 20 £ million**
Income from investments at fair value through profit or loss ('FVPL income')	**32.6**	36.8
Other operating income	**0.5**	0.1
Operating income	**33.1**	36.9
Administrative expenses	**(5.0)**	(4.1)
Other operating expenses	**(1.5)**	(6.6)
Net loss on balance sheet hedging and net finance result	**(0.6)**	(7.0)
Profit before tax	**26.0**	19.2
Tax expense - net	**(1.2)**	(1.5)
Profit from continuing operations	**24.8**	17.7
Other comprehensive income	**0.4**	-
Total comprehensive income	**25.2**	17.7
Basic earnings per share (pence)	**3.73**	2.80

During the six month period, the Group recognised a FVPL income of £32.6 million (30 June 2020: £36.8 million). This FVPL income is made up of a combination of the positive effect of the unwinding of discount, changes in market discount rates, value enhancements, with a partial offset resulting from changes in macro-economic assumption, and the net effect of foreign exchange on the underlying investment portfolio. A more detailed analysis of the movement in Investments at FVPL is outlined in the Valuation section of this Report.

Administration expenses include, amongst others, personnel expenses, legal and professional fees, and office and administration expenses. See further detail in the Group Level Corporate Cost analysis.

The Group has implemented a policy of using forward currency swaps to hedge its anticipated non-Pounds Sterling and non-Euro denominated cash flows on a four-year rolling basis, referred to as cash flow hedging, and also uses 12-months forward currency swaps to hedge part of the non-Pounds Sterling, non-Euro denominated portfolio values, referred to as balance sheet hedging. During the reporting period, the Company recognised a net gain of £0.4 million on cash flow hedging (30 June 2020: £5.1 million net loss) and is reflected in 'Other operating income' and in 'Other operating expenses', respectively, in the table above.

During the six month period, the Company recognised a net gain from balance sheet hedging of approximately £0.3 million (30 June 2020: £6.1 million net loss).

Profit from continuing operations for the six month period increased by 40.1per cent to £24.8 million (30 June 2020: £17.7 million).

Group Level Corporate Cost Analysis
The table below is prepared on an accrual basis.

Corporate costs	Period ended 30 June 21 £ million	Period ended 30 June 20 £ million
Net finance result	**0.8**	0.9
Personnel costs	**3.3**	2.6
Legal and professional fees	**1.3**	1.1
Office and administration	**0.3**	0.3
Acquisition related costs	**1.3**	0.5
Taxes	**1.2**	1.5
Corporate costs	**8.2**	6.9

The Net finance result for the six month period was £0.8 million (30 June 2020: £0.9 million). In April 2021, the Company borrowed £25 million under its RCF in order to part finance the acquisition of the 100 per cent equity interest in Poplar Affordable Housing and Recreation Centres investment.

Personnel costs for the six month period were £3.3 million (30 June 2020: £2.6 million) reflecting an increase in staff numbers, an increase in staff salaries and the effect of the increase in the Management Board's remuneration as a result of the 2020 remuneration review.

Acquisition related costs incurred during the six month period amounted to £1.3 million (30 June 2020: £0.5 million) and include unsuccessful bid costs amounting to £0.7 million (30 June 2020: £0.1 million).

Ongoing Charges
Based on current costs, the Company's annualised Ongoing Charges ('OGC') percentage at 30 June 2021 is 0.86 per cent (31 December 2020: 0.86 per cent).

The annualised Ongoing Charge percentage is prepared in accordance with the AIC recommended methodology[xxvii]. The percentage represents the annualised reduction or drag on shareholder returns as a result of recurring operational expenses incurred in managing the Group's consolidated entities and provides an indication of the level of recurring costs likely to be incurred in managing the Group in the future.

Ongoing Charges Information	Period ended 30 June 21 (annualised)	Year ended 31 Dec 20
Ongoing Charges (using AIC recommended methodology)	**0.86%**	0.86%

In accordance with the AIC recommended methodology, fees that are linked to investment performance could be viewed as analogous to performance fees paid by externally managed investment companies and should therefore be excluded from the principal OGC calculation. Therefore, the reported annualised OGC for 30 June 2021 excludes such fees.

Annualised fees directly linked to investment performance as a percentage of average NAV were 0.09 per cent. Combined therefore, the annualised aggregate of Ongoing Charges plus investment performance fees is 0.95%.

Cash flows
The table below summarises the sources and uses of cash and cash equivalents for the Group.

	Period ended 30 June 21 £ million	Period ended 30 June 20 £ million
Distributions from Investments at FVPL(i)	**42.9**	42.3
Net cash flows used in operating activities	**(6.8)**	(8.1)
Additional Investments at FVPL	**(26.8)**	(17.9)
Net cash flows from/(used in) financing activities	**0.2**	(35.6)
Impact of foreign exchange loss on cash and cash equivalents	**(0.2)**	(0.2)
Net cash inflow (outflow)	**9.3**	(19.5)

(i) These distributions are shown gross of withholding tax and include the realisation of distributions in transit at 30 June 2021. The associated withholding tax outflow is included in 'Net cash flows from operating activities'.

The Group's portfolio of investments performed well during the six month period, with rebased cash flows ahead of business plan[xxviii]. Distributions from Investments at FVPL, showed an increase over the comparative period of 1.4 per cent to £42.9 million.

Cash dividends paid during the six months ended 30 June 2021 amounted to £23.3 million, an increase of £1.7 million on the comparative six months ended to 30 June 2020.

The Condensed Consolidated Interim Statement of Cash Flows provides further details of cash flows during the six months ended 30 June 2021.

For the six months ended 30 June 2021, the Group has a cash dividend cover ratio[xxix] of 1.55x (year ended 31 December 2020: 1.27x) calculated as follows:

	30 June 21 £ million (except ratio)	31 Dec 20 £ million (except ratio)

Distributions received from Investments	**42.9**	72.8
Less: Net cash flows used in operating activities under IFRS (consolidated)	**(6.8)**	(18.5)
Net distributions	**36.1**	54.3
Divided by: Cash dividends paid under IFRS (consolidated)	**23.3**	42.6
Cash Dividend Cover (ratio)	**1.55x**	1.27x

The strong cash dividend coverage for the six months ended was supported by BBGI's contracted portfolio cash flows. The projected cash dividend cover for the FY 2021 is expected to be in the range of 1.20x to 1.30x, largely due to the fact that the portfolio distribution profile is more front-ended into H1 2021. The Company has reaffirmed the target dividends of 7.33pps and 7.48pps for 2021 and 2022, respectively. Furthermore, the Company is providing a new dividend target for 2023 of 7.63 pence.

Balance Sheet

Pro forma Balance Sheet

	30 June 2021			31 December 2020		
	Investment Basis[i] £ million	Adjust £ million	Consolidated IFRS £ million	Investment Basis £ million	Adjust £ million	Consolidated IFRS £ million
Investments at FVPL	**913.3**	**-**	**913.3**	895.7	-	895.7
Trade and other receivables	**0.9**	**-**	**0.9**	1.6	-	1.6
Other net liabilities	**(2.8)**	**0.1**	**(2.7)**	(1.9)	(0.1)	(2.0)
Net cash	**6.3**	**-**	**6.3**	20.5	-	20.5
Derivative financial asset	**0.4**	**(0.1)**	**0.3**	0.1	(0.1)	-
NAV attributable to ordinary shares	**918.1**	**-**	**918.1**	916.0	(0.2)	915.8

[i] Represents the value of the Group's total net assets under the Investment Basis NAV. The Investment Basis NAV represents the residual interest of the shareholders in the Group, after all the liabilities of the Group, if any, have been settled.

As at 30 June 2021, the Group has 51 availability-based Investments at FVPL (31 December 2020: 50). A detailed analysis of the increase in Investments at FVPL over the period is provided in the Valuation section of this report.

At 30 June 2021, the fair value of forward currency swaps used to hedge future portfolio distributions over the next four years was £0.1 million net liability position. This figure is excluded under the Investment Basis NAV as the related contracted forward rates are directly applied to hedged future distributions and therefore embedded in the Investments at FVPL. The unhedged distributions are converted at the 30 June 2021 closing rate.

As at 30 June 2021, cash and cash equivalents amounted to £29.8 million (£20.5 million as at 31 December 2020).

A reconciliation of net cash as compared to net borrowings under IFRS is as follows:

	30 June 21 £ million	31 Dec 20 £ million
Cash and cash equivalent under IFRS (consolidated)	**29.8**	20.5
Loans and borrowings non-current portion under IFRS (consolidated)[i]	**(23.3)**	-
Interest payable under IFRS (consolidated)	**(0.2)**	-
Outstanding loan and interest payable	**(23.5)**	-
Net cash under Investment Basis NAV	**6.3**	20.5

[i] Net of unamortised debt issuance costs

Three-year comparative of Investment Basis NAV

	30 June 21	31 Dec 20	31 Dec 19
NAV (millions)	**918.1**	916.0	858.6
NAV per share (pence)	**137.8**	137.8	136.2

The Investment Basis NAV increased by 0.2 per cent to £918.1 million at 30 June 2021 (31 December 2020: £916.0 million). There was a marginal increase of 0.03% on the Investment Basis NAV per share over the same period. The Investment Basis NAV per share is the Investment Basis NAV divided by the number of Company shares issued and outstanding at the end of the reporting period. This information presents the residual claim of each shareholder to the net assets of the Group.

RISK

The Company's approach to internal controls is risk based. The Company's Risk Management Function facilitates the Management Board's responsibility of effectively governing and managing the Company's approach to risk. The Company does not operate in a risk-free environment. In an uncertain environment, proactive action is required to address risks in order to achieve the business and investment objectives.

All material risks are identified, analysed, assessed, reported and managed. Risks to the Company are identified as early as possible, so as to minimise their impact, and are classified according to the following risk types: economic and market risk, taxation risk, political risk, financial risk, operational risk and strategic risk.

All identified risks are analysed during the risk reporting process to identify the range of possible impacts on the Company. A review is undertaken to determine which risks are the material risks to pursue and respond to, and which risks require no further attention, thus arriving at a material risk universe. The Risk Management Function performs a risk assessment to determine the likelihood that a predefined event will occur and the impact it would have. This includes an estimation of the levels of risks involved in a particular situation, their comparison against benchmarks or standards, and determination of an acceptable level of risk.

