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BBGI Global Infrastructure S.A.
31 March 2022

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BBGI Global Infrastructure S.A.

(the "Company")

Annual Results for financial year ended 31 December 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.

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[i] 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 with a strong ESG approach to deliver attractive long-term and predictable shareholder returns.

COMPANY OVERVIEW

WHY INVEST IN BBGI

BBGI provides access to a diversified portfolio of infrastructure investments that generate attractive long-term, sustainable returns and serve an inherent social purpose in their local communities.

In return for long-term investment in, and active ownership of, essential social infrastructure investments such as education, healthcare, blue light, affordable housing, modern correctional facilities, and transport, procured using availability-based[ii] investment models, BBGI receives stable, predictable and contracted cash flows with an attractive inflation linkage. These are underpinned by government, or government-backed counterparties.

The predictability of these contracted revenues allows BBGI to return to investors an attractive, 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. The fundamental pillars of the Company are low-risk, globally diversified and internally managed investment strategy and a strong ESG approach.

1. Low-risk[iii]

The Company is committed to an availability-based social infrastructure investment platform and this strategy generates stable, predictable inflation-linked 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 six UN Sustainable Development Goals ('SDGs'), and a commitment to net-zero and other ESG principles which are integrated into the Company's investment and operating model. This approach serves to strengthen the non-financial returns the portfolio generates for all stakeholders. The portfolio also demonstrates a high degree of climate resilience. This enables the Company to focus on the effective delivery of social impact, 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[iv].

A DECADE OF OUTPERFORMANCE

As the Company marks its tenth anniversary since its initial public offering ('IPO'), our decade in numbers quantifies our ability to deliver attractive, stable, predictable returns from a globally diversified portfolio of essential social infrastructure investments.

Fast-forward a decade, the Company has successfully grown and diversified its portfolio while maintaining strategic discipline in our acquisition strategy and portfolio composition, creating sustainable, long-term benefits and value for all our stakeholders.

44% Increase in NAV per share from 98.0pps to 140.7pps[v] since IPO	**383%** NAV growth from £207.6 million to £1,001.6 million since IPO	**171%** Total Shareholder Return since IPO
3.7% Annualised NAV per share increase since IPO	**17.0%** Annualised NAV growth since IPO	**10.4%** Annualised Total Shareholder Return since IPO
33% Total dividend growth[vi]	**100%** Track record in meeting declared dividend target	**3.3%** Average annual dividend increase since IPO
54 The number of assets selectively acquired	**99.8%** Average asset availability rate[vii]	**40%** Reduction in ongoing charge from 1.44% to 0.86%[vi]

YEAR IN NUMBERS

Financial highlights

£1,001.6m Investment Basis NAV up 9.4% as at 31 December 2021 (31 December 2020: £916.0 million)[viii]	**140.7pps** NAV per Share up 2.1% as at 31 December 2021 (31 December 2020: 137.8pps)	**171%** Total Shareholder Return ('TSR') since IPO[viii]
10.4% Annualised Total Shareholder Return since IPO[viii]	**7.33pps** 2021 Dividend declared per Share	**7.48pps** 2022 Target Dividend [viii] **7.63pps** 2023 Target Dividend **7.78pps** 2024 Target Dividend

1.31x Cash Dividend Cover [viii]	**0.86%** Ongoing Charges [viii] (2020: 0.86%)	**0.25** Five-year Beta [viii] (2020: 0.24)

Portfolio highlights

- Globally diversified portfolio of 54 high-quality investments generating predictable cash flows ahead of forecast.
- 100% availability-based infrastructure investments.
- Attractive inflation linkage and strong dividend cover.
- Active management activities contributed to 1.4 per cent. increase in the Company's NAV.
- Consistently high levels of asset availability at 99.9[viii] per cent. with no material lockups or defaults reported.
- Broad range of ESG initiatives progressed that are embedded into our business strategy and practices.
- High degree of climate resilience both today and under different climate warming scenarios. These findings followed a formal climate risk assessment undertaken for our entire portfolio to better understand the impact of climate risk on our Company.
- £79.2 million of accretive cash investments completed in 2021. In addition, the Company signed an acquisition agreement in October 2021 for an interest in a healthcare asset in Canada for a price of c. £51 million, subject to certain adjustments, and completed an additional £24 million investment in a clean energy infrastructure asset in Canada in February 2022[ix].
- Oversubscribed equity issue in July 2021 which raised gross proceeds of £75 million.
- Net cash position of £26.9 million on an investment basis with no cash borrowings outstanding under the Revolving Credit Facility ('RCF')[x].
- A pipeline of availability-based assets that remains strong and attractive within the Company's key markets in Europe and North America including a strategic investment partnership via right of first offer.

PORTFOLIO AT A GLANCE

The fundamentals

Based on portfolio value as at 31 December 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	
Operations	99.5%
Construction	0.5%
	100%

Geographical split
Geographically diversified in stable developed countries.

Geographic Split	
Canada	36%
UK	33%
Australia	11%
US	11%
Continental Europe	9%
	100%

Sector split
Well-diversified sector exposure with large allocation to lower-risk availability-based road and bridge investments.

Sector Split	
Transport	52%
Healthcare	22%
Blue Light and Modern Correctional Facilities	13%
Education	9%
Affordable Housing	3%
Other	1%
	100%

Investment life
Long investment life with 61% of portfolio by value with a duration of greater than 20 years; weighted average life of 20.3 years. Average portfolio debt maturity of 17.3 years.

Investment Life	
≥25 years	20%
≥20 years and <25 years	41%
≥10 years and <20 years	32%
<10 years	7%

100%

Top five investments
Well-diversified portfolio with no major single asset exposure.

Top Five Investments	
Ohio River Bridges (US)	11%
Golden Ears Bridge (Canada)	9%
Northern Territory Secure Facilities (Australia)	6%
McGill University Health Centre (Canada)	5%
Victoria Correctional Facilities (Australia)	4%
Next five largest investments	17%
Remaining investments	48%
	100%

Investment ownership
81% of assets by value in the portfolio are 50% owned or greater.

Investment Ownership	
100%	48%
≥75% and <100%	5%
≥50% and <75%	28%
<50%	19%
	100%

Country rating
All assets located in countries with ratings between AA and AAA[xi].

Country Rating	
AAA	56%
AA+	11%
AA	33%
	100%

Projected portfolio cash flow

The portfolio has a steady stream of portfolio cash flows until 2051 deriving from the Company's underlying assets. The cash flows are stable and long-term, with their predictability enhanced by government or government-backed counterparties as well as their contracted nature. The contractual, index-linked provisions which adjust annually provide a positive link to inflation of approximately 0.44 per cent[xii]. for every one per cent. increase in inflation.

The investments made over the year ended 31 December 2021 contributed positively to both stable cash flows and the weighted average length of the portfolio. Based on current forecasts and assuming no further increase in the Company's share capital, the existing portfolio will enter into the capital repayment phase in the second half of 2035, at which point the nominal value of future portfolio distributions would equate to the share capital of the Company. By acquiring accretive investments, the intention is that the capital repayment phase is pushed further into the future.

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

CHAIR'S STATEMENT

Dear Shareholders,

On our tenth anniversary since IPO on the London Stock Exchange in December 2011, on behalf of the Supervisory Board, I am pleased to report another year of strong and resilient financial and operational performance by our globally diversified, low-risk portfolio of essential social infrastructure investments.

This is thanks to the continued predictability and quality of our portfolio's underlying, long-term, government-backed cash flows and our approach to active asset management. This past year's performance was the culmination of a decade of strong outperformance which has seen the Company's NAV per share grow by 44 per cent. since IPO, and its dividend grow by average of 3.3 per cent. per annum.

The Company's total market capitalisation has increased five-fold during the last decade and we are proud to have generated a TSR since our inception of 171 per cent. or 10.4 per cent. on an annualised basis - well above the seven to eight per cent. target set at IPO.

Responsible investor

As responsible stewards of our portfolio, there are many stakeholders who are impacted by our actions: users of the facilities in our portfolio, their communities, employees, investors, sub-contractors, the environment and society at large.

Despite the continued challenges of the COVID-19 pandemic, the Company has worked tirelessly to support all of our stakeholders and keep our social infrastructure assets well maintained and operational during the reporting period.

We have also progressed several ESG initiatives that are embedded into our business strategy and practices. We value the views of our stakeholders and conducted a formal materiality assessment to identify matters that have a direct or indirect impact on our ability to create, preserve or erode economic, environmental and social value for BBGI and our stakeholders.

Additionally, we have undertaken a formal climate risk assessment for our entire portfolio to better understand the impact of climate risk on our Company. This assessment demonstrated a high degree of climate resilience across our asset portfolio, both today and under different future climate warming scenarios.

The outcome from this assessment and further detail of our ESG activities can be found in the ESG section of this Annual Report.

Stable and predictable cash flows

Over the past decade, the Company has grown its low-risk investment portfolio from 19 assets at IPO to 54 assets as at the year-end. It has done so in a disciplined manner without engaging in any style drift, building a well-constructed portfolio which is aligned with six of the UN Sustainable Development Goals.

For 2021, the portfolio's distributions exceeded year-end internal forecasts with the NAV increasing by 9.4 per cent. to £1,001.6 million and the NAV per share increasing by 2.1 per cent. to 140.7 pence.

Progressive long-term dividend growth

I am also pleased to report the Company has met its full-year dividend target of 7.33pps. This strong performance and the long-term predictable nature of the Company's cash flows gives us confidence in reaffirming our progressive dividend policy with target dividends of 7.48pps and 7.63pps for 2022 and 2023, respectively. We are also pleased to introduce a new dividend target for 2024 of 7.78pps.

More details about the drivers of the Company's financial and operational performance can be found in our Co-CEO Statement which follows.

Corporate governance

As we look to the next decade and beyond, our ESG Committee has ensured the Company continues to make measurable progress in managing a full spectrum of ESG considerations, including working to protect our planet from a predicted rise in global temperatures.

In line with our ESG principles, the Company includes ESG metrics in the short-term incentive plan ('STIP') for the Management Board to ensure that the Company continues to produce positive non-financial returns. This year, the Company also introduced a long-term incentive plan ('LTIP') target tied to reduction in Greenhouse Gas ('GHG') emissions, a key climate related ESG metric linked to BBGI's Net Zero Plan.

Supervisory Board changes

The Supervisory Board has a well-developed succession plan which has seen the Supervisory Board refresh its membership over the last decade in line with best practices. I would like to thank Howard Myles, who, after serving as a Non-Executive Director of the Company since the Company's IPO, will be stepping down at the 2022 Annual General Meeting ('AGM') after fulfilling his maximum term.

In 2021, Chris Waples was welcomed to the Supervisory Board as an independent Non-Executive Director.

The Supervisory Board is looking forward to welcoming June Aitken and Andrew Sykes as new members of the Supervisory Board, with their appointments to be proposed to shareholders at the 2022 AGM. Following his appointment, Andrew will be elected as Howard's replacement as Chair of the Remuneration Committee and in addition will be appointed as a member of the Nomination and Audit Committees. Andrew will also take over as Senior Independent Director. Following her appointment, June will be elected as a member of each of the three Committees. Both June and Andrew's biographies can be found in the AGM Convening Notice.

Following these appointments, 60 per cent. of the Supervisory Board will be female.

New auditor

As disclosed in the 2021 interim report, after a competitive market tender process, shareholder approval will be sought to confirm the appointment of PricewaterhouseCoopers société cooperative ('PwC') as the statutory auditor for 2022 at the Company's AGM in April 2022. Further details of this process are set out in the Audit Committee report.

Outlook

The future for global infrastructure investment remains strong. Megatrends such as urbanisation, flexible working models and the need to reduce emissions will all contribute to continued demand for infrastructure investment. COVID-19 response stimulus plans in many countries are putting pressure on governments to step up the pace of infrastructure development.

The Management Board continues to use its industry relationships to source attractive investment opportunities for the Company's pipeline, and our internal management structure creates the proper incentives for the Management Board to focus on preserving the value of the Company's portfolio and growing the Company in a thoughtful and disciplined manner, and not be an asset gatherer focused solely on assets under management.

This structure has supported much of the Company's successes in the past ten years, and as a result I have full confidence in our continued ability to create attractive and sustainable long-term value and benefits for all our stakeholders.

Post year end, at the time of writing, we are watching the horrific events unfolding in the Ukraine. Our thoughts are with the people of the Ukraine, and all of the people who are affected by this war. The Company has no operational, portfolio or geographical exposure to Russia, Ukraine, and neighbouring Central and Eastern European regions, but we are aware of the risks and far-reaching consequences of the conflict and are monitoring the situation.

I would like to thank again our employees, our public sector clients, and our suppliers and partners who have worked with us over the past decade to deliver and maintain important infrastructure projects for local communities across North America, the UK, Continental Europe and Australia.

Sarah Whitney
Chair
30 March 2022

STRATEGIC REPORT

CO-CEO STATEMENT

Dear Shareholders,

Ten years ago, in 2011, BBGI went public amidst the Eurozone debt crisis. It was the only company to successfully complete an IPO on the London Stock Exchange in the second half of that tumultuous year.

As we reflect on a decade leading the Company's Management Board, the Company continues to operate much in the same way it started: an internal management team solely dedicated to investing responsible capital in low-risk, public sector-backed, availability-based social infrastructure assets, which generate highly predictable cash flows with an attractive inflation linkage.

During a time of high market uncertainty, much of BBGI's initial appeal to investors was based on the prospect of stable, attractive, predictable returns from a globally diversified portfolio of essential social infrastructure investments, and the alignment of shareholder interests that came with an internally managed structure.