The Risk Profile is designed to assess material risks. For the material risks identified, the Company's Risk Manager advises on the key risk indicators to be included in the Risk Profile and suggests appropriate quantitative and qualitative limits to mitigate the potential impact of those risks, which are discussed and approved by the Management Board before being formally included in the Risk Profile.

Below is a list of material risks, as identified by the Risk Management Function, and validated by the Management Board. There has been no material change compared to the previous reporting period. The inherent risk has been assessed and relevant mitigating factors been applied, to arrive at a remaining residual risk, which has been deemed manageable and acceptable by the Management Board.

	Risk description	***Risk mitigation***
ECONOMIC AND MARKET RISKS		
Foreign Exchange	A significant proportion of the Company's underlying investments - 69 per cent of portfolio value at 30 June 2021 - are denominated in currencies other than Pounds Sterling. The Company maintains its financial statements, prepares the valuation and pays distributions in Pounds Sterling. There is a risk that fluctuations in exchange rates between Pounds Sterling and the relevant local currencies will adversely affect the value of the Company's underlying investments, the distributions and the ultimate rate of return realised by investors.	Currency-hedging arrangements in respect of the non-Pounds Sterling portfolio distributions denominated in Australian Dollars, Canadian Dollars, Norwegian Kroner and US Dollars are in place for a rolling period of four years in order to mitigate some of this risk. In addition to cash flow hedging, our strategy is also to hedge a portion of the non-Pounds Sterling, non-Euro portfolio to reduce NAV sensitivity to approximately 3 per cent for a 10 per cent adverse FX movement. Euro-denominated fund running costs provide a natural hedge against the Euro-denominated portfolio distributions. Furthermore, the ability to draw on the RCF in the currency of the underlying asset distributions provides an additional hedging possibility. BBGI has investments in five currencies other than Pounds Sterling, so there is some natural diversification amongst the underlying currencies. A sensitivity analysis is provided in the Valuation section of this Interim Report in relation to foreign exchange rates.
Interest and deposit rates	The Company's performance may be adversely affected by changes in interest rates. BBGI has an exposure to interest rates through borrowings under the RCF, debt at the Portfolio Company level and cash deposits. The Portfolio Companies typically have some cash reserves and deposits. From a financial modelling perspective, an assumption is usually made that the deposits can be placed at a forecast rate that varies depending on country and historical long-term averages. The effect on investment returns if deposit rates exceed or fall below the projections for this long-term rate is dependent on the amount of deposits.	The Portfolio Companies have sought to hedge substantially all of their floating rate interest liabilities against changes in underlying interest rates with interest rate swaps. At the Group level, BBGI maintains deposits at low levels with the Company only raising capital when there is a clear strategy for the deployment of proceeds. A sensitivity analysis is provided in this Interim Report in relation to deposit rates of the Portfolio Companies.
Inflation	The Company's performance may be adversely or positively affected by higher or lower than expected inflation and prolonged periods of deflation could result in defaults under loan arrangements. The revenues and expenditure of Portfolio Companies developed under availability-based schemes are often partly or wholly subject to indexation. From a financial modelling perspective, an assumption is usually made that inflation will increase at an assumed rate (which	Portfolio Companies typically mitigate this risk to some extent by seeking to match the indexation of the revenues to the indexation of the operational cost. The Company and the service providers for the underlying Portfolio Companies continually monitor any potential or actual changes. A sensitivity analysis is provided in this Interim Report in relation to inflation rates of the Portfolio Companies.

	may vary depending on country). The effect on investment returns if inflation exceeds or falls below the projections for this rate is typically dependent on the extent to which the Portfolio Company's costs are affected by inflation and any unitary charge indexation provisions agreed with the client on any investment.	
Volatility of discount rates	The Company uses a discounted cash flow methodology to value its portfolio of investments. Higher rates may have a negative impact on valuation while lower rates may have a positive impact.	BBGI uses a market-based evaluation to determine a base discount rate for steady-state, operational availability-based investments and the Company uses its judgement in arriving at the appropriate discount rate. Adjustments may then be applied to the base rate to reflect variances from the average benchmark when determining the investment-specific adjustments. Changes in market rates of interest (particularly government bond yields) may impact the discount rate used to value the Company's future projected cash flows and thus its valuation. The NAV is sensitivity tested periodically for changes in discount rates. A sensitivity analysis is provided in this Interim Report in relation to discount rates of the Portfolio Companies.
Coronavirus (Covid-19)	Since its outbreak in December 2019, Covid-19 was declared a global pandemic by the World Health Organisation ('WHO'). As a result, there has been materially increased market volatility and macroeconomic uncertainty, prompting several monetary and fiscal policy interventions to manage what has become a severe global economic shock. Due to a period of likely prolonged macroeconomic uncertainty, the ultimate long-term impact of Covid-19 remains unclear. Near-term, the operations of infrastructure assets could potentially be impacted due to supply-chain disruptions. Infrastructure assets which rely on demand-based usage have, in some cases, experienced prolonged shutdown or material reduction of such services (for example, *inter alia*, rail links and toll roads). The Company has no exposure to such asset types.	The Company's portfolio is more than 99.5 per cent operational and relies on availability-based revenues. At the time of producing this Interim Report, there was no evidence to suggest material disruption to the Company and financial performance is not expected to be materially affected. However, there is naturally significant uncertainty around how the pandemic will evolve further and therefore it is difficult to foresee all consequences or disruptions potentially arising from the pandemic. The timing of potential equity issuances may be impacted, but this will not likely restrict the Company's access to capital in the medium-term. The Group has a five-year £230 million RCF, with a further £70 million incremental uncommitted accordion tranche. As at 30 June 2021, the Group had utilised £26.3 million of the facility. As an active asset manager, the Company continues to be in close dialogue with its facilities managers and operators. This is to ensure that where the Company can take mitigating actions to support the health and well-being of its stakeholders, it will. At the time of producing this Interim Report, there were no indications from any contractor that they would not be able to continue to deliver contracted services to the respective investments. The Company does not foresee any material impact on its own workforce, given the already decentralised nature of the Management Board, asset management teams and our internal infrastructure (e.g. information technology), as well as the Company's inherent flexibility to work from remote locations. The impact of global travel restrictions does mean that personal engagement with the Company's clients will be more limited, although this is mitigated through remote communication. The primary focus of the Company is to ensure the health and well-being of its employees - and with the support of the Company's facilities managers and operators - that all of our assets remain available.
TAXATION RISKS		

Changes to tax legislation, treaties and rates	There is a continued risk that enacted changes in tax law, tax rates and global tax initiatives including the Organisation for Economic Co-Operation and Development's ('OECD') recommendation in relation to Base Erosion and Profit Shifting could have an adverse effect on the Group's cash flows thereby reducing the returns to investors.	Certain risks, such as changes to corporation tax rates (including due to fiscal constraints), cannot be prevented or mitigated. BBGI values its Portfolio Companies based on enacted tax rates. Management works closely with the Group's global tax advisers and are briefed periodically on relevant tax developments. A change in the UK corporate tax rate resulting in a portfolio value decrease of £8.9 million was reflected in the 30 June 2021 valuation. BBGI has a globally diversified portfolio of assets, thereby reducing the tax concentration risk of any one country. A sensitivity analysis is provided in this Interim Report.
POLITICAL RISKS		
Change in law/regulation	Different laws and regulations apply within the countries where the Company and the Portfolio Companies are located. There is a risk that changes in laws may have an adverse effect on the performance of the underlying investment that in turn will affect the cash flows derived from the investments and/or the valuation of the investments. Libor reform is a major piece of financial market change, driven by several global regulators and central banks. Regulators have concluded that many benchmarks (e.g. Libor and Euribor), which are referenced within the contractual terms are not robust and should be replaced with new alternative reference rates based on transactional data. The target date for the replacement of Libor to SONIA is 31 December 2021.	The Management Board seeks regular briefings from its legal and tax advisers to stay abreast of impending or possible changes in law. Change in law provisions are included in some contracts, thus providing further mitigation. BBGI has a globally diversified portfolio of assets, thereby reducing the Group's exposure to changes in any one country. With the support of its legal advisor BBGI is currently working with the lenders to transition from LIBOR to SONIA with 17 investments required to transfer as a result of the discontinuance of LIBOR.
Brexit	The Company is incorporated in Luxembourg and is listed on the London Stock Exchange, raising questions around the continuity of listing and marketing in the UK. The UK's departure from the EU also poses a risk to performance of the wider UK economy, which may adversely impact the performance of certain infrastructure asset classes.	*The UK Temporary Permissions Regime* During the reporting period, the Company continued to access the UK market under the UK government established temporary permissions regime ('TPR'). As previously reported, this TPR was for a limited period of time, after which the Company would have to provide notification under the UK's National Private Placement Regime ('NPPR') in order to continue to market the Company in the UK. In Q2 2021, BBGI received confirmation from the FCA of its 'Landing Slot' during which BBGI is required to submit a notification under the NPPR in order to continue to market BBGI to professional investors in the UK. In August 2021, BBGI provided the necessary written notification to the FCA in advance of the 1 November 2021 deadline. Regarding portfolio performance, while the long-term economic outcome of the UK's departure from the EU will remain uncertain for some time, BBGI's portfolio cash flows are contracted and, unlike demand-based assets, are not sensitive to the performance of the wider economic environment.
Voluntary Termination Risk	There remains a risk that public sector clients of portfolio companies choose to exercise their right to voluntarily terminate the contracts. In case of such a voluntary termination, the public sector is typically contractually obliged to pay compensation amounts on termination to both the equity holders and the debt providers and - depending on the circumstances - to other parties. While the provisions vary between contracts, they generally ensure that the investor is	We remain unconvinced by the practicalities of terminating the contracts given the complexities involved and the overall compensation that would currently be required to terminate these contracts. The Management Board believes there are several mitigants or deterrents to the risk of voluntary termination of contracts: • Most transactions were agreed at a time when interest rates were significantly higher than currently. As interest rates have fallen, swaps have become 'out of the money' for