While our team and the number of assets in our portfolio have grown, the Company has maintained its strategic discipline in its acquisition strategy and portfolio composition, creating sustainable, long-term benefits and value for all our stakeholders.

A decade of outperformance

This consistent, disciplined approach has provided shareholders with a decade of outperformance. 2021 was no exception.

Since IPO in 2011, our globally diversified portfolio of infrastructure investments has grown from 19 to 54 assets at this year-end, our investment strategy has been consistent with no style-drift, and our focus on active asset management and responsible investing has delivered strong financial results:

- NAV per share has increased from 98pps at IPO to 140.7pps as at 31 December 2021
- Dividends have increased from 5.5pps to 7.33pps. All dividend targets have been met since IPO
- Total dividends declared or paid since IPO of 64.22pps
- Strong dividend cover over the last ten years
- Annualised total shareholder return of 10.4% since IPO
- Market capitalisation has increased more than five-fold since IPO

Portfolio performance

Our priority remains to preserve and enhance the value of the Company's portfolio and to continue providing essential infrastructure services to our public sector clients. Despite another challenging year due to the COVID-19 pandemic, the portfolio has generated attractive stable returns and we maintained a high level of asset availability of 99.9 per cent. which contributes to client satisfaction.

Our portfolio generated predictable cash flows ahead of forecast and no material lock-ups or defaults were reported at any of the portfolio companies. The portfolio's resilience is underpinned by the Company's proven business model of investing in low-risk, availability-based infrastructure in highly-rated investment grade countries.

This strong performance during a difficult time would not have been possible without the dedication of the Company's employees who have worked tirelessly to support our stakeholders.

Value driven active asset management

During the year, BBGI's representatives worked closely with our public sector clients to ensure the smooth functioning of essential infrastructure services as we dealt with the consequences of the Covid pandemic.

Accretive asset management activities resulted in £13.1 million of value enhancements over the period and contributed to the strong portfolio performance. Activities included successful refinancing transactions, significant change order revenue and other cost optimisations. The refinancing transactions comprised the Ohio River Bridges East End Crossing investment in the United States and three additional portfolio companies in the UK and Canada to capitalise on the low interest rate and margin environment at the time.

In line with our ESG values, the new bonds for the Ohio River Bridges East End Crossing investment align with the four core components of the Green Bond Principles, and we are proud of the sustainable infrastructure designation achieved with this refinancing.

The strong focus on active asset management and value preservation contributed to an increase in the Company's NAV from 137.8pps to 140.7pps, representing an increase of 2.1 per cent. Cash receipts during the year were ahead of business plan and allowed the Company to achieve, once again, a strong dividend cover of 1.31x.

Dividend cover

1.31x

Dividend guidance

The predictable nature of our cash flows gives us good visibility for future dividends and the confidence to extend our dividend guidance to 2024 which is expected to be fully cash-covered.

Dividend target 2022	Dividend target 2023	Dividend target 2024
7.48pps	7.63pps	7.78pps

Low ongoing charge

As an internally managed investment company, our interests remain fully aligned with those of our shareholders. The Company has again maintained the lowest comparative ongoing charge in our sector at 0.86 per cent.[xiii] through an efficient and cost-effective internal management structure.

Ongoing charges

0.86%

Selective asset acquisition

During the last ten years, the demand for the type of infrastructure assets in which the Company invests has steadily outpaced the supply, and pricing in the secondary market has tightened. Despite this environment, the Company has successfully grown and diversified the portfolio while maintaining 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.

This includes maintaining a long weighted average portfolio life of over 20.3 years and pursuing new investments with opportunities for inflation-linkage.

We pride ourselves on our extensive industry relationships in multiple geographies, ensuring global portfolio diversification with no reliance on any one particular market.

As with previous years, the Company assessed considerably more investments than it pursued. Using existing cash resources and an extended multi-currency Revolving Credit Facility ('RCF'), the Company invested approximately £79.2 million which included interests in four new projects in the UK, all of which earn availability-based revenue in return for providing essential public services in affordable housing, community centres, mental health facilities, fire and rescue, and public highways.

All these new investments were screened for ESG factors including alignment with six key UN Sustainable Development Goals and climate-change resiliency.

New investments

£79.2 million

More details about these new investments can be found in the Portfolio Review: Operating Model in Action section.

Prudent financial management

We continued to manage the portfolio prudently and as at 31 December 2021, the Group had, on an Investment Basis, a net cash position of £26.9 million with no cash borrowings under the RCF.

As a principle, to limit cash drag, the Company maintains modest cash balances and draws on its RCF to finance new acquisitions. In May 2021, the Company secured the amendment and restatement of the RCF, increasing the committed amount to £230 million, and extending the maturity to 2026. Furthermore, the Company has the possibility of increasing the quantum to £300 million by means of an accordion provision.

Our proven approach to using the RCF and repaying it with the proceeds of an equity capital raise, not only gives shareholders maximum certainty of securing our pipeline, but also enables the Company to manage market liquidity risk, by maintaining adequate cash and cash equivalents for day-to-day and medium to long-term capital needs.

We would like to again thank our existing and new shareholders for their support in our significantly over-subscribed capital raise of £75 million in July 2021, the proceeds of which were used to repay outstanding borrowings under the RCF.

BBGI is exposed to foreign-exchange volatility and has implemented a hedging strategy to mitigate this risk. It 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 three per cent. for a 10 per cent. adverse movement in foreign exchange rates[xiv].

Attractive inflation linkage

BBGI's equity cash flows are positively correlated to inflation at c. 0.44. This means that if long-term inflation were to be one per cent. higher than the Company's assumptions for all future periods, all other things being equal, the Company's returns would increase from 6.55% to 6.99%.

This inflation linkage is achieved through contractual indexation mechanics in the various project agreements with the public sector clients at the portfolio companies, and the inflation adjustment updated at least annually.

BBGI has not increased its macroeconomic assumptions in relation to inflation rates, and this is consistent with the approach we have taken over the last ten years, including the years with low or deflationary pressures. However, if the current forecasts persist the Company will review the appropriateness of its inflation assumptions and may introduce a short-term inflation forecast.

Risk monitoring and management

COVID-19 Risk

We are pleased to report that during the year, there were no material financial or operational impacts experienced due to COVID-19.

With most of the Company's staff working remotely during much of 2021, IT security and additional management emphasis on mental health were key areas of focus.

Counterparty Risk

Asset-level service-delivery obligations are typically passed down to facility maintenance contractors for accommodation investments or operations, and maintenance contractors for transport assets. A risk can arise to the extent that the supply-chain partners are unable to deliver their contractual obligations. The ongoing assessment and management of the Company's counterparty exposures remains a key focus for BBGI.

The Company benefits from a diversified contractor base and supply chain with no concentrated exposure, and despite the challenges of the global pandemic, contractors have continued to perform in line with expectations.

The Company continued to monitor potential concentration risk and failure of operational and maintenance contractors who provide counterparty services to the portfolio companies. We have not identified any material risk exposure and the Management Board remains comfortable with the current supply-chain partners.

Sustainability Risk

Considerable time was devoted to assessing sustainability risk. We integrate and appraise material sustainability risks in our investment processes in several ways. Alongside traditional financial criteria, we systematically consider whether - and to what extent - financially material sustainability risks might meaningfully impact our investments.

The Management Board also worked with a third-party specialist firm to undertake an in-depth climate risk assessment to model how our portfolio would react to eight different climate perils and three global temperature rise scenarios of 1.5, 3 and 4 degrees Celsius over various time horizons. In addition to the aforementioned physical risks from climate change, the Company is currently monitoring and assessing transition risk for all assets in the portfolio.

Risks arising from adverse climate change scenarios are typically mitigated through insurance coverage, pass-down to subcontractors, or public sector client relief events. Findings demonstrate a high degree of climate resilience across our asset portfolio, both today and under different climate warming scenarios. Although climate change is projected to increase physical risk impacts across our portfolio, many of our assets, due to the vital services they provide, have been designed and constructed in consideration of potential physical risk impacts and thus are inherently more resilient to climate change.

Macroeconomic changes

Inflation has increased in all jurisdictions across BBGI's geographies and interest rates are expected to rise from historical lows. Should long-term interest rates substantially rise, discount rates may well be affected. It is reasonable to assume that if discount rates increase, then deposit rates and inflation rates would increase as well. A sensitivity is provided in the Valuation section of this Annual Report to illustrate the effect of this combined movement on the Company's NAV, in a scenario where we experience discount, inflation and deposit rates rises across the portfolio.

The Russian invasion of Ukraine, post period-end, is also creating volatility in the global markets. While the Company has no operational, portfolio or geographical exposure to Russia, Ukraine or neighbouring Central and Eastern European regions, the impacts are being felt around the world, in particular as commodities' prices and inflation are pushed upwards.

LIBOR/SONIA transition

In 2017, the UK Financial Conduct Authority ('FCA') announced that the underlying markets from which the London Interbank Offered Rate ('LIBOR') is derived were no longer considered appropriate to offer a sustainable interest rate benchmark, and determined that this benchmark would be discontinued with effect from 31 December 2021 and be replaced with the pounds Sterling Overnight Index Average ('SONIA'). The transition from LIBOR to SONIA is not expected to have a material adverse financial effect on the Company.

Within the BBGI portfolio, there are 16 investments that have LIBOR exposure. As of the date of publishing this report, the Company had made significant progress and, with the exception of four investments, all remaining investments have transitioned to SONIA or are awaiting client consent. The remaining four investments are scheduled to transition in the near term and we do not expect any material risk to arise.

Further details regarding the Company's approach to risk management can be found in the Risk section of this Annual Report.

Cyber-Risk

Cyber-attacks, which are increasingly common, come in many forms and may have different motivations (political, criminal extortion etc.) In a typical public private partnership ('PPP') structure, the public sector client has its own IT systems and the vast majority of our Portfolio Companies do not maintain their own IT systems. Subcontractors of the Portfolio Company such as management service providers, facility maintenance contractors for accommodation investments and operations and maintenance contractors for transport assets, will have their own IT systems, which will likely house data relating to the project. Typically, risks are passed down to subcontractors by the project entity. This would include risks in respect to design and construction warranties relating to IT systems (such as a warranty that the system will meet specifications requiring it to meet robust security requirements), as well as the risk where a cyber-attack would interrupt the provision of services to the project. Refer to the Risk section of this Annual Report for more detail on cyber-risk.

ESG progress

We are long-term custodians of public infrastructure; in the year of the 2021 United Nations Climate Change Conference ('COP26'), institutional investors' approach to climate change adaptation and mitigation has come under welcomed scrutiny. It has empowered the investment community to do more to support the global transition to a low-carbon economy.

The landscape for responsible investment has shifted markedly since 2011 and we continue to evolve the Company's reporting and monitoring of ESG performance. This year we will publish our second annual ESG Report, highlighting the areas where we have made material progress during the year, in particular:

- BBGI became a signatory of the Net Zero Asset Managers' initiative, having committed to supporting the goal of Net Zero GHG emissions by 2050. We have set out our specific Net Zero targets in the ESG section of this report.
- The Company has begun reporting all Scope 1, 2 and 3 corporate emissions, the results of which have been independently verified. The Company has purchased high-quality offsets, and is certified as carbon neutral for 2021. As BBGI begins to implement its Net Zero plan, it will work to actively reduce its carbon footprint and rely less on offsets in the future.
- We have started to track Scope 1 and 2 emissions at our portfolio companies. This information will be published from 2022 onwards and will also be shared with our public sector clients in the hope that it will influence outcomes that support a reduction in GHG emission at the portfolio company level.
- We undertook a comprehensive stakeholder materiality assessment among our employees, shareholders, clients, partners, subcontractors and suppliers to produce ten material topics influencing our ESG strategy. These ten topics have formed key ESG commitments and KPIs which we are tracking to ensure we achieve incremental progress in our delivery of positive stakeholder outcomes.
- The Company has introduced an enhanced ESG Best Practice Guide which is designed to support the implementation of BBGI's ESG and Sustainability strategy across all of its Portfolio Companies. It builds on the significant progress already made by all Portfolio Companies over the years to formalise and further integrate a strong ESG framework and reflects today's higher standards and expectations related to sustainability performance.
- The Company complies with the EU Sustainable Finance Disclosure Regulation ('SFDR'). Since March 2021, the Company has enhanced its disclosure in line with SFDR requirements and designated as a socially beneficial investment under Article 8 of the Directive. The SFDR seeks to provide a framework for greater transparency across those companies that make a genuine contribution to sustainable outcomes. BBGI welcomes the initiative and will actively report against the new standards as they emerge.
- We have once again included voluntary disclosures in line with the Task Force on Climate-Related Financial Disclosures ('TCFD') recommendations in the ESG section of this Annual Report. BBGI continues to be a 'TCFD supporter'.

Global Pipeline

The pipeline for availability-based transactions remains generally strong and attractive within the Company's key markets. We anticipate these will come from a variety of sources, including our North American strategic partnership with SNC-Lavalin, which covers four more assets with an expected value in excess of C$200 million, and several primary and secondary investment opportunities we are currently pursuing in Europe and North America.

Additionally, in October 2021, BBGI signed an acquisition agreement for an interest in a healthcare asset in Canada for a price of approximately £51 million, subject to certain adjustments, which is expected to complete in 2022 and completed a £24 million investment in a clean energy infrastructure asset in Canada in February 2022.

Looking ahead

The need for public infrastructure is expected to remain strong in the markets in which we operate, and the market conditions remain supportive for continued infrastructure investment.

The proven resilience of availability-based infrastructure to external shocks such as the COVID-19 pandemic over the last two years has reinforced the desirability of our asset class for those investors looking for stable and predictable cash flows with inflation linkage and low correlation to other asset classes.