	paid either market value for the equity interests or a value to achieve the originally projected IRR, and in these cases, where the compensation amount is less than current valuation levels, the Company would suffer a loss.	the Portfolio Companies, so any public body wishing to terminate a contract in the current interest environment it would need to cover the cost of the swap breakage fee. • The Portfolio Company equity investors would typically also need to be (at least partially) compensated, often requiring a compensation payment, as well as the public sector being required to budget for the ongoing provision of the service.
FINANCIAL RISKS		
Valuation	The most significant risk of material misstatement in the Company's financial statements continues to be the fair valuation of the investment portfolio, the discount rates applied and the key assumptions when valuing these investments. There is a risk that errors may be made in the assumptions, calculations or methodology used in a periodic valuation process. Financial models, either for the Group or the underlying Portfolio Companies, may contain errors, or incorrect inputs, resulting in inaccurate projections of the distributions. These could adversely impact the valuation on individual investments and the overall assessment of the Company's financial position.	The Company's portfolio value is prepared semi-annually by an experienced internal team, overseen by the Management Board. The valuation is then independently reviewed by an independent third-party valuer, and is also reviewed and audited by the Company's auditor. All key assumptions used in the valuation process are subject to sensitivity testing. However, sensitivity testing has its limitations. It cannot provide a comprehensive assessment of all of the risks and should be treated accordingly.
Poor investment selection	There is a risk that errors may be made in the assumptions, calculations or methodology during the acquisition due diligence process. In such circumstances, the figures and/or the returns generated by the Portfolio Company may be lower than those estimated or projected.	BBGI has developed a robust asset acquisition due diligence process. Typical due diligence includes model review, legal, tax, technical, ESG, anti-money laundering and insurance reviews. The due diligence process includes a sustainability risk analysis.
OPERATIONAL RISKS		
Construction defects	The risk of certain key operational costs in relation to construction defects lies with the Portfolio Company.	In general, Portfolio Companies are able to submit claims against construction subcontractors when it comes to defects in the design, construction or commissioning of project assets. This right to claim applies for a pre-determined period of time following the completion of construction (the 'statutory limitations period') and this may differ between jurisdictions. If disputes were to arise, an arbitration or court process may be used. At the point that the statutory limitations period has ended, the risk of remediation of construction defects which are identified after this point typically falls to the Portfolio Company itself and is the risk of the Portfolio Company. In addition, there may be other situations, for example where a subcontractor becomes insolvent, and may no longer be able to fulfil its obligations to correct these defects.
Lifecycle risk/Operational cost	During the life of an investment, components of the assets (such as asphalt or concrete in the case of roads and elevators, or roofs and air handling plants in the case of buildings) are likely to need to be replaced or undergo a major refurbishment. There is a risk that the actual cost of replacement or refurbishment will be greater than the forecast cost or the timing of the intervention may be earlier than forecast. There is the general risk that costs are higher than budgeted. This typically relates to insurance cost and management service contracts.	Of the 51 assets in the BBGI portfolio, 17 Portfolio Companies retain the lifecycle obligations. The remaining 34 assets have this obligation passed down to the subcontractor. The timing and costs of such replacements or refurbishments is forecasted, modelled and provided for by each Portfolio Company, based upon technical advice to assist in such forecasting of lifecycle timings, scope of work and costs. A sensitivity analysis is provided in this Interim Report in relation to life-cycle costs.

		As part of the acquisition due diligence, the budgeted costs are reviewed and assessed if they are adequate. In the case of insurance cost, this risk can in some cases be assumed by the public sector or mitigated by a contractual premium risk-sharing mechanism.
Subcontractor performance or credit risk (construction contractors, facility managers, operation and maintenance contractors)	The risk of a subcontractor service failure, poor performance or subcontractor insolvency which is sufficiently serious to cause a Portfolio Company to terminate or to be required by the client to terminate a subcontract. There may be a loss of revenue during the time taken to find a replacement subcontractor. Furthermore, the replacement subcontractor may levy a surcharge to assume the subcontract or charge more to provide the services.	For assets under construction, there are a number of mitigants, and steps taken to manage this risk: • In the case of a construction joint venture consisting of two or more counterparties, these are typically jointly and severally liable, meaning if one party fails, the other is obligated to take over the obligations. • A contractor replacement analysis is performed as part of the initial investment due diligence. • The construction subcontractors are typically required by lenders to provide a robust security package often consisting of letters of credit, parent company guarantees and performance bonding. The latter two mitigants are in place for investments once they become operational. Other mitigants during operations include: • Periodic benchmarking of defined facility services on some investments. • Diversified group of subcontractors with no substantial concentration risk. • Ongoing subcontractor monitoring in place.
Cyber-security / Cyber-attack	A breach of data security could occur by accident or as a result of an external cyber-attack. A cyber-attack could affect the IT systems of BBGI or a Portfolio Company, causing theft or loss of data, or damage to the infrastructure's control systems and equipment. The threat of cyber-attack has meant that businesses can no longer afford to be reactive. A cyber-attack could not only affect BBGI's reputation but could also affect the Group legally, financially and operationally. The risk of cybercrime has increased during the pandemic with cyber criminals looking to exploit the vulnerabilities caused by many people working from home. The Company therefore needs to remain vigilant to this risk.	BBGI has taken a number of measures to reduce the risk of a cyber-attack, some of which are outlined below. The Company has outsourced the hosting of its IT platform to an industry specialist. In doing so, BBGI obtains the benefit of having access to IT security experts, with the platform being monitored by an advanced IT security system, something that might not be cost effective if the Company's IT infrastructure was maintained onsite. BBGI engages an external expert to carry out an annual intrusion test on the IT platform in order to identify and patch any vulnerabilities that might be identified. Business continuity tests are performed regularly, disaster recovery tests are performed annually, and all staff undergo periodic cyber security training. Portfolio companies typically operate through a subcontracted management structure and tend not to have their own IT systems and rely on the management service provider. Appropriate data backup procedures are in place.
STRATEGIC RISKS		
Premium/discount to NAV	The risk of share price volatility or trading at a discount to NAV leading to shareholder dissatisfaction.	To assist the Company in managing any share price premiums or discounts to NAV, the Company has the ability to make market purchases of up to 14.99 per cent per annum of the ordinary shares in issue. In addition, a continuation vote is offered to shareholders every two years, the next of

		which will be proposed at the Company's AGM on 30 April 2023. Furthermore, the Management Board meets regularly with shareholders and receives regular briefings from the Company's brokers to manage investor relations.
Access to capital	There is a risk that a disruption to the equity markets could lead to an inability to raise new capital. Such a disruption could limit the Company's ability to grow and its ability to repay debt drawn under its RCF. To the extent that the Company does not have cash reserves pending investment, the Company expects to bridge finance further investments by way of the credit facility. Although the Company has had a credit facility in place since July 2012 (which was subsequently refinanced), there can be no guarantee that this will always be the case or that it will be able to issue further shares in the market.	The need to issue new equity capital primarily relates to the repayment of drawings under the RCF. The Board and its Corporate Brokers regularly assess market sentiment. Furthermore, the Board can consider refinancing the RCF to extend its maturity and reduce the near-term requirement to repay drawings, though it is not the Company's intention to be drawn for substantial periods of time. The Company's RCF expires in May 2026.
Sustainability Risk	Sustainability risks has been defined in Article 2(22) of the Sustainable Financial Disclosure Regulation as "an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment". For example, climate change can give rise to a range of sustainability risks. Financial risks from climate change can arise through two primary channels: (i) physical risk from abrupt and acute weather events or chronic longer-term shifts in climate patterns, each causing disruptions to businesses and economic activities (and the value of investments in them) and (ii) transition risk from a shift to low carbon and climate resilient policies, laws and technologies and changes in societal attitudes. Failure to acknowledge climate change may also alienate certain investors and reduce access to capital. Similarly, infringements of human rights can have a significant impact on the financial performance of an investment. All of these factors can have a material negative impact on investment returns.	BBGI seeks to integrate and appraise material sustainability risks in our processes in a number of ways. This means that, alongside more traditional financial criteria, we systematically consider whether - and to what extent - financially material ESG risks might meaningfully impact our investments. Events arising from adverse climate change are typically mitigated through insurance coverage, pass-down to subcontractors, and public sector client relief events. However, in severe cases, adverse climate change events could lead to early termination of concession agreements and compensation payments which are lower than the investment valuation.

To the Board of Directors of
BBGI Global Infrastructure S.A.
6E, route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of BBGI Global Infrastructure S.A. (the "Company") and its subsidiaries (the "Group") which comprise the condensed consolidated interim statement of financial position as at 30 June 2021, and the condensed consolidated interim income statement, the condensed consolidated interim statement of other comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements (the "condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as adopted, for Luxembourg, by the Institut des Réviseurs d'Entreprises. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2021 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Luxembourg, 26 August 2021

KPMG Luxembourg, Société coopérative
Cabinet de révision agréé

Joseph de Souza

Condensed Consolidated Interim Income Statement (Unaudited)

For the six months ended 30 June 2021

In thousands of Pounds Sterling	Note	Six months ended 30 June 2021	Six months ended 30 June 2020
Continuing operations			
Income from investments at fair value through profit or loss	8	**32,620**	36,757
Other operating income		**468**	89
Operating income		**33,088**	36,846
Administrative expenses	5	**(4,991)**	(4,116)
Other operating expenses	6	**(1,488)**	(6,605)
Operating expenses		**(6,479)**	(10,721)
Results from operating activities		**26,609**	26,125
Net finance result	7	**(821)**	(850)
Net gain (loss) on balance sheet hedging	14	**260**	(6,124)
Profit before tax		**26,048**	19,151
Tax expense - net	9	**(1,203)**	(1,497)
Profit from continuing operations		**24,845**	17,654
Profit from continuing operations attributable to the owners of the Company		**24,845**	17,654
Earnings per share			
Basic earnings per share (pence)	11	**3.73**	2.80
Diluted earnings per share (pence)	11	**3.73**	2.80

The accompanying notes form an integral part of the unaudited condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Other Comprehensive Income (Unaudited)
For the six months ended 30 June 2021

In thousands of Pounds Sterling	Note	Six months ended 30 June 2021	Six months ended 30 June 2020
Profit from continuing operations attributable to the owners of the Company		**24,845**	17,654

Other comprehensive income for the period that may be reclassified to profit or loss in subsequent period	10	**381**	-
Total comprehensive income for the period attributable to the owners of the Company		**25,226**	17,654