Despite the heightened interest, we believe our reputation as a specialist responsible investor in low-risk global infrastructure, along with our well-established relationships with key vendors will allow us to continue to source attractive investment opportunities.

We have full confidence in the Company's ability to deliver long-term, predictable, and stable income to our shareholders, and to fulfil our social purpose in the communities in which we operate.

We sincerely thank our shareholders for their support over this past decade and look forward to the future with confidence.

Duncan Ball	Frank Schramm
Co-CEO	Co-CEO
30 March 2022	

On behalf of the BBGI Management Board

INVESTMENT PROPOSITION

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

Strategic Pillars

Low-risk[1]	**Globally diversified**	**Strong ESG approach**	**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 delivering social impact and a high degree of climate resilience 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 Inflation linkage

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.

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 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, also to identify and incorporate value enhancements over the lifetime of asset ownership. In turn, this helps to reduce cost to our public sector clients and the asset's end-users, and enhances the operational efficiency of each asset. This 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, hedging of forecast portfolio distributions and borrowing in non-pounds Sterling currencies. Furthermore, Euro-denominated running costs provide a natural hedge against the Euro-denominated portfolio distributions.

The Company's selective acquisition strategy ensures that the Management Board's focus remains within its area of expertise and that the strategic pillars defined by the Company's investment proposition are upheld.

We actively seek acquisitions that have inflation-protection characteristics which support 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.
- ESG KPI tracking tool introduced in 2018 to evaluate non-financial performance of each investment and enhanced BBGI Best Practice Guide with over 80 KPIs and questions introduced in 2021.
- Standardised and detailed climate risk assessment undertaken for the entire portfolio and comprehensive monitoring to ensure fulfilment of contractual and legal obligations, which serves to maintain high availability levels and prevent deductions.
- Strong client relationship management, including regular meetings to uphold client satisfaction and monitor ESG performance.
- Focused and active asset management, including site visits 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 portfolio companies).
- Review of debt facilities of Portfolio Companies and investigation of potential refinancing benefits
- Identifying and continuing initiatives at the individual asset level to outperform base case (e.g. lifecycle reviews).
- Measured exposure to construction risk to support NAV uplift by de-risking assets over the construction period.

Prudent financial management

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

- Maintaining modest cash balances to limit cash drag.
- The portfolio's geographical diversification by necessity involves exposure to multiple currencies. We actively seek to manage and mitigate foreign exchange risk through our hedging strategy.
- Maintaining a low ongoing charge through an efficient and cost-effective internal management structure.
- Progressive future dividend growth underpinned by strong 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.

PORTFOLIO REVIEW

Portfolio summary

The Company's assets as at 31 December 2021 consist of interests in 54 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[xv], blue light, affordable housing, modern correctional facilities and transport.

Located in the UK, North America, Australia and Continental Europe, all portfolio companies in our 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 of this Annual Report.

No	Asset	Country	Percentage holding
1	A1/A6 Motorway	Netherlands	37.1
2	Aberdeen Western Peripheral Route	UK	33.3
3	Avon & Somerset Police HQ	UK	100
4	Ayrshire and Arran Hospital	UK	100
5	Barking Dagenham & Havering (LIFT)	UK	60
6	Bedford Schools	UK	100
7	Belfast Metropolitan College	UK	100
8	Burg Correctional Facilities	Germany	90
9	Canada Line	Canada	26.7
10	Champlain Bridge	Canada	25
11	Clackmannanshire Schools	UK	100
12	Cologne Schools	Germany	50
13	Coventry Schools	UK	100
14	E18 Motorway	Norway	100
15	East Down Colleges	UK	100
16	Frankfurt Schools	Germany	50
17	Fürst Wrede Military Base	Germany	50
18	Gloucester Royal Hospital	UK	50
19	Golden Ears Bridge	Canada	100
20	Highway 104	Canada	50

No	Asset	Country	Percentage holding
21	Kelowna and Vernon Hospital	Canada	100
22	Kent Schools	UK	50
23	Kicking Horse Canyon	Canada	50
24	Lagan College	UK	100
25	Lisburn College	UK	100
26	Liverpool and Sefton Clinics (LIFT)	UK	60
27	M1 Westlink	UK	100
28	M80 Motorway	UK	50
29	McGill University Health Centre	Canada	40
30	Mersey Care Hospital	UK	79.6
31	Mersey Gateway Bridge	UK	37.5
32	N18 Motorway	Netherlands	52
33	North Commuter Parkway	Canada	50
34	North East Stoney Trail	Canada	100
35	North London Estates Partnership (LIFT)	UK	60
36	North West Fire and Rescue	UK	100
37	North West Regional College	UK	100
38	Northwest Anthony Henday Drive	Canada	50
39	Northern Territory Secure Facilities	Australia	100
40	Ohio River Bridges	US	66.7
41	Poplar Affordable Housing and Recreational Centres	UK	100
42	Restigouche Hospital Centre	Canada	80
43	Rodenkirchen Schools	Germany	50
44	Royal Women's Hospital	Australia	100
45	Scottish Borders Schools	UK	100
46	South East Stoney Trail	Canada	40
47	Stanton Territorial Hospital	Canada	100
48	Stoke and Staffordshire Rescue Service	UK	85
49	Tor Bank School	UK	100
50	Unna Administrative Centre	Germany	90
51	Victoria Correctional Facilities	Australia	100
52	Westland Town Hall	Netherlands	100
53	William R. Bennett Bridge	Canada	80
54	Women's College Hospital	Canada	100

*In alphabetical order

Operating model in action

Preserving and enhancing value through active asset management

The Management Board's focus on preserving portfolio value resulted in £13.1 million of operational and value-accretive enhancements over the year, equating to a 1.4 per cent. increase in NAV. BBGI was able to refinance four investments optimising the financial structure of each of those Portfolio Companies with lower-cost long-term financing. Additional activities involved *inter alia* managing change orders and earning a fee for these services, cost savings due to lower fees on management service agreements, operations and maintenance agreements, and changes in lifecycle costs.

Our active approach to asset management and the robustness of our portfolio meant that the availability level of the Company's assets was recorded at approximately 99.9 per cent. 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 default events reported during the period.

Prudent financial management

The assets continued to perform well during the reporting period with cash receipts during the year ahead of business plan. This robust performance and the confidence in the business model allowed the Company to achieve its dividend target of 7.33pps for 2021, and furthermore reconfirm our dividend target of 7.48pps and 7.63pps for 2022 and 2023, respectively. We are also pleased to introduce a new dividend target for 2024 of 7.78pps. Cash receipts during the year allowed the Company to achieve a strong dividend cover of 1.31x. The predictable nature of our cash flows allows for high visibility for future dividends, and therefore gives us the confidence to extend our dividend guidance to 2024, which is expected to be fully cash-covered.

The net cash position on an Investment Basis as at 31 December 2021 was £26.9 million.

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, 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 execute larger acquisitions in an efficient manner and to be a trusted and repeat partner in its key markets.

Selective acquisition strategy

Successful acquisitions and commitments

The Company continued to pursue a selective acquisition strategy over the period, investing approximately £79.2 million which included interests in four new projects all of which earn availability-based revenue in return for providing essential public services. In addition, one acquisition agreement was signed in October 2021 for a value of approximately £51 million, subject to certain adjustments, and a further acquisition was completed in February 2022 with a value of £24 million. 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.

The four new investments were:

- **Poplar Affordable Housing & Recreational Centres (UK):** In April 2021, BBGI acquired a 100 per cent. interest in a social infrastructure investment, consisting of two recreational facilities and 100 affordable residential units across two sites in the London Borough of Tower Hamlets. This 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 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.

- **Ayrshire and Arran Hospital (UK):** In July 2021, BBGI acquired a 100 per cent. interest in this project, which consists of the design, construction, financing, operations and maintenance of a 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.

- **North West Fire and Rescue (UK):** In July 2021, BBGI acquired a 100 per cent. interest in this project, which consists of the 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 rating of 'very good' 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.

- **Aberdeen Western Peripheral Route (UK):** In August 2021, BBGI acquired a 33.33 per cent. interest in this project which consists of the 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.

One acquisition agreement signed:

- **Center Hospitalier de l'Université de Montréal ('CHUM') (Canada):** In October 2021, BBGI entered into an agreement to acquire a 25 per cent. interest in the design, construction, finance, operation and maintenance of a fully functional new hospital facility including new buildings, parking and commercial retail areas together with supporting infrastructure for the Province of Québec. The asset is classified as availability-based under the investment policy of the Company and aligns with BBGI's ESG principles. The hospital has 772 private patient rooms, 39 operating theatres and 415 examination rooms. The new state-of-the-art facility caters to over 1.7 million people in the region and it is one of the largest healthcare centres in North America. The project achieved substantial completion of phase 1 in 2017 and phase 2 in 2021. The concession runs until 2050.

One acquisition completed in February 2022:

- John Hart Generating Station Replacement Project (Canada). In February 2022, BBGI completed the acquisition of an investment in InPower BC General Partnership, the entity responsible for delivering the John Hart Generating Station Replacement Project ('John Hart Generating Station'), an investment delivered through the existing strategic partnership between the Company and SNC-Lavalin Group Inc. The PPP consists of the design, construction, financing, maintenance and rehabilitation of a new three-turbine, 132-MW hydroelectric power generation station on the Campbell River, British

Columbia, including a three generating-unit underground powerhouse, 2.1 kilometres of water passage tunnels and a water bypass system to protect downstream fish habitat. The acquisition price was approximately £24 million.

Service commencement was achieved in 2019 and the concession runs until 2033. The asset is classified as availability-based under the investment policy of the Company. The investment is not subject to demand or power price risk. Availability payments are received from the British Columbia Hydro & Power Authority (rated AA/Aaa by DBRS Morningstar and Moody's respectively), a Crown corporation wholly-owned by the Government of British Columbia. The station generates clean and reliable energy for over 80,000 homes.

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.

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.

One notable relationship is the North American strategic partnership with SNC-Lavalin, which covers five availability-based assets, one of which, the John Hart Generating Station in Canada, was completed in February 2022. The Company estimates that further investment opportunities in excess of C$200 million could result from the pipeline agreement over the next years; all of which will be assessed on a case-by-case basis. More details of the projects covered by the pipeline agreement are provided in the Market Trends and Pipeline section of this Annual Report.

Typically, contractors active in the sector 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. In some cases, there are restrictions on future transfers or gain sharing provisions, so it may be attractive to bring in a long-term capital provider like BBGI early in the process.
- We are a long-term investor with a public listing 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.

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 ('GDP'), 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, there should be fewer surprises and the returns to our shareholders should remain predictable and consistent. The robustness of this strategy has been validated during the recent global pandemic - as the Company does not have any demand-based assets and the portfolio is 99.5 per cent. operational. Consequently, the portfolio performance has been strong and there has been no material impact on our distributions due to COVID-19.

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	
Portfolio Company inhouse	13%
SNC-Lavalin O&M Inc	9%
Capilano Highway Services	9%
Black & McDonald	6%
Honeywell	6%
Cushman and Wakefield	6%
Integral FM	4%
Carmacks Maintenance Services	4%
BEAR Scotland	3%
Graham AM	3%
Amey Community Ltd	3%
Intertoll Ltd	3%
Guildmore Ltd.	3%
Galliford Try FM	3%
ENGIE FM Limited	3%
Remaining investments	22%
	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 remained a key area of focus for the Management Board during the reporting period, and further reinforced the importance of active asset management and a robust supply chain. 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 64 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	36%
Within 1 year	1%
1-2 years	9%
2-5 years	34%
5-10 years	13%
10+ years	7%
	100%

PORTFOLIO SNAPSHOT

Our five largest assets

1) Ohio River Bridges:

- Type: Availability-based
- Status: Operational
- Equity Holding (%) BBGI: 66.7%
- Total Investment Volume: US$1.175 billion
- Financial Close/Operational: March 2013/December 2016
- Concession Period: 35 years (post construction) ending in 2051

The project includes a 760m cable-stay bridge; a 500m long twin vehicular tunnel and 2.25km of associated six-lane Interstate Highway, with more than 21 bridges and multiple roundabout style interchanges. The asset greatly improves connectivity, public safety and economic growth, which benefits residents, businesses and visitors in the Southern Indiana region, particularly for those road-users travelling to and from the state of Kentucky.

In October 2021, a US$528 million green bond offering was completed to refinance its existing indebtedness. This transaction allowed the Portfolio Company to optimise its financing costs over the remaining term of the contract thereby further strengthening its financing structure, while also benefiting the public sector client through a reduction in future service payments. The refinancing bonds were assigned an 'A1' rating by Moody's and an 'A' rating by Fitch. The new bonds qualified as a green bond offering, based on the asset's high standards for energy efficiency, sustainability and environmental stewardship. Its environmental commitment dates back to the construction phase, when the project received the prestigious Envision Platinum honour from the Institute for Sustainable Infrastructure. More recent environmental initiatives include installing solar panels on the Operations and Maintenance ('O&M') buildings, a commitment to transitioning its fleet of vehicles to reduced-emission and electric-powered, pollinator habitats and other wildlife conservation initiatives, and an organisation-wide recycling programme, to name a few.

2) Golden Ears Bridge:

- Type: Availability-based
- Status: Operational
- Equity Holding (%) BBGI: 100%
- Total Investment Volume (Debt & Equity): C$1.1 billion
- Financial Close/Operational: March 2006/June 2009
- Concession Period: 32 years (post construction) ending in 2041

Golden Ears Bridge represented the largest private financing for a greenfield PPP in Canada at the time of its launch. The project involves the design, build, financing, operation and maintenance of the Golden Ears Bridge in Vancouver which is a 1km, six-lane road that spans the Fraser River and connects Maple Ridge and Pitt Meadows to Langley and Surrey. The road opened in March 2009 and includes more than 3.5km of ramps, viaducts, minor bridges and underpasses, and more than 13km of mainline roadway; a large part of which has been landscaped.

The project has brought close to C$1 billion in construction-related activity to the area, while commuters that use the bridge now save up to 40 minutes per peak-hour round-trip from Maple Ridge to Langley. In coordination with the asset operator, we have implemented an LED conversion for all project lighting, which has delivered annual energy savings in excess of 380,000 kWh and has reduced carbon dioxide emissions at a rate of 273 metric tons per year.

3) Northern Territory Secure Facilities:

- Type: Availability-based
- Status: Operational
- Equity Holding (%) BBGI: 100%
- Total Investment Volume (Debt & Equity): A$620 million
- Financial Close/Operational: October 2011/November 2014
- Concession Period: 30 years (post construction) ending in 2044

Located near Darwin, Northern Territory (the 'Territory'), the project involves the design, build, financing, operation and maintenance of three separate centres including: a 1,000-bed multi-classification male and female correctional centre, a 30-bed secure mental health and behavioural management centre (the first of its kind in the Territory), and a 48-bed supported accommodation and programme centre for community-based offenders.

The latter is designed to support the government's goals of enhanced rehabilitation, education and reduced reoffending rates in the Territory.

The asset is one of the largest social infrastructure projects in the Territory and is the largest PPP ever procured to date. BBGI acquired its initial 50 per cent. interest in the asset while it was still in construction and subsequently acquired the remaining 50 per cent. stake in July 2015.

4) McGill University Health Centre (MUHC):

- Type: Availability-based
- Status: Operational
- Equity Holding (%) BBGI: 40%
- Total Investment Volume: C$2 billion
- Financial Close/Operational: July 2010/October 2014
- Concession Period: 30 years (post construction) ending in 2044

The project involves the design, build, finance, operation and maintenance of MUHC's Glenn campus. It comprises two hospitals, a cancer centre and a research institute in Montreal, for a total concession duration of 34 years.

MUHC is one of the most innovative academic health centres in North America, and at 214,000m^2, it is the largest English-speaking hospital in Quebec. One integrated campus consolidates the Montreal Children's Hospital, the Royal Victoria Hospital and the Montreal Chest Institute, as well as the new Cedars Cancer Centre and the Research Institute of the MUHC. MUHC is the workplace of over 12,000 hospital staff, 1,356 physicians, dentists, pharmacists and 720 medical students.

The Glenn campus project achieved a Gold certification for Leadership in Energy and Environmental Design ('LEED') in 2016 - the first hospital in Quebec to do so.

5) Victoria Correctional Facilities

- Type: Availability-based
- Status: Operational
- Equity Holding (%) BBGI: 100%
- Total Investment Volume: A$244.5 million
- Financial Close/Operational: January 2004/March 2006
- Concession Period: 25 years (post construction) ending in 2031

Victoria Correctional Facilities is an availability-based PPP asset entailing the design, finance, construction and operation of two correctional facilities for the State of Victoria, Australia (the 'State'). The first facility, Metropolitan Remand Centre, accommodates up to 1,000 male offenders and is located approximately 20km from Melbourne city centre. The second, smaller facility is the Marngoneet Correctional Centre that houses up to 550 male offenders and is located approximately 65km from Melbourne city centre. The operational period is 25 years and runs until 2031.

A substantial augmentation was requested by the State to reinforce the facility and this completed in June 2018.

MARKET TRENDS AND PIPELINE

2022 and beyond

The global economy enters 2022 in a weaker position than previously expected by many. The Omicron variant of COVID-19 slowed the expected recovery and then the recent Russian invasion of Ukraine has created significant uncertainty across global markets. Rising energy prices and supply-chain disruptions have resulted in higher and more broad-based inflation than anticipated. The debate continues as to whether inflation is more transitory or structural.

Monetary policy in many countries is expected to continue on a tightening path to curb inflation pressures, while fiscal policy-operating with more limited space than earlier in the pandemic-will likely prioritise health and social spending. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change.

In this environment of rising interest rates from historic lows, inflation fears and general uncertainty, the stability, inflation-linkage and resilience associated with availability-based social infrastructure investments has maintained its status as an attractive asset class, and competition for investments remains strong.

The levels of competition for the availability-based assets in which we invest vary between markets. While availability-based social infrastructure remains a very appealing sector to many, it can be difficult for new entrants with big ambitions to deploy meaningful amounts of equity quickly since the typical transaction size is often smaller than other infrastructure investment opportunities, and individual asset sales are more common than large portfolio transactions. With a well-established platform, specialist skills, strong industry relationships and a reputation amongst sellers of transacting successfully, BBGI has been able to grow its portfolio from the original 19 assets to 54, while still maintaining pricing discipline and expects to be able to continue to do so in 2022 and beyond.

In all BBGI's target markets, infrastructure under-investment persists, and public finance budget constraints necessitate the involvement of the private sector to deliver the finance and expertise required to build, maintain and operate much-needed assets. Many governments have ambitious plans to make major infrastructure commitments to create jobs, revitalise communities, move towards a low carbon economy, and to act as a catalyst for economic recovery. Across the regions we operate in, there is a consistent baseline of new investment opportunities, and we expect this trend to continue.

At the same time, many construction companies continue to consider the divestments of availability-based infrastructure investments that they hold. This could be to recycle capital into new opportunities after a project reached construction completion or in response to capital needs in other parts of their business due to economic challenges. BBGI has well-established relationships with most major construction companies in the sector and this continues to be a good source of new investment opportunities for us.

As a result of this trend, BBGI completed four transactions with construction companies and PPP developers in 2021 and we continue to see significant scope to make further investments during the course of 2022.

Investment activity in 2022 will involve sourcing and originating, bidding for and winning new operational availability-based investments, with consideration for measured exposure to construction assets to support future valuation uplift.

The pipeline for availability-based transactions remains generally strong within the Company's key markets. We anticipate these will come from a variety of sources, including:

- A North American strategic partnership with SNC-Lavalin which has already resulted in the acquisition of five assets amounting to approximately C$191 million and provides the opportunity for potentially more acquisitions:
    - In February 2022, BBGI acquired an interest in the John Hart Generating Station Replacement Project, as a result of the formal pipeline agreement between BBGI and SNC-Lavalin. This was our sixth investment sourced from SNC-Lavalin
    - The formal pipeline agreement with SNC-Lavalin covers four more assets with an expected value in excess of C$200 million and BBGI has the option, not the obligation, to transact.
- The Company is a shortlisted bidder for an EU transportation opportunity of approximately EUR 200 million (including both debt and equity) and is considering another EU transportation bidding opportunity
- BBGI is currently bidding or expects to bid on a variety of secondary transactions during the year, including:
    - EU transportation opportunities
    - North American transportation opportunities
    - An EU social opportunity
- Soliciting off-market transactions through BBGI's extensive network of market participants in Australia, Europe and North America;
- Participating in primary investment opportunities and bidding on new availability-based assets as part of public sector procurement processes;
- Acquiring accretive equity interests from co-shareholders in existing assets; and
- Participating in competitive sale processes, not least to test pricing assumptions.

The Company will continue to source assets that fit the requirements of its low-risk and globally diversified investment strategy, and which also support its approach to Responsible Investment.

Canada

Canada has remained one of the world's most prolific PPP markets and is one of the most mature and stable of the Company's markets. Almost 300 assets across Canada have been procured under the PPP model, with those already in operation or under construction valued at over C$140 billion - including hospitals, education, courthouses and transport assets.

Ontario is the province with the largest pipeline of opportunities and its first market update for 2022 affirms its historic commitment to modernising the province's public assets, including hospitals, highways, public transit, children's treatment centres, courthouses and correctional facilities. Infrastructure Ontario's plans include 24 projects in pre-procurement and 15 in active procurement, totalling an estimated C$60 billion in contract value. The list also includes 14 additional government-announced projects in early stages of planning and determining the project's scope, timing and delivery model.

Other provinces have promising, albeit smaller programmes. The Investing in Canada Infrastructure Program was adjusted so that provinces and territories can use federal funding to act quickly on a wider range of more pandemic-resilient infrastructure projects. As part of a COVID-19 resilience funding stream worth up to C$3.3 billion, projects will be eligible for a significantly larger federal cost share and a simplified funding application process. These changes are designed as short-term measures to address the current situation while the Federal Government works towards its long-term infrastructure objectives, including better public transit, more high-speed broadband, wastewater infrastructure and clean energy projects.

With 15 assets in Canada as at 31 December 2021 plus the new investment in the John Hart Generating Station announced in Q1 2022, BBGI is well positioned to participate in an attractive primary pipeline and is considered a very credible purchaser for and manager of secondary assets. We expect there will continue to be an attractive mix of availability-based social infrastructure investment opportunities for the company to consider in 2022 and 2023, as assets developed over the last several years come into operation and may come to market.

As mentioned above, the Company also benefits from its North American strategic partnership with SNC-Lavalin which covers four assets. The Company estimates that further investment opportunities in excess of C$200 million could result from the pipeline agreement over the next few years; all of which will be assessed on a case-by-case basis.

Formal pipeline assets

Asset	**Sector**	**Estimated Asset Capital Value[1]**	**Concession length after construction completion**
Confederation Line (Ottawa, Ontario)	Rail	C$3.2 billion	30 years
Eglinton Crosstown LRT (Toronto, Ontario)	Rail	C$9.1 billion	30 years
Highway 407 East Extension Phase I (Ontario)	Road	C$1.2 billion	30 years
Champlain Bridge (Montreal, Quebec)	Road & Bridge	C$3.2 billion	30 years

[1] Includes both debt and equity.

UK

The UK is one of the world's most mature and attractive infrastructure markets for private investors. Private capital has been critical in maintaining and upgrading the country's existing infrastructure and has played a central role in the financing of new greenfield projects, although more recently that market has been overshadowed by brownfield investment.

The Government is committed to major infrastructure investment including health, education, science and defence, with the 2020 Spending Review delivering a £100 billion total investment programme in 2021-22 to support the recovery. This is part of the Government's plan to invest over £600 billion over the next five years, delivering the highest sustained levels of public sector net investment as a proportion of GDP since the late 1970s. Private investment to support the country's Net Zero 2050 ambitions and playing a role in the 'green industrial revolution' will also be critical; key sectors for the private sector include energy transition, electric vehicle ('EV') charging infrastructure and fibre optic broadband.

The Government has announced it will not implement a replacement for private finance initiatives (PFI), which were abolished in October 2018. This has meant that the greenfield infrastructure investment pipeline is relatively subdued, although stronger in some areas (Wales) and sectors (e.g. water projects).

Although there will not be a UK-wide replacement for the PFI, Wales has recently closed several private finance projects under its new Mutual Investment Model ('MIM') - including the widening of the A465 motorway sections 5 and 6 and its 21st Century Schools

Programme. With MIM projects the Welsh Government takes up to a 20% stake in the special purpose company, which provides a greater stake in the project's success and greater accountability. Scotland is also planning to launch a major motorway PPP, the A9 Perth to Inverness Dualling Project and is investigating the use of the MIM model.

The Management Board notes that some other asset classes are demonstrating a risk-return profile that increasingly matches the Company's low-risk, availability-based investment strategy. The UK Government will continue to develop new revenue support models and consider how existing models - such as the Regulated Asset Base model and Contracts for Difference - can be applied in new areas, and remains open to new ideas from the market.

The UK market continues to be a source of secondary market transactions. However, the reduction in secondary market PFI deal flow reflects the slowdown in public sector procurement since 2010 and the large amount of secondary activity in previous years. While supply has decreased, there has been no corresponding decrease in demand. This has resulted in a trend of lower discount rates for stable, mature secondary assets since around 2010.

We remain optimistic that the PFI deal flow will be replaced by next generation transactions like the Aberdeen Western Peripheral Road and the Ayrshire & Arran Hospital which have very similar attributes and risk and return profiles to the traditional PFI procurement model. The Company's appetite for the selective acquisition of high quality, availability-based assets has not diminished. We will continue to pursue mainly secondary availability-based opportunities in the UK.

US

It is an exciting time for US infrastructure investment. The $1.2 trillion Infrastructure Investment and Jobs Act ('IIJA'), signed into law by President Joe Biden in November 2021, includes $550 billion in new funding to rebuild roads and bridges, water infrastructure, resilience, EV charging infrastructure, broadband and more. While much of the planned spending will be via traditional procurement channels, the expectation remains that this will be a catalyst for more PPP investment in the US.

Most public infrastructure in the US has traditionally been funded with public money. City and state authorities in the US built and managed their roads, bridges, hospitals and wastewater systems. Over the last 15 years, private companies have expanded their infrastructure delivery through PPPs, but to a lesser extent than in other markets like the UK, Canada and Australia.

Over time, the PPP model has become more popular as state legislation has changed to allow more private actors to take part in building public infrastructure: 33 US states and the District of Columbia have passed legislation allowing PPPs. The IIJA paves the way for more PPP's by expanding how states and localities may use Private Activity Bonds ('PAB'), a tax-exempt government-issued bond to help finance projects such as carbon capture and broadband access that also involves private investment.

Encouragingly, a recent study carried out amongst industry participants by White & Case, in partnership with Acuris Studios, found that more than three quarters (77 percent) say PPP will be among their preferred options for infrastructure projects outside of the energy sector. The same survey results show that the public authorities themselves are keen on PPPs. Of the public authorities interviewed, 86 percent agreed that PPPs were the preferred way to deliver infrastructure projects.