The accompanying notes form an integral part of the unaudited condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position
As at 30 June 2021

In thousands of Pounds Sterling	Note	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Assets			
Property and equipment		**60**	58
Investments at fair value through profit or loss	8	**913,332**	895,674
Deferred tax assets		**441**	225
Derivative financial assets	14	**661**	12
Non-current assets		**914,494**	895,969
Trade and other receivables	15	**880**	1,631
Other current assets		**2,000**	2,164
Derivative financial assets	14	**405**	247
Cash and cash equivalents		**29,793**	20,532
Current assets		**33,078**	24,574
Total assets		**947,572**	920,543
Equity			
Share capital	10	**772,501**	770,942
Additional paid-in capital		**834**	1,517
Translation and other capital reserves	10	**(6,527)**	(597)
Retained earnings		**151,271**	143,978
Equity attributable to the owners of the Company		**918,079**	915,840
Liabilities			
Loans and borrowings	12	**23,271**	-
Derivative financial liabilities	14	**9**	218
Non-current liabilities		**23,280**	218
Loans and borrowings	12	**208**	177
Trade payables		**222**	73
Accruals and other payables	13	**3,553**	2,643
Derivative financial liabilities	14	**721**	25
Tax liabilities	9	**1,509**	1,567
Current liabilities		**6,213**	4,485
Total liabilities		**29,493**	4,703
Total equity and liabilities		**947,572**	920,543
Net asset value attributable to the owners of the Company	10	**918,079**	915,840
Net asset value per ordinary share (pence)	10	**137.83**	137.78

The accompanying notes form an integral part of the unaudited condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Changes in Equity (Unaudited)
For the six months ended 30 June 2021

In thousands of Pounds Sterling	Notes	Share capital	Additional paid-in capital	Translation and other Capital reserves	Retained earnings	Total equity
Balance at 31 December 2020 (Audited)		**770,942**	**1,517**	**(597)**	**143,978**	**915,840**
Total comprehensive income for the six months ended 30 June 2021						
Profit from continuing operations attributable to the owners of the Company		-	-	-	24,845	24,845
Other comprehensive income		-	-	(5,930)	6,311	381
Total comprehensive income for the period		**-**	**-**	**(5,930)**	**31,156**	**25,226**
Transactions with the owners of the						

Company, recognised directly in equity						
Scrip dividends	10	**514**	**-**	**-**	**(514)**	**-**
Cash dividends	10	**-**	**-**	**-**	**(23,349)**	**(23,349)**
Equity settlement of share based compensation	10,15	**1,045**	**(1,045)**	**-**	**-**	**-**
Share-based payment	15	**-**	**362**	**-**	**-**	**362**
Balance as at 30 June 2021		**772,501**	**834**	**(6,527)**	**151,271**	**918,079**

The accompanying notes form an integral part of the unaudited condensed consolidated interim financial statements.

In thousands of Pounds Sterling	Notes	Share capital	Additional paid-in capital	Translation and other capital reserves	Retained earnings	Total equity
Balance at 31 December 2019 (Audited)		714,280	965	(597)	146,984	861,632
Profit from continuing operations attributable to the owners of the Company		-	-	-	17,654	17,654
Total comprehensive income for the period		-	-	-	17,654	17,654
Transactions with the owners of the Company, recognised directly in equity						
Scrip dividends	10	429	-	-	(429)	-
Cash dividends	10	-	-	-	(21,628)	(21,628)
Equity settlement of share-based compensation	10,15	424	(424)	-	-	-
Share-based payment	15	-	104	-	-	104
Balance as at 30 June 2020		715,133	645	(597)	142,581	857,762

The accompanying notes form an integral part of the unaudited condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows (Unaudited)
For the six months ended 30 June 2021

In thousands of Pounds Sterling	Notes	Six months ended 30 June 2021	Six months ended 30 June 2020
Operating activities			
Profit from continuing operations		**24,845**	17,654
Adjustments for:			
Depreciation expense	5	**10**	18
Net finance result	7	**821**	850
Income from investments at fair value through profit or loss	8	**(32,620)**	(36,757)
Net loss/(gain) on derivative financial instruments	14	**(628)**	11,257
Foreign currency exchange loss/(gain) - net		**(214)**	986
Share-based compensation	15	**362**	104
Tax expense - net	9	**1,203**	1,497
Working capital adjustments:			
Trade and other receivables		**1,557**	(820)
Other current assets		**(228)**	(225)
Trade and other payables		**(164)**	(877)
Cash used in operating activities		**(5,056)**	(6,313)
Interest paid and other borrowing costs		**(553)**	(618)
Interest received		**-**	10
Realised gain on derivative financial instruments - net	14	**309**	517
Taxes paid		**(1,477)**	(1,681)
Net cash flows used in operating activities		**(6,777)**	(8,085)
Investing activities			
Acquisition of/additional investments at fair value through profit or loss	8	**(26,810)**	(17,929)
Distributions received from investments at fair value through profit or loss	8	**42,856**	42,307
Acquisition of property and equipment		**(12)**	(13)
Net cash flows from investing activities		**16,034**	24,365
Financing activities			

Dividends paid	10	**(23,349)**	(21,628)
Repayment of loans and borrowings	12	**-**	(36,000)
Proceeds from issuance of loans and borrowings	12	**25,000**	22,000
Debt issue costs		**(1,458)**	(19)
Net cash flows from/(used in) financing activities		**193**	(35,647)
Net increase (decrease) in cash and cash equivalents		**9,450**	(19,367)
Impact of foreign exchange loss on cash and cash equivalents		**(189)**	(165)
Cash and cash equivalents at 1 January		**20,532**	34,778
Cash and cash equivalents at 30 June		**29,793**	15,246

The accompanying notes form an integral part of the unaudited condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2021

1. Corporate information

BBGI Global Infrastructure S.A.,('BBGI', or the 'Company' or, together with its consolidated subsidiaries, the 'Group') is an investment company incorporated in Luxembourg in the form of a public limited liability company (société anonyme) with variable share capital (société d'investissement à capital variable, or 'SICAV') and regulated by the Commission de Surveillance du Secteur Financier ('CSSF') under Part II of the amended Luxembourg law of 17 December 2010 on undertakings for collective investments with an indefinite life. The Company qualifies as an alternative investment fund within the meaning of Article 1 (39) of the amended law of 12 July 2013 on alternative investment fund managers ('2013 Law') implementing Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and is authorised as an internal alternative investment fund manager in accordance with Chapter 2 of the 2013 Law. The Company was admitted to the official list of the UK Listing Authority (premium listing, closed-ended investment company) and to trading on the main market of the London Stock Exchange on 21 December 2011.

As of 1 January 2021, the main market of the London Stock Exchange is not considered as an EU regulated market (as defined by the MiFID II). As a result, Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004, on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, and amending Directive 2001/34/EC (the Transparency Directive) as implemented in the Luxembourg law by the act dated 11 January 2008 on transparency requirements for issuers (the Transparency Act 2008), among other texts, do not apply to the Company.

The Company's registered office is EBBC, 6E, route de Trèves, L-2633 Senningerberg, Luxembourg.

The Company is a closed-ended investment company that invests principally in a diversified portfolio of Public Private Partnership ('PPP')/ Private Finance Initiative ('PFI') infrastructure or similar style assets. At 31 December 2020, the Company has one investment that is under construction.

As at 30 June 2021, the Group employed 25 staff (30 June 2020: 20 staff).

Reporting period

The Company's interim reporting period runs from 1 January to 30 June each year. The Company's condensed consolidated interim statement of financial position, condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows include comparative figures as at 31 December 2020 and 30 June 2020, as appropriate.

These condensed consolidated interim financial statements were approved by the Management Board on 25 August 2021.

2. Basis of preparation

Statement of compliance

The condensed consolidated interim financial statements of the Group have been prepared in accordance with International Accounting Standards ('IAS') 34 *Interim Financial Reporting* in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the European Union, and do not include all information required for full annual consolidated financial statements.

The Group follows, to the fullest extent possible, the provisions of the Standard of Recommended Practices issued by the Association of Investment Companies ('AIC SORP'). If a provision of the AIC SORP is in direct conflict with IFRS as adopted by the EU, the standards of the latter prevail.

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for investments at fair value through profit or loss ('Investments at FVPL') and derivative financial instruments that have been measured at fair value.

Changes in accounting policy

The accounting policies, measurement and valuation principles applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its annual consolidated financial statements as at and for the year ended 31 December 2020.

New and amended standards applicable to the Group are as follows:

- Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate ('IBOR') is replaced with an alternative nearly risk-free interest rate ('RFR').

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments have no impact on the interim condensed consolidated financial statements of the Group.

Functional and presentation currency
These condensed consolidated interim financial statements are presented in Pounds Sterling, the Company's functional currency. All amounts presented in tables throughout the report have been rounded to the nearest thousand, unless otherwise stated.

The Company as an Investment Entity
The Management Board has assessed that the Company is an Investment Entity in accordance with the provisions of IFRS 10. The Company meets the following criteria to qualify as an Investment Entity:

a) *Obtains funds from one or more investors for the purpose of providing those investors with investment management services* - The Group is internally managed with management focused solely on managing those funds received from its shareholders in order to maximise investment income/returns.

b) *Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both* - The investment objectives of the Company are to:

- Provide investors with secure and highly predictable long-term cash flows whilst actively managing the investment portfolio with the intention of maximising return over the long term.

- Target an annual dividend payment with the aim to increase this distribution progressively over the longer term.

- Target an IRR which is to be achieved over the longer term via active management and to enhance the value of existing investments.

The above-mentioned objectives support the fact that the main business purpose of the Company is to seek to maximise investment income for the benefit of its shareholders.

c) *Measures and evaluates performance of substantially all of its investments on a fair value basis* - The investment policy of the Company is to invest in equity, subordinated debt or similar interests issued in respect of infrastructure assets that have been developed predominantly under the PPP/PFI or similar styled procurement models. Each of these assets is valued at fair value. The valuation is carried out on a six monthly basis as at 30 June and 31 December each year.

Based on the Management Board's assessment, the Company also meets the typical characteristics of an Investment Entity as follows:

a) *it has more than one investment* - as at 30 June 2021, the Company has 51 investments;

b) *it has more than one investor* - the Company is listed on the London Stock Exchange with its shares held by a broad pool of investors;

c) *it has investors that are not related parties of the entity* - other than those shares held by the Supervisory Board and Management Board Directors, and certain other employees, all remaining shares in issue (more than 99 per cent) are held by non-related parties of the Company; and

d) *it has ownership interests in the form of equity or similar interests* - ownership in the Company is through equity interest.

3. Significant accounting judgements, estimates and assumptions
The preparation of condensed consolidated interim financial statements in conformity with IFRS requires the Management Board to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Group's accounting policies, the Management Board has made the following judgements that would have the most significant effect on the amounts recognised in the condensed consolidated interim financial statements.

3.1 Assessment as an investment entity
Refer to Note 2 for the discussion on this topic.

3.2 Fair value determination
The Group accounts for its investments in PPP/PFI entities ('Portfolio Companies') as Investments at FVPL. The valuation is determined using the discounted cash flow methodology. The cash flows forecasted to be received by the Company or its consolidated subsidiaries, generated by each of the underlying assets, and adjusted as appropriate to reflect the risk and opportunities, have been discounted using asset-specific discount rates. The valuation methodology is the same one used in previous reporting periods.

The fair value of other financial assets and liabilities, other than current assets and liabilities, is determined by discounting future cash flows at an appropriate discount rate and with reference to recent market transactions, where appropriate. Further information on assumptions and estimation uncertainties are disclosed in Note 14.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs in the valuation methodology, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

- Level 2: inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data ('unobservable inputs').

If the inputs to measure fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of fair value hierarchy at the end of the reporting period in which the change has occurred.

3.3 Going concern basis of accounting

As part of its assessment, the Management Board has considered the risk posed by the Covid-19 pandemic. The Group's portfolio is more than 99.5 per cent operational and relies on availability-based revenues. At the time of producing these condensed consolidated interim financial statements, there was no evidence to suggest of material disruption to the Group and financial performance is not expected to be materially affected. However, there is naturally significant uncertainty around how the pandemic will evolve and therefore it is difficult to foresee all consequences or disruptions potentially arising from the pandemic.

The Management Board has satisfied itself that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of the condensed consolidated interim financial statements. After due consideration, the Management Board believes it is appropriate to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial statements.

4. Segment reporting

IFRS 8 - Operating Segments adopts a 'through the eyes of the management' approach to an entity's reporting of information relating to its operating segments, and also requires an entity to report financial and descriptive information about its reportable segments.

Based on a review of information provided to the Management Board, the Group has identified five reportable segments based on the geographical concentration risk. The main factor used to identify the Group's reportable segments is the geographical location of the asset. The Management Board has concluded that the Group's reportable segments are: (1) UK; (2) North America; (3) Australia; (4) Continental Europe; and (5) Holding Activities. These reportable segments are the basis on which the Group reports information to the Management Board.

Profit or loss from continuing operations for the six months period are presented below:

For the six months ended 30 June 2021 In thousands of Pounds Sterling	**UK**	**North America**	**Australia**	**Continental Europe**	**Holding Activities**	**Total Group**
Income from Investments at FVPL	**2,619**	**23,560**	**2,112**	**4,329**	**-**	**32,620**
Administration expenses	**-**	**-**	**-**	**-**	**(4,991)**	**(4,991)**
Other operating expenses - net	**-**	**-**	**-**	**-**	**(1,020)**	**(1,020)**
Results from operating activities	**2,619**	**23,560**	**2,112**	**4,329**	**(6,011)**	**26,609**
Finance cost	**-**	**-**	**-**	**-**	**(821)**	**(821)**
Net gain on derivative financial instruments	**-**	**-**	**-**	**-**	**260**	**260**
Tax expense - net	**-**	**-**	**-**	**-**	**(1,203)**	**(1,203)**
Profit or loss from continuing operations	**2,619**	**23,560**	**2,112**	**4,329**	**(7,775)**	**24,845**

For the six months ended 30 June 2020 In thousands of Pounds Sterling	**UK**	**North America**	**Australia**	**Continental Europe**	**Holding Activities**	**Total Group**
Income from Investments at FVPL	6,788	15,562	8,581	5,826	-	36,757
Administration expenses	-	-	-	-	(4,116)	(4,116)
Other operating expenses - net	-	-	-	-	(6,516)	(6,516)
Results from operating activities	6,788	15,562	8,581	5,826	(10,632)	26,125
Finance cost	-	-	-	-	(860)	(860)
Finance income	-	-	-	-	10	10
Net loss on derivative financial instruments	-	-	-	-	(6,124)	(6,124)
Tax expense - net	-	-	-	-	(1,497)	(1,497)
Profit or loss from continuing operations	6,788	15,562	8,581	5,826	(19,103)	17,654

Statement of financial position per segment information as at 30 June 2021 and 31 December 2020 are presented below:

as at 30 June 2021 In thousands of Pounds Sterling	**UK**	**North America**	**Australia**	**Continental Europe**	**Holding Activities**	**Total Group**
Assets						
Investments at FVPL	**280,244**	**425,873**	**114,936**	**92,279**	**-**	**913,332**
Other non-current assets	**-**	**-**	**-**	**-**	**1,162**	**1,162**
Current assets	**-**	**-**	**-**	**-**	**33,078**	**33,078**
Total assets	**280,244**	**425,873**	**114,936**	**92,279**	**34,240**	**947,572**
Liabilities						
Non-current	**-**	**-**	**-**	**-**	**23,280**	**23,280**
Current	**-**	**-**	**-**	**-**	**6,213**	**6,213**
Total liabilities	**-**	**-**	**-**	**-**	**29,493**	**29,493**

as at 31 December 2020 In thousands of Pounds Sterling	**UK**	**North America**	**Australia**	**Continental Europe**	**Holding Activities**	**Total Group**
Assets						
Investments at FVPL	264,797	418,063	117,984	94,830	-	895,674
Other non-current assets	-	-	-	-	295	295

Current assets	-	-	-	-	24,574	24,574
Total assets	264,797	418,063	117,984	94,830	24,869	920,543
Liabilities						
Non-current	-	-	-	-	218	218
Current	-	-	-	-	4,485	4,485
Total liabilities	-	-	-	-	4,703	4,703

The Holding Activities of the Group include the activities which are not specifically related to a specific asset or region but to those companies which provide services to the Group. The total current assets classified under Holding Activities mainly represent cash and cash equivalents.

Transactions between reportable segments are conducted at arm's length and are accounted for in a similar way to the basis of accounting used for third parties. The accounting methods used for all the segments are similar and comparable with those of the Company.

5. Administrative expenses

In thousands of Pounds Sterling	Six months ended 30 June 2021	Six months ended 30 June 2020
Personnel expenses	**3,309**	2,553
Legal and professional fees	**1,335**	1,100
Office and other expenses	**337**	445
Depreciation expense	**10**	18
	4,991	4,116

The Group has engaged certain third parties to provide legal, depositary, audit, tax and other services to the Group. The expenses incurred in relation to such services are treated as legal and professional fees.

During the six months period ended, the Company and its consolidated subsidiaries obtained the following services from the external auditors:

In thousands of Pounds Sterling	Six months ended 30 June 2021	Six months ended 30 June 2020
Group auditor remuneration:		
Statutory audit fees to the Group's external auditor	**80**	84
Audit-related fees	**54**	55
Other statutory audit fees	**17**	15
	151	154

Audit-related fees includes fees with respect to the interim review of the Group's condensed consolidated financial statements and other permitted audit-related services.

There were no non-audit related fees charged by the Group's external auditor during six months ended 30 June 2021 (30 June 2020: nil).

6. Other operating expenses

In thousands of Pounds Sterling	Six months ended 30 June 2021	Six months ended 30 June 2020
Acquisition-related costs	**1,274**	486
Foreign currency exchange loss - net	**214**	986
Net loss on derivative financial instruments[(i)]	**-**	5,133
	1,488	6,605

[(i)] *Relates to foreign exchange hedging on forecasted distributions from Investments at FVPL.*

7. Net finance result

In thousands of Pounds Sterling	Six months ended 30 June 2021	Six months ended 30 June 2020
Finance costs on loan and borrowings (Note 12)	**(821)**	(860)
Interest income on bank deposits	**-**	10
	(821)	(850)

8. Investments at FVPL

In thousands of Pounds Sterling	30 June 2021	31 December 2020
Balance at 1 January	**895,674**	845,967
Acquisitions of/additions in Investments at FVPL	**27,894**	59,185
	32,620	63,337

Income from Investments at FVPL[(i)]		
Distributions received from Investments at FVPL	**(42,856)**	(72,815)
	913,332	895,674

[(i)]Relates to unrealised gains on the revaluation of Investments at FVPL

Refer to Note 14 of the condensed consolidated interim financial statements for further information on Investments at FVPL.

Distributions from Investments at FVPL are received after either: (a) financial models have been tested for compliance with certain ratios; or (b) financial models have been submitted to the external lenders of the Portfolio Companies; or (c) approvals of the external lenders on the financial models have been obtained.

As at 30 June 2021 and 31 December 2020, loan and interest receivable from unconsolidated subsidiaries is embedded within the Investments at FVPL.

The valuation of Investments at FVPL considers all cash flows related to individual assets. The Group does not have any demand-based assets and the portfolio is over 99.5 per cent operational, which together have contributed to no material impact to our distributions and no material effect on valuation resulting from Covid-19 during the reporting period.

During the six months ended 30 June 2021, the Group completed the following acquisition:

- *Poplar Affordable Housing & Recreation Centres project (United Kingdom) ("Poplar Housing")*: In April 2021, the Group acquired a 100% interest in a social infrastructure investment consisting of two recreation facilities and 100 affordable residential units across two sites in the London Borough of Tower Hamlets. The PPP project originally consisted of the design, construction, financing, operation, maintenance and rehabilitation of separate buildings: the major regeneration and refurbishment of the derelict Poplar Baths building into a modern first-class community leisure centre and the construction of the Haileybury Youth & Community Centre, Randall House (60 affordable residential units), Dame Colet Court (25 affordable residential units) and Baltonsborough Court (15 affordable residential units).