We are currently tracking opportunities in this market and remain optimistic that an attractive pipeline will emerge over time.

Continental Europe

According to Inframation, 39 European PPPs reached financial close in 2021 with an aggregate value of EUR 5.0 billion.

While many countries in Europe have slowed down their PPP programmes, there are others which are pushing ahead. France remains one of the more active markets and Germany continues to procure certain motorway PPP's like the current A1.

Primary and secondary opportunities remain in France, Germany and Belgium. Overall, Continental European infrastructure markets remain active with certain countries offering an attractive pipeline of new assets as well as secondary opportunities. We believe these markets are likely to provide attractive investment opportunities over the medium-term.

Belgium

BBGI is part of a consortium which successfully pre-qualified for the A201 roads project in Belgium. The project is an availability-based PPP involving the reconstruction of the junction between the Brussels' ring road and the connection to Brussels Airport with a 30-year operational period following construction completion.

Germany

Germany has been an active market in recent years and this trend is expected to continue, with various road PPP schemes planned or in procurement. With six existing assets in Germany, strong credentials and German language skills amongst our senior executive and asset management teams, BBGI is well positioned to consider any upcoming opportunities.

Netherlands

The vast majority of PPP projects in the Netherlands is tendered by the Central Government. A distinction is made between infrastructural PPP projects (motor highways, floodgates, tunnels, etc.) and accommodation PPP projects (court buildings, hospitals, correctional facilities, central government offices, museums, etc.). Furthermore, decentralised authorities, such as provinces and municipalities, manage PPP projects related to social, healthcare or public institutions' accommodation.

Infrastructural PPP projects represent a majority of the investment recently seen in the Netherlands, and have included two highways, one motorway, one tunnel and one dam, with a total investment of approximately EUR 4.79 billion.

Norway

National PPP projects have historically been limited to the transport sector - major highways. Municipalities have used PPP procurement for education and other social infrastructure, but these projects tend to be smaller and more arbitrary.

The current national pipeline comprises three highway projects: Rv 3 and rv 25 Ommangsvollen- Grundset/ Basthjørnet, Rv 555 Sotrasambandet (the Sotra connection), E10 and rv 85 Tjeldsund- Gullesfjordbotn- Langvassbukt. Whilst the first two projects have successfully reached financial close, the E10 is currently in procurement.

Southern Europe

Countries including Spain, Italy, Portugal and Greece have PPP pipelines. While some of these programmes may be viewed as attractive in terms of their size and the availability-based nature of the assets, the credit rating of the counterparties and certain risk transfer expectations make these investment opportunities less attractive to the Company. Consequently, these have not been a focus for BBGI.

Australia

Australia has historically been a very reliable investment market for availability-style projects, which are vital to the development of infrastructure in the country. The National PPP Policy and Guidelines provide a consistent framework for the public and private sector to work together. The treasury departments of some states have also issued their own PPP guidelines. Furthermore, the central state and territory governments produce strategic infrastructure plans. The country has presented a strong pipeline of PPP projects since the establishment of the National PPP Policy Framework in 2008.

In recent years, Australia has seen several very large PPP transport deals come to market. While the big projects are still being rolled out, the role of private finance and the form it takes has changed, due to a significant push back from construction contractors over the risks they were forced to assume.

The massive transport projects that began rolling out in Australia from around 2015 onwards, including four Sydney metro rail projects, had contracts that were largely based on earlier, much smaller PPPs and risk allocation structures which were arguably not appropriate for larger complex projects. Significant cost overruns and construction and commissioning delays on several large projects, including the New Royal Adelaide Hospital, Melbourne Metro, and Sydney Light Rail have resulted in dampened enthusiasm for PPP projects amongst some builders and resulted in several court cases between builders and the public sector. This resulted in a period of diminished participation by some builders.

Given Australia's large pipeline of big build projects and their importance to post-Covid economic recovery, numerous Australian governments began working more collaboratively with construction partners. To maintain enthusiasm amongst bidders, the level of risk facing the builders was addressed, and these contract changes are expected to become a template for the Australian PPP market.

As a result of these adjustments by the Government, the outlook for the market again appears promising. At a total estimated cost of AUD 15.8 billion, the North-East Link is the largest infrastructure project to date in the state of Victoria and features the largest PPP in Australian history. Other states such as New South Wales have indicated a continuing interest in using the PPP model where appropriate. New South Wales and Victoria, the two biggest states, are each spending AUD 90 billion over four years on major projects. There may be some projects coming up in Queensland connected to Brisbane winning the 2032 Summer Olympics. These include the AUD 3-4 billion Sydney Metro Western Sydney Airport PPP, due for final bids by the middle of this year; and a winner to be picked for the AUD 3.5 billion-plus Inland Rail PPP in Queensland.

PPP was used as the delivery method for upgrades to Frankston Hospital in Melbourne. There will be some smaller social infrastructure projects - likely to include another hospital and social housing project in Victoria as well as a possible defence deal in Sydney.

In addition to the aforementioned primary opportunities, we expect some construction companies may look to sell equity in projects once the construction is completed and the assets have been de-risked.

BBGI has three large operational assets in Australia and will continue to monitor the market for both primary and secondary opportunities.

Growth Outlook

Over the last decade, BBGI has been able to grow its portfolio consistently, while also maintaining price discipline. We expect this trend to continue into 2022 and beyond.

We expect our growth to come predominantly from secondary market opportunities and in certain cases from primary bidding opportunities.

OPERATING & FINANCIAL REVIEW

The Management Board is pleased to present the Operating and Financial Review for the year ended 31 December 2021.

Highlights and Key Performance Indicators

KPI	Target	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Commentary
Dividends (paid or declared)	Progressive long-term dividend growth in pence per share	6.50	6.75	7.00	7.18	7.33	Achieved: Second 2021 interim dividend of 3.665pps declared in February 2022
NAV per share	Positive NAV per share growth	3.0%	2.8%	2.0%	1.2%	2.1%	Achieved
Compound annual shareholder return since IPO	7% to 8% on IPO issue price of £1 per share	10.5%	11.2%	11.3%	11.0%	10.4%	Achieved
Ongoing charge	Competitive cost position	0.99%	0.93%	0.88%	0.86%	0.86%	Achieved
Cash dividend cover	>1.0x	1.51x	1.50x	1.30x	1.27x	1.31x	Achieved
Refinancing risk (as a percentage of portfolio)	Minimise refinancing risk	9%	7%	6%	7%	6%	Achieved: Northern Territory Secure Facilities is the only asset with refinancing risk
Asset availability	> 98% asset availability	Yes	Yes	Yes	Yes	Yes	Achieved
Single asset concentration risk (as a percentage of portfolio value)	To be less than 25% of portfolio at time of acquisition	12% (GEB)	11% (GEB)	10% (GEB)	9% (GEB)	11% (ORB)	Achieved
Availability-based assets (as a percentage of portfolio)	Maximise availability-based assets	100%	100%	100%	100%	100%	Achieved

Please see Financial Highlights for a summary of the Year in Numbers for 2021. Certain key performance indicators ('KPIs') for the last five years are highlighted below:

Asset Management

Cash Performance

The Company's portfolio of 54 availability-based infrastructure investments continued to perform well during the year with cash flows ahead of forecast 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, investment in construction assets will be limited to 25 per cent. of the portfolio value. The rationale for this approach is 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. The Company has demonstrated in the past that it can manage such assets during the construction period with a successful transition into a stable operational asset.

The Management Board believes that the Company's ability to meet its dividend targets is not compromised by having some construction exposure.

As at 31 December 2021, c. 99.5 per cent. of the assets were operational with only one project, Highway 104 in Nova Scotia, Canada, under construction.

Investment performance

Returns track record

The Company's share price maintained a strong premium to NAV throughout the year. Since the Company's IPO in 2011, BBGI share price has consistently maintained a premium to NAV, except for a brief period of volatility during the height of the market-wide sell-off in March 2020 due to COVID-19. BBGI's share price quickly rebounded after this initial adjustment phase, as investors realised that COVID-19 would have a limited impact on BBGI's future cash flows, which come exclusively from long-term availability-based government or government-backed contracts.

We continue to believe that a key benefit of the portfolio is the high-quality cash flows derived from long-term availability-based government or government-backed contracts. As a result, the portfolio performance has been largely uncorrelated to the many wider macro-economic factors that may cause market volatility in other sectors. Against the FTSE All-Share, the Company has shown a low five-year correlation of 28.1 per cent. and a beta of 0.25[xviii]

The share price closed the year at 175.60pps, an increase of 0.9 per cent. (excluding dividends) in 2021, representing a 24.8 per cent. premium to the NAV per share at the year-end.

TSR since IPO to 31 December 2021 was 171.1 per cent., or 10.4 per cent. on a compounded annual basis.

The total accounting return per share in the calendar year 2021 was 7.4 per cent[xix], with a dividend yield of 4.2 per cent.

Distribution policy

Distributions on ordinary shares are planned to be paid twice a year, normally in respect of the six months ended 30 June and the six months ended 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. The 2021 interim dividend of 3.665pps was paid on 21 October 2021. In February 2022, subsequent to the year-end, the Company declared a second interim dividend of 3.665pps in respect of the six-month period ended 31 December 2021. This resulted in a total dividend of 7.33pps for the year ended 31 December 2021.

We are reaffirming our progressive dividend policy with target dividends of 7.48pps and 7.63pps for 2022 and 2023, respectively. We are also pleased to introduce a new dividend target for 2024 of 7.78pps.

Proven progressive dividend policy

- Average annual dividend increase of 3.3 per cent. from 2012 to 2021
- FY 2022 target dividend of 7.48pps[xx], up 2.0 per cent.
- FY 2023 target dividend of 7.63pps[xx]
- FY 2024 target dividend of 7.78pps[xx]

Investor communications

The Company places great importance on communication with its shareholders and welcomes their views. The Company intends to remain at the forefront of disclosure and transparency in its asset class, and therefore the Management Board and, where appropriate, the Supervisory Board, regularly review the level and quality of the information that the Company makes public.

The Company formally reports twice a year through the Annual and Interim Reports. Other current information on the Company is provided through the Company's website and through market announcements. At shareholder General Meetings each share is entitled to one vote, all votes validly cast at such meetings (including by proxy) are counted, and the Company announces the results on the day of the relevant meeting.

The Management and Supervisory Boards are keen to develop and maintain positive relationships with the Company's shareholders. As part of this process, immediately following release of the Annual and Interim Reports at the end of March and August each year, the Co-CEOs present the Company's results to market analysts and subsequently conduct investor roadshows and offer shareholder meetings to discuss the results, explain the ongoing strategy of the Company, and receive feedback.

Outside of these formal meetings, feedback from investors is received via the Management Board and the corporate brokers and, together with the feedback from results meetings, this feedback is reported to the Supervisory Board. Throughout the year under review, the Co-CEOs have made themselves available to shareholders and key sector analysts, for discussion of key issues and expectations around Company performance. The Co-CEOs will continue to make themselves available to meet with shareholders periodically to facilitate an open two-way communication on the development of the Company. Shareholders may contact members of both the Management and Supervisory Boards at the registered office of the Company, the address for which can be found at the end of the Annual Report or on the Company's website at www.bb-gi.com.

While shareholder engagement is typically conducted by the Co-CEOs, it should be noted that the Chair also makes herself available throughout the year to understand the views of shareholders on governance and performance matters.

In addition, during the year, the Company undertook a comprehensive stakeholder materiality assessment among our employees, shareholders, clients, partners, subcontractors and suppliers to produce ten material topics influencing our ESG strategy. Significant investor input was solicited and considered. These ten topics have informed key ESG commitments and KPIs that we are now tracking to ensure incremental progress in our delivery of positive stakeholder outcomes.

Given this level of engagement with shareholders and stakeholders, the Management and Supervisory Boards consider that they meet the requirements of AIC Code of Corporate Governance Principle 5D.

Share capital

The issued share capital of the Company is 712,125,805 ordinary shares of no-par value. All of the ordinary shares issued rank *pari passu*. During the year ended 31 December 2021, the Company issued 47,434,522 shares.

Voting rights

There are no special voting rights, restrictions or other rights attached to any of the ordinary shares. There are no restrictions on the voting rights attaching to ordinary shares.

Discount management

Although the Company's shares have continuously traded at a premium since IPO in December 2011, except for a brief period in March 2020, the Management Board will actively monitor any discount to the NAV per share at which the ordinary shares may trade in the future. The Management Board will report to the Supervisory Board on any such discount and propose actions to mitigate this.

Purchase of ordinary shares by the Company in the market

In order to assist in the narrowing of any discount to the NAV at which the ordinary shares may trade from time to time and/or to reduce discount volatility, the Company may, subject to shareholder approval:

- make market purchases of up to 14.99 per cent. annually of its issued ordinary shares; and
- make tender offers for ordinary shares.

No shares have been bought back during the year ended 31 December 2021. The most recent authority to purchase ordinary shares, which may be held in treasury or subsequently cancelled, was granted to the Company on 30 April 2021. This authority expires on the date of the next Annual General Meeting ('AGM') to be held on 29 April 2022, at which point the Company will propose that its authority to buy back ordinary shares be renewed.

Continuation vote

The Company's Articles of Association ('Articles') requires the Boards to offer a continuation vote to the Company's shareholders at every second AGM to allow the Company to continue in its current form. On 30 April 2021, at the Company's AGM, the shareholders voted unanimously for the continuation of the Company. In accordance with the Articles, a further continuation vote will be offered to shareholders at the AGM due to be held on 28 April 2023.