  Construction was completed in 2016 and the concession runs until 2051. Availability payments are to be received from the London Borough of Tower Hamlets.

9. Taxes

The Company, as an undertaking for collective investment, is exempt from corporate income tax in Luxembourg and instead pays an annual subscription tax of 0.05 per cent on the value of its net assets.

For the six months ended 30 June 2021, the Company incurred a subscription tax expense of £229,000 (30 June 2020: £213,000). The Company as a SICAV is not subject to taxes on capital gains or income. All other consolidated companies are subject to taxation at the applicable rate in their respective jurisdictions.

A significant portion of the profit before tax relates to the movement in fair valuation of Investments at FVPL, which are only recognised in the consolidated financial statements and are therefore not included in the taxable income of the standalone accounts of consolidated entities.

As a consequence of the adoption of IFRS 10, the Company is designated as an Investment Entity (see Note 2). Therefore, tax expenses of unconsolidated subsidiaries are not included in these condensed consolidated interim financial statements as a separate line item but instead are embedded in the fair value calculation of Investments at FVPL with net income being taxed in the respective jurisdiction.

During the six months ended 30 June 2021, the Group recognised a tax expense of £1,203,000 (30 June 2020: £1,497,000). The tax liability as at 30 June 2021 amounted to £1,509,000 (31 December 2020: £1,567,000).

10. Capital and reserves

Share capital

Changes in the Company´s share capital are as follows:

In thousands of Pounds Sterling	30 June 2021	31 December 2020
Share capital as at 1 January	**770,942**	714,280
Issuance of ordinary shares through placing	**-**	55,000
Shares issuance cost on placing	**-**	(831)
Share capital issued through scrip dividends	**514**	2,068
Equity settlement of share-based compensation (see Note 15)	**1,045**	425
	772,501	770,942

The changes in the number of ordinary shares of no par value issued by the Company are as follows:

In thousands of shares	30 June 2021	31 December 2020
In issue at beginning of the year	**664,691**	630,213
Shares issued through placing of ordinary shares	**-**	32,544
Shares issued through scrip dividends	**298**	1,244
Shares issued as share-based compensation	**1,099**	690
	666,088	664,691

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

The Company meets the minimum share capital requirement as imposed under the applicable Luxembourg regulation.

Translation reserve
During the six months ended 30 June 2021, the unrealised foreign currency exchange gains and losses arising from the translation of monetary items that form part of the Group's net investments in foreign operations were recognised in the translation reserve. These foreign currency exchange gains and losses are recognised in other comprehensive income until the net investment is realised, at which time, the effective portion of the settlement of the foreign currency exchange gains and losses in the net investment in a foreign operation is reclassified to profit or loss from continuing operations.

Dividends
The dividends declared and paid by the Company during the six months ended 30 June 2021 and 2020 are as follows:

In thousands of Pounds Sterling except as otherwise stated	**30 June 2021**
2020 2nd interim dividend of 3.59 pence per qualifying ordinary share - for the period 1 July 2020 to 31 December 2020	**23,862**

The 31 December 2020 2nd interim dividend was paid in April 2021. The value of the scrip election was £514,000, with the remaining amount of £23,349,000 paid in cash to those investors that did not elect for the scrip.

In thousands of Pounds Sterling except as otherwise stated	**30 June 2020**
2019 2nd interim dividend of 3.5 pence per qualifying ordinary share - for the period 1 July 2019 to 31 December 2019	22,057

The 31 December 2019 2nd interim dividend was paid in April 2020. The value of the scrip election was £429,000, with the remaining amount of £21,628,000 paid in cash to those investors that did not elect for the scrip.

Net Asset Value ('NAV')
The consolidated NAV and NAV per share as at 30 June 2021, 31 December 2020 and 31 December 2019 were as follows:

	2021	**2020**	**2019**
NAV attributable to the owners of the Company	**918,079**	915,840	861,632
NAV per ordinary share (pence)	**137.83**	137.78	136.72

11. Earnings per share

a) Basic earnings per share
The basic earnings per share is calculated by dividing the profit from continuing operations attributable to the owners of the Company by the weighted average number of ordinary shares outstanding.

In thousands of Pounds Sterling / in thousands of shares	**Six months ended 30 June 2021**	**Six months ended 30 June 2020**
Profit from continuing operations attributable to the owners of the Company	**24,845**	17,654
Weighted average number of ordinary shares in issue	**665,601**	630,519
Basic earnings per share (in pence)	**3.73**	2.80

The weighted average number of ordinary shares outstanding for the purpose of calculating the basic earnings per share is computed as follows:

In thousands of shares	**Six months ended 30 June 2021**	**Six months ended 30 June 2020**
Shares outstanding as at 1 January	**664,691**	630,213
Effect of scrip dividends issued	**223**	133
Shares issued as share-based compensation	**687**	173
Weighted average - outstanding shares	**665,601**	630,519

b) Diluted earnings per share
The diluted earnings per share is calculated by dividing the profit from continuing operations attributable to the owners of the Company by the weighted average number of ordinary shares outstanding, after adjusting for the effects of all potential dilutive ordinary shares.

The weighted average number of potential diluted ordinary shares for the purpose of calculating the diluted earnings per share is computed as follows:

	Six months ended 30 June 2021	**Six months ended 30 June 2020**
Weighted average number of ordinary shares for basic earnings per share	**665,601**	630,519
Effect of potential dilution from share-based payment	**726**	574
Weighted average number of ordinary shares adjusted for the effect of dilution	**666,327**	631,093

The price of the Company's shares for the purpose of calculating the potential dilutive effect of award letters (Note 15) was based on the average market price for the six months ended 30 June 2021 and 30 June 2020, respectively, during which period the awards were outstanding.

12. Loans and borrowings

Previously, the Group had a four-year £180 million Revolving Credit Facility ('RCF') from ING Bank N.V. London Branch ('ING Bank'), and KfW IPEX-Bank GmBH ('KfW IPEX Bank') and DZ Bank AG Deutsche Zentral Genossenschaftsbank ('DZ Bank') which commenced in January 2018 and had a maturity date in January 2022. The borrowing margin was 165 bps over LIBOR.

On 21 May 2021, the Group secured the amendment and restatement of the multi-currency RCF with ING Bank, KFW IPEX Bank, DZ Bank, Frankfurt Am Main and SMBC Bank EU AG for a total commitment of £230 million. The tenor of the RCF is five years (maturing in May 2026). The borrowing margin is 165 bps over the reference bank rate. Under the new RCF, the Group retains the possibility to consider larger transactions by virtue of having structured a further £70 million incremental accordion tranche, for which no commitment fees will be paid.

As at 30 June 2021, the Group had utilised £26.3 million (31 December 2020: £1.2 million) of the £230 million RCF, of which £1.3 million (31 December 2020: £1.2 million) was being used to cover letters of credit.

The interest payable and other related RCF fees payable as at 30 June 2021 amounted to £208,000 (31 December 2020: £177,000).

The RCF unamortised debt issuance cost amounted to £1,729,000 as at 30 June 2021 (31 December 2020: £358,000). The unamortised debt issuance cost is netted against the outstanding amount drawn under the credit facility.

The total finance cost incurred under the RCF for the six months ended 30 June 2021 amounted to £803,000 (30 June 2020: £860,000) which includes the amortisation of debt issuance costs of £209,000 (30 June 2020: £174,000).

Changes in liabilities arising from financing activities

In thousands of Pounds Sterling	1 January 2021	Proceeds	Repayment	Foreign Exchange	Others[(i)]	30 June 2021
Loans and borrowings - non-current	**-**	**25,000**	**-**	**-**	**(1,729)**	**23,271**

In thousands of Pounds Sterling	1 January 2020	Proceeds	Repayment	Foreign Exchange	Others	31 December 2020
Loans and borrowings - non-current	20,318	41,000	(62,000)	-	682	-

[(i)] *Unamortised debt issuance costs.*

Pledges and collaterals in relation to the RCF

As of 30 June 2021 and 31 December 2020, certain consolidated subsidiaries, that are classified as Obligors under the RCF, have provided a pledge over all shares issued, over receivables between the Obligors and over the bank accounts of the Obligors.

Based on the provisions of the RCF, in the event of continuing event of default, the lender, among other things, will have the right to cancel all commitments and declare all or part of utilisations to be due and payable, including all related outstanding amounts, and exercise or direct the security agent to exercise any or all of its rights, remedies, powers or discretions under the RCF.

The Group operated comfortably within covenant limits of the RCF during the six months ended 30 June 2021 and year ended 31 December 2020.

13. Accruals and other payables

Accruals and other payables are non-interest bearing and are usually settled within six months.

14. Fair value measurements and risk management

Fair value measurement and sensitivity analysis

The fair values of financial assets and liabilities, together with the carrying amounts shown in the condensed consolidated interim statement of financial position are presented below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value (i.e., cash and cash equivalents, trade and other receivables, trade payables, accruals and other payables and loans and borrowings).

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

30 June 2021	Fair value			
In thousands of Pounds Sterling	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Investments at FVPL	**-**	**-**	**913,332**	**913,332**
Derivative financial assets	**-**	**1,066**	**-**	**1,066**
Financial liabilities measured at fair value				
Derivative financial liabilities	**-**	**(730)**	**-**	**(730)**

31 December 2020	Fair value			
In thousands of Pounds Sterling	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Investments at FVPL	-	-	895,674	895,674
Derivative financial assets	-	259	-	259
Financial liabilities measured at fair value				
Derivative financial liabilities	-	(243)	-	(243)

There were no transfers between Level 1 and Level 2 fair value measurements during the six months ended 30 June 2021, and no transfers into or out of Level 3 fair value measurements during the six months ended 30 June 2021.

The following table shows a reconciliation of the movements in the fair value measurements in level 3 of the fair value hierarchy:

In thousands of Pounds Sterling	30 June 2021	31 December 2020
Balance at 1 January	**895,674**	845,967
Acquisitions of/additions in Investments at FVPL	**27,894**	59,185
Income from Investments at FVPL[(i)]	**32,620**	63,337
Distributions received from Investments at FVPL	**(42,856)**	(72,815)
	913,332	895,674

[(i)] Relates to unrealised gains on the revaluation of investments.

Investments at FVPL
The Management Board is responsible for carrying out the fair market valuation of the Company's investments, which it then presents to the Supervisory Board. The valuation is carried out on a six-monthly basis as at 30 June and 31 December each year. The valuation is reviewed by an independent third-party valuation expert.

The valuation is determined using the discounted cash flow methodology. The cash flow forecasts, generated by each of the underlying assets, are received by the Company or its subsidiaries, adjusted as appropriate to reflect risks and opportunities, and discounted using asset-specific discount rates. The valuation methodology remains unchanged from previous reporting periods.

Covid-19
The portfolio continued its strong performance over the reporting period with no material adverse effect on valuation resulting from Covid-19. This strong performance is primarily as a result of the Company holding a low-risk, 100 per cent availability-based portfolio, coupled with strong stakeholder collaboration during the reporting period. Significant uncertainty remains surrounding Covid-19 with the consequences and potential disruptions difficult to foresee, but currently our portfolio remains resilient in this challenging market environment. We will continue to work closely with all stakeholders to help mitigate the risks and effects of this global pandemic.

Key Portfolio Company and portfolio cash flow assumptions underlying NAV calculation include:

- Discount rates and the assumptions as set out below continue to be applicable.
- The updated financial models used for valuation accurately reflect the terms of all agreements relating to the Portfolio Companies and represent a fair and reasonable estimation of future cash flows accruing to the Portfolio Companies.
- Cash flows from and to the Portfolio Companies are received and made at the times anticipated.
- Non-UK investments are valued in local currency and their cash flows converted to Pounds Sterling at either the period-end exchange rates or the contract hedge rate.
- Where the operating costs of the Portfolio Companies are fixed by contract, such contracts are performed, and where such costs are not fixed, they remain within the current forecasts in the valuation models.
- Where lifecycle costs/risks are borne by the Portfolio Companies, they remain in line with the current forecasts in the valuation models.
- Contractual payments to the Portfolio Companies remain on track and contracts with public sector or public sector backed counterparties are not terminated before their contractual expiry date.
- Any deductions or abatements during the operational period of Portfolio Companies are fully passed down to subcontractors under contractual arrangements or are part of the planned (lifecycle) forecasts.
- Where the Portfolio Companies own the residual property value in an investment, the projected amount for this value is realised.
- In cases where the Portfolio Companies have contracts that are in the construction phase, they are either completed on time or any delay costs are borne by the construction contractors.
- Enacted tax or regulatory changes in the future which negatively impact cash flow forecasts are reflected in the financial models.

In forming the above assessments, BBGI works with Portfolio Company management teams, as well as using due diligence information from, or working with, suitably qualified third parties such as technical advisers, legal advisers, and insurance advisers.

The Group uses the following assumptions ('Assumptions') for the cash flows:

		30 June 2021	**31 December 2020**
Inflation	UK[(i)] RPI/CPIH	2.75% / 2.00%	2.75% / 2.00%
	Canada	2.00% / 2.35%	2.00% / 2.35%
	Australia	2.50%	2.50%
	Germany	2.00%	2.00%
	Netherlands[(ii)]	2.00%	2.00%
	Norway[(ii)]	2.25%	2.25%
	USA[(iii)]	2.50%	2.50%

Deposit rates (p.a.)	UK	0.25% to Q4 2023, then 1.00%	0.25% to Q4 2023, then 1.00%
	Canada	0.75% to Q4 2023, then 1.50%	0.75% to Q4 2023, then 1.50%
	Australia	0.50% to Q4 2023, then 2.00%	0.50% to Q4 2023, then 2.00%
	Germany	0.00% to Q4 2023, then 0.50%	0.00% to Q4 2023, then 0.50%
	Netherlands	0.00% to Q4 2023, then 0.50%	0.00% to Q4 2023, then 0.50%
	Norway	0.25% to Q4 2023, then 2.00%	0.25% to Q4 2023, then 2.00%

		30 June 2021	31 December 2020
	USA	0.25% to Q4 2023, then 1.50%	0.25% to Q4 2023, then 1.50%
Corporate tax rates (p.a.)	UK(iv)	19.0% to Q1 2023 then 25.0%	19.0%
	Canada(v)	23.0% / 26.5% / 27.0% / 29.0%	23.0% / 26.5% / 27.0% / 29.0%
	Australia	30.0%	30.0%
	Germany(vi)	15.8% (incl. solidarity charge)	15.8% (incl. solidarity charge)
	Netherlands	25.0%	25.0%
	Norway	22.0%	22.0%
	USA	21.0%	21.0%

(i) On the 25th of November 2020, the UK Government announced the phasing out of RPI after 2030, and replacement with CPIH; the Company's UK portfolio indexation factor changes from RPI to CPIH beginning on 1 January 2031.
(ii) CPI indexation only. Where investments are subject to a basket of indices, a projection for non-CPI indices are used.
(iii) 80 per cent of ORB indexation factor for revenue is contractual and is not tied to CPI.
(iv) On 10 June, 2021, the UK Government enacted an increase in the UK Corporate Tax rate to 25.0 per cent with effect from April 2023.
(v) Individual tax rates vary among Canadian Provinces.
(vi) Individual local trade tax rates are considered in addition to the tax rate above.

Discount rate sensitivity
The weighted average discount rate that is applied to the Company's portfolio of investments is the single most important judgement and variable.

The following table shows the sensitivity of the NAV to a change in the discount rate on Investments at FVPL:

	+1% to 7.56% in 2021(i)		-1% to 5.56% in 2021(i)	
Effects in thousands of Pounds Sterling	NAV	Profit or loss	NAV	Profit or loss
30 June 2021	**(76,047)**	**(76,047)**	**87,989**	**87,989**
31 December 2020	(73,609)	(73,609)	85,076	85,076

(i)Based on the weighted average discount rate of 6.56 per cent (31 December 2020: 6.77 per cent)

Inflation sensitivity
The Company's investments are contractually entitled to receive availability-based income streams from public sector clients, which are adjusted every year for inflation. Facilities management subcontractors for accommodation investments and operating and maintenance subcontractors for transport investments have similar indexation arrangements. The investment cash flows are positively correlated with inflation (e.g. RPI, CPI, or a basket of indices).

The following table shows the sensitivity of the NAV to a change in the inflation rate on Investments at FVPL:

	+1%		-1%	
Effects in thousands of Pounds Sterling	NAV	Profit or loss	NAV	Profit or loss
30 June 2021	**39,839**	**39,839**	**(32,823)**	**(32,823)**
31 December 2020	37,787	37,787	(30,983)	(30,983)

Foreign exchange rate sensitivity
A significant proportion of the Group's underlying investments are denominated in currencies other than Pounds Sterling. The Group maintains its accounts, prepares the valuation and pays dividends in Pounds Sterling.

The following table shows the sensitivity of the NAV to a change to foreign exchange rates on Investments at FVPL:

	Increase by 10%(i)		Decrease by 10%(i)	
Effects in thousands of Pounds Sterling	NAV	Profit or loss	NAV	Profit or loss
30 June 2021	**(26,113)**	**(26,113)**	**26,578**	**26,578**
31 December 2020	(25,491)	(25,491)	25,396	25,396

(i) *Sensitivity in comparison to the spot foreign exchange rates at 30 June 2021 and considering the contractual and natural hedges in place, derived by applying a 10 per cent increase or decrease to the Pounds Sterling/foreign currency rate.*

Deposit rate sensitivity
Portfolio Companies typically have cash deposits that are required to be maintained as part of the senior debt funding requirements (e.g. six months debt service reserve accounts, maintenance reserve accounts). The asset cash flows are positively correlated with the deposit rates.

The following table shows the sensitivity of the NAV to a percentage point change in long-term deposit rates on Investments at FVPL:

	+1%		-1%	
Effects in thousands of Pounds Sterling	**NAV**	**Profit or loss**	**NAV**	**Profit or loss**
30 June 2021	**17,469**	**17,469**	**(17,428)**	**(17,428)**
31 December 2020	17,065	17,065	(16,641)	(16,641)

Lifecycle costs sensitivity
Lifecycle costs is the cost of planned interventions or replacing material parts of an asset to maintain it over the concession term. It involves larger items that are not covered by routine maintenance and for roads, it will include items such as replacement of asphalt, rehabilitation of surfaces, or replacement of electromechanical equipment. Lifecycle obligations are generally passed down to the facility maintenance provider with the exception of transportation investments where these obligations are typically retained by the Portfolio Company.

Of the Group's 51 Investments at FVPL, 17 Investments at FVPL retain the lifecycle obligations. The remaining 34 investments have this obligation passed down to the subcontractor.

The following table shows the sensitivity of the NAV to a change in lifecycle costs on Investments at FVPL:

	Increase by 10%(i)		Decrease by 10%(i)	
Effects in thousands of Pounds Sterling	**NAV**	**Profit or loss**	**NAV**	**Profit or loss**
30 June 2021	**(19,690)**	**(19,690)**	**19,489**	**19,489**
31 December 2020	(17,621)	(17,621)	17,390	17,390

(i) *Sensitivity applied to the 17 Investments at FVPL which retain the lifecycle obligation i.e. the obligation is not passed down to the subcontractor.*

Corporate tax rate sensitivity
The profits of each Portfolio Company are subject to corporation tax in the country where the Portfolio Company is located.

The following table shows the sensitivity of the NAV to a change in the corporate tax rate on Investments at FVPL:

	+1% in 2020		-1% in 2020	
Effects in thousands of Pounds Sterling	**NAV**	**Profit or loss**	**NAV**	**Profit or loss**
30 June 2021	**(7,513)**	**(7,513)**	**7,496**	**7,496**
31 December 2020	(6,606)	(6,606)	6,563	6,563

Senior debt refinancing sensitivity
Assumptions are used where a refinancing of senior debt financing is required for an investment during the remaining concession term. There is a risk that such assumptions may not be achieved.

The following table shows the sensitivity of the NAV, to a +100bps adjustment to the forecasted margin on Investments at FVPL. The base rate for senior debt is either fixed or a long-term interest swap is available with the effect that none of our assets is subject to changes in base rates.