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 its approval of this Annual 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 Company's investments are principally non-market traded investments with predictable long-term contracted cash flows; therefore, 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, adjusting these financial models where necessary to reflect the Company's assumptions as well as any specific cash-flow assumptions. The Company's valuation is a sum-of-the-parts valuation with no further adjustments made to reflect scale, scarcity or diversification of the overall portfolio.

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 (as 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 net asset value is shown in the table below.

NAV movement 31 December 2020 to 31 December 2021

The Company's net asset value at 31 December 2021 was £1,001.6 million (31 December 2020: £916.0 million), representing an increase of 9.4 per cent.

NAV movement 31 December 2020 to 31 December 2021	£ million
NAV at 31 December 2020	916.0
Deduct: other net assets at 31 December 2020[1]	(20.3)
Portfolio value at 31 December 2020	**895.7**
Acquisitions[2]	79.2
Distributions from investments[3]	(73.5)
Rebased opening portfolio value at 1 January 2021	901.3
Unwinding of discount	59.8
Change in market discount rate	14.5
Change in macro-economic assumptions	(10.3)
Value enhancements	13.1
Foreign exchange loss[4]	(3.2)

Portfolio value at 31 December 2021	**975.2**
Other net assets at 31 December 2021[1]	26.4
NAV at 31 December 2021	**1,001.6**

(1) 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 Annual Report for further breakdown.

(2) Refer to the Operating model in action section of this Annual Report for further details on acquisitions during the year.

(3) 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 is offset by the receipt of cash at the consolidated Group level. Distributions in the above graph are shown net of withholding tax.

(4) The result from balance sheet hedging is recorded at the consolidated Group level under Other net assets. Therefore, while inversely correlated to foreign exchange movements on the portfolio value, balance sheet hedging does not directly impact the portfolio value but rather creates an offset at the fund level.

Key drivers for NAV change

The rebased opening portfolio value after considering acquisitions in the reporting period of £79.2 million and cash distributions from investments of (£73.5) million was £901.3 million.

Unwinding the discount and value enhancements:

During the period, the Company recognised £72.9 million, or an 8.0 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 £59.8 million or a 6.5 per cent. change in NAV.

The remaining £13.1 million, or a 1.4 per cent. change in NAV, represents *inter alia* the net effect of value accretive enhancements across the portfolio through active management. During the year and given the low interest rate environment, the Company was able to refinance four investments, representing over £515 million of new senior debt and bonds, optimising the financial structure of each relevant Portfolio Company with lower-cost long-term financing, and 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 these services, cost savings due to lower fees on management service agreements and operations and maintenance agreements, and changes in lifecycle costs. The value enhancements also include the net positive effect of actual inflation against the 31 December 2020 modelled macro-economic assumptions.

Change in discount rate:

The market for availability-based transactions continues to be very competitive and discount rates have compressed further during the reporting period. This is the result of a continued low-interest environment and 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 6.55 per cent. (31 December 2020: 6.77 per cent.), representing a reduction of 22 bps from 31 December 2020.

Change in macro-economic assumptions:

During the year, 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 a reduction in short-term deposit rates resulting in a portfolio value decrease.

In total, the Company recognised a reduction of £10.3 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 year ended 31 December 2021, the depreciation of pounds Sterling against the Canadian Dollar and the US Dollar, and the appreciation of pounds Sterling against the Australian Dollar, the Euro, and the Norwegian Krone accounted for a net decrease in the portfolio value of £3.2 million. Since IPO 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 £11.8 million, or 1.2 per cent. of the 31 December 2021 NAV.

The table below shows those closing rates, which were used to convert unhedged future cash flows into the reporting currency at 31 December 2021.

GBP/	Valuation impact	FX rates as of 31 December 2021	FX rates as of 31 December 2020	FX rate change
AUD	Negative	1.861	1.771	(5.06)%
CAD	Positive	1.716	1.739	1.33%
EUR	Negative	1.191	1.113	(7.02)%
NOK	Negative	11.911	11.670	(2.07)%
USD	Positive	1.351	1.365	1.01%

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 three per cent. for a ten per cent. adverse movement in foreign exchange rates[xxi]. This is achieved by hedging a portion of the non-pounds Sterling and non-Euro portfolio value[xxii]. 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 31 December 2021 would need to be approximately 71 per cent. to obtain the same NAV sensitivity to a ten 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 reported 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. 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 6.55 per cent. (31 December 2020: 6.77 per cent.), representing a reduction of 22 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.

Specific discount rates consider 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 c. 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 1.0 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 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 volume.

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 historic prolonged low interest rate environment, has further contributed to increased competition for availability-based investments. The transaction volume in 2021 shows that demand for stable yielding investments is strong, even with the ambiguity surrounding COVID-19 remaining, and market intelligence suggests discount rates in the very competitive secondary market are likely to decrease further in the short-term.

Macro-economic assumptions

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

		31 December 2021	31 December 2020
Inflation	UK(1) 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(2)	2.00%	2.00%
	Norway(2)	2.25%	2.25%
	US(3)	2.50%	2.50%
Deposit rates (p.a.)	UK	0.00% to Q4 2023, then 1.00%	0.25% to Q4 2023, then 1.00%
	Canada	0.50% to Q4 2023, then 1.50%	0.75% to Q4 2023, then 1.50%
	Australia	0.25% 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	0.00% to Q4 2023, then 2.00%	0.25% to Q4 2023, then 2.00%
	US	0.00% to Q4 2023, then 1.50%	0.25% to Q4 2023, then 1.50%
Corporate tax rates (p.a.)	UK[4]	19.0% to Q1 2023, then 25.0%	19.0%
	Canada[5]	23.0% / 26.5% / 27.0% / 29.0%	23.0% / 26.5% / 27.0% / 29.0%
	Australia	30.0%	30.0%
	Germany[6]	15.8% (incl. solidarity charge)	15.8% (incl. solidarity charge)
	Netherlands[7]	25.8%	25.0%
	Norway	22.0%	22.0%
	US	21.0%	21.0%

(1) On the 25 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.

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

(3) 80 per cent. of Ohio River Bridges investment indexation factor for revenue is contractual and is not tied to CPI.

(4) 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.

(5) Individual tax rates vary among Canadian Provinces: Alberta; Ontario, Quebec, Northwest Territory; Saskatchewan, British Columbia; New Brunswick.

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

(7) On 21 December 2021, the Dutch Government enacted an increase in the Corporate Tax rate to 25.8% with effect from 1 January 2022.

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[1]	Change in NAV 31 December 2021
Increase by 1% to c. 7.55%	(£78.1) million, i.e. (7.8)%
Decrease by 1% to c. 5.55%	£89.9 million, i.e. 9.0%

(1) Based on the weighted average discount rate of 6.55 per cent.

Inflation has increased in all jurisdictions across BBGI's geographies and interest rates are expected to rise from historical lows. In the event long term interest rates rise substantially this may have an effect on discount rates.

It is reasonable to assume if discount rates increase then deposit rates and inflation rates would also increase. To illustrate the effect of this combined movement on the Company's NAV, a scenario was created assuming a 1 per cent. increase in the discount rate to 7.55 per cent., and a 1 per cent. increase in both deposit and inflation rates above the macro-economic assumptions.

Combined Sensitivity: discount, inflation and deposit rates	Change in NAV 31 December 2021
Increase by 1%	(£23.1) million, i.e. (2.3)%

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 portfolio cash flows are positively correlated with inflation (e.g. RPI, CPI, or a basket of indices).

BBGI's equity cash flows are positively correlated to inflation at c. 0.44. This means that if long-term inflation was to be 1% higher than the Company's assumptions for all future periods, the Company's returns would increase from 6.55% to 6.99%

This inflation linkage is achieved through contractual indexation mechanics in the various project agreements with the public sector clients at the portfolio companies and the inflation adjustment updated at least annually.

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 31 December 2021
Inflation +1%	£39.5million, i.e. 3.9%
Inflation −1%	(£32.6) million, i.e. (3.3)%

Short term inflation sensitivity

As a result of the current macro-economic environment and the positive inflation linkage of the investments, the Company recognises that changes in short-term inflation rates compared to the 31 December 2021 modelled macro-economic assumptions will have an effect on the NAV. The table below shows the sensitivity of the NAV to a change in short-term inflation rates compares to the assumptions in the table above:

Short-term Inflation Sensitivity	Change in NAV 31 December 2021
Increased to 5% for 2022 and 2023	£26.4 million, i.e. 2.6%

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(i)	Change in NAV 31 December 2021
Increase by 10%	(£28.4) million, i.e. (2.8)%
Decrease by 10%	£31.1 million, i.e. 3.1%

(i) Sensitivity in comparison to the spot foreign exchange rates at 31 December 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 31 December 2021
Deposit rate +1%	£17.3 million, i.e. 1.7%
Deposit rate −1%	(£17.2) million, i.e. (1.7)%

Lifecycle costs sensitivity

Lifecycle costs are the cost of planned interventions or replacing material parts of an asset to maintain it over the concession term. They involve 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 54 investments in the portfolio at year-end, 19 investments retain the lifecycle obligations. The remaining 35 investments have this obligation passed down to the subcontractor.

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

Lifecycle Costs Sensitivity(1)	Change in NAV 31 December 2021
Increase by 10%	(£19.0) million, i.e. (1.9)%
Decrease by 10%	£19.6 million, i.e. 2.0%

(1) Sensitivity applied to the 19 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 31 December 2021
Tax rate +1%	(£8.8) million, i.e. (0.9)%
Tax rate −1%	£8.7 million, i.e. 0.9%

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[1]	Change in NAV 31 December 2021
Margin +1%	(£6.3) million, i.e. (0.6)%

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

Gross Domestic Product ('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 at the contracted 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 on or prior to the reporting period-end with an effect 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, legal, tax and insurance advisers.

FINANCIAL RESULTS

The Consolidated Financial Statements of the Group for the year ended 31 December 2021 are in the Financial Statements section of this Annual Report.

BASIS OF ACCOUNTING

The Group has prepared its Consolidated 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 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*	**Year ended 31 Dec 21 £ million**	**Year ended 31 Dec 20 £ million**
Income from investments at fair value through profit or loss ('FVPL income')	**75.4**	63.3
Other operating income	**0.7**	0.2
Operating income	**76.1**	63.5
Administrative expenses	**(10.2)**	(9.6)
Other operating expenses	**(2.5)**	(7.3)
Net loss on balance sheet hedging and net finance result	**(2.7)**	(2.3)
Profit before tax	**60.7**	44.3
Tax expense - net	**(2.7)**	(2.6)

Profit from continuing operations	**58.0**	41.7
Other comprehensive income	**(0.6)**	-
Total comprehensive income	**57.4**	41.7
Basic earnings per share (pence)	**8.47**	6.58

During the year, the Group recognised FVPL income of £75.4 million (31 December 2020: £63.3 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 assumptions and the net effect of foreign exchange on the underlying investment portfolio. A more detailed analysis of the movement in Investments at FVPL is provided in the Valuation section of this Report.

Administrative expenses include personnel expenses, legal and professional fees and office and other administrative expenses. See further detail in the Group Level Corporate Cost analysis.

Other operating expenses include acquisition-related costs, net loss on cash-flow hedging, and net foreign currency exchange loss, if applicable. During the year ended 31 December 2021, the Company recognised a gain of £0.4 million on foreign exchange revaluation (31 December 2020: £4.8 million loss).

Profit from continuing operations for the year ended 31 December 2021 increased by 39.1 per cent. to £58.0 million (31 December 2020: £41.7 million).

Group Level Corporate Cost Analysis

The table below is prepared on an accrual basis.

Corporate costs	Year ended 31 Dec 21 £ million	Year ended 31 Dec 20 £ million
Net finance result	**2.0**	1.6
Personnel expenses	**6.9**	6.2
Legal and professional fees	**2.5**	2.6
Office and administration	**0.8**	0.8
Acquisition-related costs	**1.5**	1.6
Taxes	**2.7**	2.6
Corporate costs	**16.4**	15.4

The net finance result for the year was £2.0 million (31 December 2020: £1.6 million) and reflects borrowing costs, commitment fees and other fees relating to the Group's RCF. The RCF was amended and restated during the year increasing the total commitment from £180 million to £230 million limit and extending the maturity to May 2026. The Company used investment distributions and the net proceeds from the July 2021 share placing to repay outstanding amounts on the RCF.

Personnel expenses for the year were £6.9 million (31 December 2020: £6.2 million) reflecting, among others, the annualised effect of the triennial Management Board remuneration review, an increase in staff numbers as well as statutory and discretionary increases in staff remuneration. Refer to the 'Remuneration Report' section of this report for further detail on Management Board and Supervisory Board remuneration.

Acquisition-related costs incurred during the year amounted to £1.5 million (31 December 2020: £1.6 million) and includes unsuccessful bid costs amounting to £0.7 million (31 December 2020: £0.8 million).

Ongoing Charges

The Ongoing Charges ('OGC') percentage presented in the table below is prepared in accordance with the AIC recommended methodology, latest update published in October 2020[xxiii].

Ongoing Charges Information	Year ended 31 Dec 21 £ million	Year ended 31 Dec 20 £ million
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.

Fees directly linked to investment performance recorded in 2021 as a percentage of average NAV were 0.10% (2020: 0.08%). Combined, the aggregate of Ongoing Charges plus investment performance fees was 0.96% in the year (2020: 0.94%).

For the year ended 31 December 2021, and in line with AIC recommendations, certain non-recurring costs were excluded from the Ongoing charges, most notably acquisition-related advisory costs of £1.5 million, taxes of £2.7 million and the net finance result of £2.0 million.