	Margin +1%(i)	
In thousands of Pounds Sterling	**NAV**	**Profit or loss**
2021	**(7,396)**	**(7,396)**
2020	(7,745)	(7,745)

(i)*The Northern Territory Secure Facilities ('NTSF') investment is the only remaining investment in the Group´s portfolio with refinancing risk.*

Derivative financial instruments
The fair value of derivative financial instruments ('foreign exchange forwards') is calculated by the difference between the contractual forward rate and the estimated forward exchange rates at the maturity of the forward contract. The foreign exchange forwards are fair valued periodically by the counterparty bank. The fair value of derivative financial instruments as of 30 June 2021 amounted to a net asset of £336,000 (31 December 2020: £16,000 - net asset). The counterparty bank has an S&P/Moody's credit rating of A+/Aa3.

The net gain on the valuation of foreign exchange forwards for the six months ended 30 June 2021 amounted to £628,000 (30 June 2020: £11,257,000 - net loss).

During the six months ended 30 June 2021, the Group realised a net gain of £309,000 on the cash settlement of foreign exchange forwards (30 June 2020: £517,000 - net realised gain).

The Group has exposure to the following risks from financial instruments:

Credit risk
Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group, resulting in:

1) impairment or reduction in the amounts recoverable from receivables and other current and non-current assets; and

2) non-recoverability, in part or in whole, of cash and cash equivalents deposited with banks.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's policy over liquidity risk is that it will seek to have sufficient liquidity to meet its liabilities and obligations when they fall due.

The Group manages liquidity risk by maintaining adequate cash and cash equivalents and access to borrowing facilities to finance day-to-day operations and medium to long-term capital needs. The Group also regularly monitors the forecast and actual cash requirements and matches the maturity profiles of the Group's financial assets and financial liabilities.

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

15. Related parties and key contracts

All transactions with related parties were undertaken on an arm's length basis.

Supervisory Board fees
The members of the Supervisory Board of the Company were entitled to a total of £93,000 in fees for the six months ended 30 June 2021 (30 June 2020: £105,000).

Directors' shareholding in the Company

In thousands of shares	30 June 2021	31 December 2020
Duncan Ball	**636**	548
Michael Denny	**412**	262
Frank Schramm	**600**	500
Sarah Whitney	**39**	39
Chris Waples	**17**	-
	1,704	1,349

Remuneration of the Management Board
Under the current remuneration program, all staff are entitled to an annual base salary payable monthly in arrears, which is reviewed annually by the Management Board. The Management Board members are entitled to a fixed remuneration under their contracts and are also entitled to participate in a short-term incentive plan ('STIP') and a long-term incentive plan ('LTIP'). Compensation under their contracts is reviewed annually by the Remuneration Committee.

The total short-term and other long-term benefits recorded in the condensed consolidated interim income statement for key management personnel are as follows:

In thousands of Pounds Sterling	Six months ended 30 June 2021	Six months ended 30 June 2020
Short-term benefits(i)	**1,514**	1,123
Share-based payment - LTIP	**341**	104
	1,855	1,227

(i) Includes an accrual for the deferred component of the 2021 STIP award.

Share-based compensation
Each of the members of the Management Board participates in the Group's LTIP.

During the six months ended 30 June 2021, the Company settled the outstanding obligation under the 2017 LTIP Award and the 2020 Deferred STIP through the issuance of 730,875 shares and 368,444 shares respectively at 167.8 pence per share. The total accrued amount under the 2017 LTIP Award and the 2020 Deferred STIP was £402,000 and £643,000 respectively, the combined amount of £1,045,000 was transferred from Additional paid in capital to Share capital at the settlement date.

During the six months ended 30 June 2021, the Group recognised, as part of 'administrative expenses' in the Group's condensed consolidated interim income statement, an amount of £362,000 in relation to the outstanding LTIP Award and Staff Award Plan (30 June 2020 £104,000).

Trade and other receivables
As at 30 June 2021, trade and other receivables include short-term receivables from non-consolidated subsidiaries amounting to £880,000 (31 December 2020: £1,631,000).

16. Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements. The Group intends to adopt these new and amended standards, if applicable, when they become effective.

17. Events after the end of the reporting period

Results of the Placing
On 15 July 2021, BBGI completed a capital raise which resulted in gross proceeds of £75 million and accordingly, the issuance of a total of 45,180,722 new ordinary shares at a placing price of 166 pence per new ordinary share.

New Acquisition
Post period-end, the Company completed the acquisition of three additional social infrastructure investments in the UK, including a 100 per cent interest in Ayrshire and Arran Hospital in Irvine, Scotland a 100 per cent interest in North West Fire and Rescue, which

manages 16 new community fire stations, located at various sites in Merseyside (seven), Lancashire (four) and Cumbria (five), and a 33.33 per cent interest in the Aberdeen Western Peripheral Route dual carriageway in Aberdeen, Scotland.

Board Members, Agents & Advisers

Supervisory Board

- Sarah Whitney (Chair)
- Howard Myles
- Jutta af Rosenborg
- Christopher Waples (appointed as of 1 May 2021)

Management Board

- Duncan Ball
- Michael Denny
- Frank Schramm

Registered Office
EBBC, 6E route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

Receiving Agent and UK Transfer Agent
Link Market Services Trustees Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Central Administrative Agent, Luxembourg Registrar and Transfer Agent, Depositary and Principal Paying Agent
RBC Investor Services Bank S.A.
14 Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Depository
Link Market Services Trustees Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Auditors
KPMG Luxembourg, Société cooperative
39 Avenue John F. Kennedy
L-1855 Luxembourg

Corporate Brokers
Jefferies International Limited
100 Bishopsgate
London EC2N 4JL
United Kingdom

Winterflood Securities Limited
Cannon Bridge House
25 Dowgate Hill
London
EC4R 2GA

EEA based Centralised Securities Depository
LuxCSD
42 Avenue John F. Kennedy
L-1855 Luxembourg

Luxembourg CSD Principal Agent
Banque Internationale à Luxembourg
69 route d'Esch
Office PLM 018A
L-2953 Luxembourg

Registre de Commerce et des Sociétés Luxembourg B163879

Listing	Chapter 15 premium listing, closed-ended investment company
Trading	Main Market
ISIN	LU0686550053
SEDOL	B6QWXM4
Ticker	BBGI
Indices	FTSE 250, FTSE 350, FTSE 350 High Yield and FTSE All-Share

CAUTIONARY STATEMENT

Certain sections of this Interim Report, including but not limited to, the Chair's Statement and the Strategic Report of the Management Board, have been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. This additional information should not be relied on by any other party or for any other purpose.

These sections may include statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'anticipates', 'forecasts', 'projects', 'expects', 'intends', 'may', 'will' or 'should' or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Management and Supervisory Boards concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects and distribution policy of the Group, and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Group's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Management and Supervisory Boards expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

In addition, these sections may include target figures and guidance for future financial periods. Any such figures are targets only and are not forecasts.

This report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters that are significant to BBGI Global Infrastructure S.A. and its subsidiaries when viewed as a whole.

---

[i] Please refer to the Financial Results section for further detail on Investment Basis NAV.

[ii] 'Pence per share'.

[iii] The TSR combines share price appreciation and dividends paid since Initial Public Offering ('IPO') in December 2011 to show the total return to the shareholder expressed as a percentage. Based on share price at 30 June 2021 and after adding back dividends paid or declared since listing.

[iv] On a compounded annual growth rate basis. This represents the steady state annual growth rate based on share price at 30 June 2021 and after adding back dividends paid or declared since IPO.

[v] Please refer to the Financial Results section for the definition of the Ongoing Charges percentage.

[vi] Calculated as: (Distributions received from investments at fair value through profit or loss less net cash flows from operating activities) / (Cash Dividends paid). Please refer to the Financial Results section for further details.

[vii] Five-year data represents the five years preceding 30 June 2021.

[viii] Social infrastructure includes schools, healthcare, blue light (fire and police), affordable housing, justice facilities and transport. In exchange for the provision of these assets and services, BBGI receives a revenue stream that is paid directly by the public sector.

[ix] References to 'low-risk' throughout this interim report are made in comparison to investments in other infrastructure asset classes.

[x] In comparison to the latest publicly available information for all closed-ended, LSE-listed equity infrastructure investment companies.

[xi] On an annualised basis and in comparison to the latest publicly available information for all closed-ended, LSE-listed equity infrastructure investment companies.

[xii] Covid-19 constraints prevented physical meetings in many cases in 2020 and the first six months of 2021, but virtual meetings were substituted as necessary.

[xiii] Increased to 54 assets shortly after the end of the reporting with the completion of the following acquisitions (i) Ayrshire and Arran Hospital (UK), (ii) North West Fire and Rescue (UK) and (iii) Aberdeen Western Peripheral Route (UK).

[xiv] Includes a limited exposure to UK acute healthcare of less than one per cent of NAV.

[xv] Deductions for planned lifecycle, operation and maintenance activities are excluded from this calculation.

[xvi] Building Research Establishment Environmental Assessment Method.

[xvii] When a project has more than one FM contractor and/or O&M contractor, the exposure is allocated equally among the contractors.

[xviii] PwC Unlocking capital for Net Zero infrastructure (November 2020).

[xix] McKinsey & Company, July 2020.

[xx] On a compounded annual growth basis. This represents the steady state annual growth rate based on the share price as at 30 June 2021 and after adding back dividends paid or declared since the company's IPO.

[xxi] Northern Territory Secure Facilities is the only asset with refinancing risk.

[xxii] The FTSE All-Share, five-year data represents the five years preceding 30 June 2021.

[xxiii] The sum of the change in NAV per share plus the dividends paid per share in the period, taken as a percentage of the NAV per share at 31 December 2020.

[xxiv] These are targets only and not a profit forecast. There can be no assurance that these targets will be met or that the Company will make any distribution at all.

[xxv] Based on the portfolio composition on the date the balance sheet hedge contracts are entered into.

[xxvi] The Company assumes an equal and offsetting amount between running costs and Euros received into the future.

[xxvii] Additional information regarding Ongoing Charges and ongoing charges percentage can be obtained from the AIC website www.theaic.co.uk.

[xxviii] Cash flows rebased for investment acquisitions during the year.

[xxix] The cash dividend cover ratio is a multiple that divides the total net cash generated in the period (available for distribution to investors) by the total cash dividends paid in the period based on the IFRS cash flows. If the Group has a high dividend cover ratio, there is a lesser risk that the Group will not be able to continue making dividend payments.

END