The table below provides a reconciliation of Ongoing Charges and the Ongoing Charges Percentage to the administration expenses under IFRS.

	Year ended 31 Dec 21 £million (except %)	Year ended 31 Dec 20 £million (except %)
Administration expenses to 31 December	**10.2**	9.6
Less: Non-recurring costs as per AIC guidelines		
Non-recurring professional and external advisory costs	**(0.2)**	(0.4)
Personnel costs related to acquisition or non-recurring	**(0.9)**	(0.4)
Compensation linked to investment performance	**(1.0)**	(0.8)
Other non-recurring costs	**-**	(0.3)
Ongoing charges	**8.3**	7.7
Divided by:		
Average undiluted Investment Basis NAV for 2021 (average of 31 December 2021: £1,001.6 million and 30 June 2021: £918.1 million) million)	**959.9**	888.4
Ongoing Charges percentage[1]	**0.86%**	0.86%

[1] Percentage calculation is based on actual results rather than rounded numbers

Cash flows

The table below summarises the sources and uses of cash and cash equivalents for the Group:

	Year ended 31 Dec 21 £ million	Year ended 31 Dec 20 £ million
Distributions received from Investments at FVPL[1]	**75.1**	72.8
Operating cash outflows	**(12.1)**	(17.8)
Additional Investments at FVPL	**(79.2)**	(59.2)
Realised hedging loss on investing activities	**(1.6)**	(0.7)
Net cash flows from financing activities	**24.3**	(9.5)
Impact of foreign exchange on cash and cash equivalents	**(0.2)**	0.2
Net cash inflow (outflow)	**6.3**	(14.2)

[1] These distributions are shown gross of withholding tax. The associated withholding tax outflow is included in 'Net cash flows used in operating activities'.

The Group's portfolio of investments performed well during the year, with cash flows ahead of the business plan. Distributions from Investments at FVPL increased during the year by 3.2 per cent. to £75.1 million.

Additional investments during the year were financed through a combination of borrowings under the RCF, placing proceeds and reinvestment of distributions received from Investments at FVPL.

The Company borrowed a total of £67.0 million under the RCF during the year, which was fully repaid as at 31 December. The net proceeds from the July 2021 capital raise were used to part finance the acquisitions during the year and to repay those amounts borrowed under the RCF.

Cash dividends paid during the year ended 31 December 2021 amounted to £48.0 million, an increase of £5.3 million on the previous year.

The Consolidated Statement of Cash Flows provides further details of cash flows during the year ended 31 December 2021.

For the year ended 31 December 2021, the Group has a cash dividend cover ratio of 1.31x (year ended 31 December 2020: 1.27x) and is calculated as follows:

	31 Dec 21 £ million (except ratio)	31 Dec 20 £ million (except ratio)
Distributions received from Investments	**75.1**	72.8
Less: Net cash flows from operating activities under IFRS (consolidated)	**(12.1)**	(18.5)
Net distributions	**63.0**	54.3
Divided by: Cash dividends paid under IFRS (consolidated)	**48.0**	42.6
Cash Dividend Cover (ratio)	**1.31x**	1.27x

The strong cash dividend coverage in 2021 was again supported by BBGI's contracted portfolio cash flows which, unlike demand-based assets, are not sensitive to the performance of the wider economic environment. The Company has reaffirmed the target dividend of 7.48pps for 2022 and 7.63 pps for 2023 and is pleased to introduce a new target for 2024 of 7.78pps.

Pro Forma Balance Sheet

	31 December 2021			31 December 2020		
	Investment Basis[1] £ million	Adjust £ million	Consolidated IFRS £ million	Investment Basis £ million	Adjust £ million	Consolidated IFRS £ million
Investments at FVPL	**975.2**	**-**	**975.2**	895.7	-	895.7
Trade and other receivables	**1.0**	**-**	**1.0**	1.6	-	1.6
Other assets and liabilities (net)	**(2.4)**	**-**	**(2.4)**	(1.9)	(0.1)	(2.0)
Net cash	**26.9**	**-**	**26.9**	20.5	-	20.5
Derivative financial asset (liability)	**0.9**	**(1.1)**	**(0.2)**	0.1	(0.1)	-
NAV attributable to ordinary shares	**1,001.6**	**(1.1)**	**1,000.5**	916.0	(0.2)	915.8

(1) Represents the value of the Group's total assets less the value of its total liabilities 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 31 December 2021, the Group has 54 availability-based Investments at FVPL (31 December 2020: 50).

At 31 December 2021, the fair value of forward currency swaps used to hedge future portfolio distributions over the next four years was £1.1 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 31 December 2021 closing rate.

As at 31 December 2021, cash and cash equivalents amounted to £26.9 million (£20.5 million as at 31 December 2020).

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

	31 Dec 21 £ million	31 Dec 20 £ million
Cash and cash equivalent	**26.9**	20.5
Loans and borrowings	**(0.2)**	(0.2)
Less: Interest payable	**0.2**	0.2
Outstanding loan drawdowns	**-**	-
Net cash	**26.9**	20.5

Three-year comparative of Investment Basis NAV

	31 Dec 21	31 Dec 20	31 Dec 19
NAV (millions)	**1,001.6**	**916.0**	858.6
NAV per share (pence)	**140.7**	**137.8**	136.2

The Investment Basis NAV increased by 9.4 per cent. to £1,001.6 million at 31 December 2021 (31 December 2020: £916.0 million). This equates to a growth in Investment Basis NAV per share of 2.1 per cent. to 140.7p at 31 December 2021 (31 December 2020: 137.8p). The Investment Basis NAV per share is the Investment Basis NAV divided by the number of Company shares issued and outstanding. This information presents the residual claim of each shareholder on the net assets of the Group.

ALTERNATIVE PERFORMANCE MEASURES ('APM')

APM is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified under IFRS. The Group reports a selection of APM as summarised in the below table and as used throughout this Annual Report. The Management Board believe that these measures provide additional information that is useful to the users of this Annual Report.

The APM presented here should supplement the information presented in the Financial Statement section of this Annual Report. The APM used are not measures of performance or liquidity under IFRS and should not be considered in isolation or as a substitute for measures of profit, or as an indicator of the Group's operating performance or cash flows from operating activities, as determined in accordance with IFRS.

APM	Explanation	31 December 2021	31 December 2020
Annualised Total	Presented on a compounded annual growth rate	10.4%	11.0%

Shareholder Return Since IPO ('Annualised TSR')	basis. This represents the steady state annual growth rate based on share price as at 31 December 2021, and after adding back dividends paid or declared since IPO. Investment performance can be assessed by comparing this figure to the 7% to 8% TSR target set at IPO.		
Asset Availability	Calculated as a percentage of actual availability payments received, as a percentage of scheduled availability fee payments. The Company targets a rate in excess of 98%. A high asset availability rate can be viewed as a proxy to strong underlying asset performance.	99.9%	99.8%
Cash dividend cover ratio	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 cash flow from operating activities under IFRS.A high cash dividend cover ratio reduces the risk that the Group will not be able to continue making fully covered dividend payments.	1.31x	1.27x
Investment Basis NAV	Investment Basis NAV is a non-GAAP measure and is adopted by the Group to reflect a more accurate economic value of the shareholder interest, based on the fair value of the underlying assets and liabilities at the balance sheet date. 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.	£1,001.6 million	£916.0 million
Total accounting return per share	The sum of the change in NAV per share plus the dividends paid per share in the year, taken as a percentage of the NAV per share at 31 December 2020. Indicates the movement in the value of the consolidated Group in the reporting period.	7.4%	6.38%
Net cash (debt)	This amount is used to depict the solvency of the Group before considering the committed amount available under the RCF.	£26.9 million	£20.5 million
Ongoing charges	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.	0.86%	0.86%
Refinancing risk ratio	Used to represent the percentage of the portfolio by value that has an exposure to refinancing of senior debt financing.	6%	7%
Target dividend	Represents the forward-looking target dividend per share. These are targets only and are 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.	7.48 for 2022 7.63 for 2023 and 7.78 for 2024	7.33 actual dividend declared for 2021
Total Shareholder Return since IPO ('TSR')	The TSR combines share price appreciation and dividends paid since IPO in December 2011 to represent the total return to the shareholder expressed as a percentage. This is based on share price at 31 December 2021 and after adding back dividends paid or declared since IPO.	171%	157.5%
Weighted average portfolio life	Represents the weighted average, by value, of the remaining individual project concession lengths. Calculated by reference to the existing portfolio at 31 December 2021, assuming no future portfolio additions.	20.3	20.4

ESG (ENVIRONMENT, SOCIAL AND GOVERNANCE)

SUSTAINABILITY HIGHLIGHTS

Our purpose is to provide access to a diversified portfolio of essential social infrastructure investments that generate long-term, sustainable returns and serve an inherent social purpose.

In alignment with our SFDR Article 8 product classification, we have a focused approach, investing in core social infrastructure assets which serve society.

Our portfolio includes investments in healthcare (hospitals and clinics), education (schools), affordable housing, blue light (fire stations and police stations), modern correctional facilities and transport (roads and bridges).

BBGI is a long-term custodian of these assets and we partner with the public sector to provide well maintained infrastructures. In return BBGI receives an availability-based revenue stream that is paid by our public sector (backed) clients.

Sustainability achievements

Task Force on Climate-Related Financial Disclosures ('TCFD')	• Voluntary disclosures aligned with Task Force on Climate-Related Financial Disclosures ('TCFD') recommendations • TCFD supporter since 2020
Climate resilient portfolio	• Detailed climate risk assessment of our portfolio undertaken; modelling considered physical risk from 8 different perils, under three different climate scenarios over multiple time horizons • Portfolio demonstrates a high degree of climate resilience
Carbon neutral	• All Scope 1, 2 and 3 corporate emissions reported and results have been independently verified • Certified as carbon neutral for 2021 • Started to track Scope 1 and 2 emissions at our portfolio companies and will report from 2022 onwards
Social characteristics in combination with good governance	• Compliant with the Sustainable Finance Disclosure Regulation ('SFDR') since March 2021 • Article 8 product classification and meet the criteria for socially beneficial investments • Enhanced disclosure in line with SFDR requirements and we will actively report against the new standards as they emerge
Materiality assessment	• Comprehensive stakeholder materiality assessment undertaken involving employees, shareholders, clients, and subcontractors • Identified ten material topics influencing our ESG strategy • Introduced KPIs to track material topics and to ensure incremental progress in our delivery of positive stakeholder outcomes
ESG survey	• Introduction of enhanced ESG Best Practice Guide at all of our Portfolio Companies • 80+ question screening tool covering all aspects of our ESG oversight • Supports the implementation of BBGI's Sustainability strategy and SFDR disclosure obligations
Net zero	• BBGI became a signatory to the Net Zero Asset Managers initiative in 2021 • Committed to supporting the goal of net zero greenhouse gas emissions by 2050 • Set net zero targets for our Corporate and Financed emissions
UN Principles for Responsible Investment	• Signatory of UN Principles of Responsible Investments since 2019; rated A
UN Global Compact	• Signatory of UN Global Compact since 2020
Sustainability certification	• 59% of our assets have a sustainability certification

LOOKING BACK ON OUR ACHIEVEMENTS

2021 has been an important year in accelerating our ESG efforts and we are pleased to report our progress. We transformed aspirations into tangible programmes and have set a solid foundation to reach our 2050 goals and ambitions.

Environment and climate change 2021 objectives:

Measure and disclose the carbon footprint from our corporate activities	Completed
Measure and disclose the carbon footprint from our investment portfolio	Ongoing
Setting a GHG reduction target in line with the Paris Agreement	Completed
Voluntary compliance with the TCFD requirements in our 2021 disclosures	Completed
Reducing our business travel and continue to use video conferencing solutions	Ongoing

Social 2021 objectives:

Perform a robust materiality assessment based on stakeholder engagement	Completed
Improve our reporting on both positive and negative impacts	Ongoing

Develop our approach to measuring the social value provided by our investments	Started
ESG training for our staff	Ongoing
Consider gender and ethnic diversity within our team	Ongoing

Governance 2021 objectives:

Expand our ESG data collection process amongst our portfolio companies, including SFDR Principal Adverse Sustainability Impacts indicators	Completed
Engage our portfolio companies to reduce their greenhouse gas emissions	Ongoing
Engage our portfolio companies to set a GHG reduction target in line with the Paris Agreement	Ongoing
Screen all our investments against our climate change questionnaire	Completed
Perform a full assessment of our portfolio to understand our risk and exposure in relation to climate change	Completed

APPROACH TO RESPONSIBLE INVESTMENT

Our investment strategy embodies the Company's purpose to help provide the responsible capital required to build and maintain the developed world's social infrastructure, reflecting our SFDR classification as an Article 8 product, where we promote social characteristics in combination with good governance practices.

ESG is an integrated part of our investment process

BBGI has implemented a robust framework for ESG integration into all aspects of the investment cycle, from initial screening through to end of investment life:

- Sourcing
  - Screening to determine compatibility with BBGI's ESG policy
  - Public data searched to identify ESG issues
  - Pre-defined exclusions list: adult entertainment, alcohol production, arms production, arms trade, fossil fuels, gaseous fuels, coal, gambling, nuclear energy, nuclear weapons and tobacco production
- Due diligence
  - Detailed proprietary ESG KPI survey covering SFDR Principal Adverse Sustainability Impacts indicators[xxiv]
  - Assess climate risk against a 'Paris-Aligned' RCP[xxv]2.6 scenario (~+1°C warming) and a 'High emissions' RCP8.5 scenario (~+3.7°C warming) across three time periods (2020, 2050 and 2100)
  - Seek, when necessary, appropriate environmental and technical due diligence carried out by independent third-party experts
  - Anti-money laundering screening and counter terrorism financing database checks
  - ESG assessment completed as part of Investment Committee papers
- Stewardship
  - Implement ESG policy at portfolio company level
  - Review and monitor assets for ESG-related issues and performance
  - Work with stakeholders to implement strategic and operational objectives
  - Review our staff's achievement of ESG targets and executive compensation tied to ESG targets
  - Seek to share ESG best practices inside and outside of the Company and engage with stakeholders
  - Invest to improve energy efficiency and reduce GHG emissions/carbon footprint where appropriate
- Monitoring
  - Semi-annual proprietary ESG KPI survey for each investment
  - Active ESG management at portfolio company level through engaged board representation
  - Regular health and safety, fire audits, cyber reviews and other monitoring
  - Monitor climate risk mitigation performance and improve data collection processes over time
  - Discussed ESG at Management Board meetings, as well as at individual portfolio company board meetings
  - Semi-annual reporting of ESG initiatives
  - Identify areas of improvement
- Reporting
  - Communicate results to stakeholders
  - Annual reporting of UN PRI, UN Global Compact, SFDR and TCFD on ESG activities
  - Continuous improvement of process and reporting
- End of investment life
  - Hold investment for duration or realise value through exit

- Share ESG information acquired during our concession period with our public sector clients
- Responsible and collaborative approach to asset hand back to public sector

CONTRIBUTION TO UN SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals ('SDGs') are a fundamental tenet to BBGI's ESG framework and are used to assess, measure and monitor the environmental, social and sustainable attributes of investments either already held as part of the Company's existing portfolio, or those being assessed as potential investment opportunities.

As part of our vision to fulfil our social purpose and show leadership in responsible infrastructure investment, alignment with the UN SDGs is an integral part of our approach to ESG. In the past we were focused on five SDGs, but have now expanded our focus to also include SDG 13, given the importance of addressing climate change. We acknowledge that through our direct operations and investment portfolio we can also create negative impacts and we address these impacts in the relevant sections of this Report.

Through our direct operations, BBGI can generate profits, employment and provide access to essential services in countries where we have investments. Through partnerships with government and the public sector, we can ensure that the benefits of the social infrastructure assets we finance extend beyond our investment, so that the funded project has an overall positive impact and serves an inherent social purpose in their local communities.

BBGI is committed to invest responsibly, with the target to promote the improved education and well-being of local communities, help reduce transit times and congestion, build and upgrade infrastructures while also striving to preserve biodiversity and natural habitats, operate assets with less waste, monitor the safety of users, incorporate new sustainable technologies, curb emissions and improve environmental stewardship.

Sustainable Development Goals		**How portfolio contributes**	**Portfolio SDG contribution[xxvi]**
SDG 3	Good health and well-being	• 41 essential healthcare facilities • Over 2,400 beds • More than 4.4 million patients treated in the last year	22%
SDG 4	Quality education	• 33 schools and colleges • Providing an effective learning environment for over 39,000 students • Total serviced area of more than 400,000m^2	9%
SDG 9	Industry, innovation and infrastructure	Portfolio of social infrastructure investments helping to build resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation	100%
SDG 11	Sustainable cities and communities	• 3 affordable residential housing and 2 community centres • Providing 100 residential housing units, sport and leisure centres for the local community	56%
		• 18 transportation investments globally including 1 electric public transit system investment powered by green energy • Safe, accessible and sustainable transport systems for all • Reduce travel times for over 300 million vehicles each year	
SDG 13	Climate action	• In 2021, BBGI has set net zero targets in line with Net Zero Asset Manager Initiative using science-based targets, with the aim of enhancing asset-level resiliency to climate change.	100%
SDG 16	Peace, justice and strong institutions	• 4 police stations keeping a community of over 1.6 million people safe • 4 modern correctional facilities	12%

STAKEHOLDER ENGAGEMENT

We are stewards of important social infrastructure investments and there are many stakeholders who are impacted by our actions: users of the infrastructure, communities, employees, investors, partners, the environment, and society at large. We take this responsibility seriously.

The fundamental rationale for integrating and embedding ESG factors into our business model is to ensure our actions generate positive and sustainable outcomes for our stakeholders for the long term, and that we manage and reduce adverse impacts. BBGI has consistently engaged with our stakeholders through a variety of channels over the years. Our ESG Report summarises BBGI's general engagement approach with its key stakeholders, representing the main groups that benefit, are influenced by or interact with our business activities.

While, as a Luxembourg-based company, BBGI is not obliged to comply with the UK Companies Act 2006, we are voluntarily complying with the spirit of the Section 172 requirement by including details describing how the decision-making of our Directors considers the interest of our stakeholders. This section serves as our Section 172 Statement. Section 172 of the UK Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision-making.

MATERIALITY ASSESSMENT

In 2021, we undertook a comprehensive Materiality Assessment exercise and recorded the results in a robust materiality matrix, summarising our ten most material sustainability topics and strategic ESG areas of focus. A broad and diverse group of stakeholders contributed to this exercise, representing the ecosystem of our operations in our various operating countries: employees, investors, clients, partners and subcontractors. These ten topics have informed key ESG commitments, KPIs for which we are now tracking to ensure incremental progress in our delivery of positive stakeholder outcomes. We would like to thank all respondents for sharing constructive feedback, which complemented and shaped our thinking on current and emerging issues and the future of our social and environmental commitments.

Of the ten topics which were deemed most material, three are related to the environment and climate, four to social matters and three to governance:

- Environment and climate change
  - Climate change and ESG factors as strategic risk/opportunities
  - Reducing BBGI's own carbon footprint
  - Reducing the carbon footprint of our portfolio companies
- Social
  - Health and Safety of staff and workers at our portfolio companies

- Quality of services provided
- Fair employment and remuneration
- Learning and development

- Governance
  - Creating long-term financial and sustainable value
  - Business ethics and integrity
  - Cyber security

NET-ZERO COMMITMENT

We will support our portfolio transition to net zero emissions by 2050

As part of our commitment to reducing energy use and carbon dioxide emissions, BBGI became a signatory to the Net Zero Asset Managers Initiative and commits to support the goal of net zero greenhouse gas ('GHG') emissions by 2050, in line with global efforts, to limit warming to 1.5°C ('net zero emissions by 2050 or sooner'). We also commit to supporting investing aligned with net zero emissions by 2050 or sooner.

The Net Zero Asset Managers initiative

The Net Zero Asset Managers initiative (NZAM) is a group of international asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C; and to supporting investing aligned with net zero emissions by 2050 or sooner.

It is an initiative designed to mobilise action by the asset management industry that demonstrates leading practice in driving the transition to net zero and delivers the ambitious action and investment strategies that will be necessary to achieve the goal of net zero emissions. It also provides a forum to share best practice and overcome barriers to aligning investments to that net zero goal.

Our targets

BBGI's commitment to net zero can be distilled into the following targets[xxvii]:

BBGI Corporate Emissions[xxviii] Scope 1, Scope 2 and Scope 3:

- Reduce our Corporate emissions Scope 1, 2 and 3 by 50% by 2030.
- Carbon neutral from 2021 onwards. All residual and unavoidable Corporate Emissions will be offset by purchasing high quality offsets to obtain carbon neutrality beginning in 2021.
- Net zero Corporate Emissions Scope 1 and Scope 2 by 2040.

BBGI's Financed Emissions[xxix]

- Report financed emissions (Scope 1 and Scope 2 at portfolio companies) for 100% of portfolio companies beginning from 2022 onwards.
- Provide resources for public sector clients (asset owners) by sharing emissions data and general strategies for reduction.
- Engage with our top 20% of emitters to discuss emission reduction strategies by 2024.
- Develop net zero plans for 50% of portfolio companies by 2025.
- Develop net zero plans for 100% of portfolio companies by 2030.
- Reduce our Financed Emissions (portfolio companies Scope 1 and 2 emissions and, to the extent possible, material portfolio companies Scope 3 emissions) by 50% by 2030. We will need the support of our public clients to achieve tangible results in respect of this ambitious target.
- Overall net zero Financed Emissions by 2050 or sooner.

We commit to reporting our progress against these targets on an annual basis.

Emissions boundaries

BBGI has adopted the operational control boundary approach in accordance with the Greenhouse Gas Protocol Corporate Standard ('GHG Protocol') for the measurement of emissions, as the Management Board believes this reflects the level of emissions that can be actively controlled and reduced. A company has operational control over a portfolio company if it has the full authority to introduce and implement its operating policies at the portfolio company level. BBGI rarely has operational control at its portfolio companies, so the achievement of the targets and objectives will be highly dependent on successfully influencing stakeholders (typically our public sector clients) into taking action to achieve these goals.

Methodology of BBGI's Net Zero Plan

BBGI's GHG emissions reduction targets have been set in line with science-based targets that are consistent with achieving net zero global emissions by 2050, or sooner. We developed a Net Zero Plan, which details the targets, metrics and pathways of GHG emissions reduction that pertain to our Corporate Emissions and our Financed Emissions. We used the Science-Based Targets initiative (SBTi) target-setting to model targets in line with SBTi approved criteria and methods. BBGI's GHG reduction percentage according to a 1.5°C scenario is as follows:

Baseline

Corporate Emissions in metric tons CO_2e	Scope 1	Scope 2	Scope 3	Total	% reduction in metric tons CO_2e
2019 Baseline	12	5	256	273	
2021 Current *(Due to COVID-19 restrictions we consider 2020 and 2021 outliers, especially for business travel.)*	13	7	58	78	72% (vs. baseline year 2019) -4% (vs. previous year)
2030 Forecast	6	2.5	128	136	50%

					(vs. baseline year 2019)

Definitions:

- **Scope 1** - Energy consumption from gas use in corporate offices
- **Scope 2 (market-based)** - Energy consumption from purchased electricity use in corporate offices
- **Scope 3** - Business travel from air travel, upstream well-to-tank emissions, personal vehicles for business purposes and taxi travels, Employee commuting, home-working emissions, electricity transmission and distribution, water supply and treatment, waste, emissions stemming from cloud-based storage
- **Science based targets** - Targets adopted by companies to reduce GHG emissions are considered 'science-based' if they follow a pathway that is consistent with the latest climate science and keeping warming to 1.5°C. Science-based targets show how much and how quickly companies need to reduce their GHG emissions to prevent the worst effects of climate change.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE

In our 2020 Annual Report, we made our first voluntary disclosure against the Financial Stability Board's Task Force on Climate-Related Financial Disclosure ('TCFD') recommendations, where we set ambitious targets to screen all our investments for climate risk and better quantify our GHG emissions. During the same year we also demonstrated our ambition by becoming a 'TCFD Supporter'.

We are pleased to present our second disclosure against the TCFD recommendation in which we report against all 11 of the recommended TCFD disclosures, again on a voluntary basis.

We continue to align our business with the TCFD recommendations and, during the past year, we made progress on a number of initiatives related to climate strategy, risk management and metrics and targets, including:

- Developing a climate-risk methodology and framework to identify, assess, monitor and report on physical and transition risks associated with climate change.
- Enhancing our internal ESG Due Diligence to formally identify and evaluate material climate risks and opportunities.
- Completing a GHG inventory for BBGI's Corporate Emissions and commenced the process at our portfolio companies consistent with the GHG Protocol.
- Making a commitment to investing aligned with net zero emissions by 2050 or sooner and the implementation of science-based targets and standardised methodologies through which to deliver these commitments. This included joining the NZAM Initiative and committing to work in partnership with our public sector clients on decarbonisation goals.
- Expanding the use of metrics and targets, including those related to GHG emissions.

Assessing Climate Risk

BBGI began to incorporate climate-related risk into our risk management framework in 2020 and in the same year we began screening all new investments, using a proprietary climate-resilient infrastructure questionnaire. This proprietary 40 question screening tool was based on the OECD 2018 Report on Climate Resilient Infrastructure and the World Bank Climate and Disaster Risk Screening policies. We later undertook a review of all our existing assets using this same tool to better understand the effects that climate change could have on our business.

As part of our evolving sustainability journey and our commitment to continuous improvement, in 2021 we engaged a climate-modelling specialist firm to undertake a detailed review of all our infrastructure investments, to consider how both physical and transition risks could impact our investments due to climate change.

- **Physical risks**: extreme weather events and gradual changes in climate
- **Transition risks**: policy, legal, technology, consumer preferences and reputation

Physical risks considered consisted of eight different acute and chronic climate perils, including: river flood, surface water/pluvial flood, coastal inundation including sea-level rise, windstorm/hurricane, forest fire, subsidence/soil movement, heat stress/extreme heat/drought and freeze-thaw. Two different potential climate scenarios were considered: '**Paris Aligned**' scenario with a warming of ~+1.0°C by 2100 (RCP2.6) and a '**High emissions**' scenario with a warming of ~+3.7°C by 2100 (RCP8.5)[xxx]. These different climate perils were modelled across three time periods (2020, 2050 and 2100) for each of the climate scenarios.

In addition to the above noted analysis, we are currently undertaking an enhanced 'deep-dive' assessment on twenty of our assets to better understand climate risks across our portfolio.

Transition risks considered included policy risks, legal risks, technology risks, reputational risks and change in market preferences. Transition risks and opportunities are also being considered and discussed.

Key Findings

- All 54 assets have been modelled based on 'Paris-Aligned[xxxi]', 'and 'High emissions[xxxii]' scenarios across three time periods (2020, 2050 and 2100[xxxiii])
- 53 assets have a medium or lower risk score today
- 51 assets have a medium or lower risk score in 2050 under a 'High emissions' scenario
- 3 assets have a high risk in 2050 under 'worst case' scenario
- 17 out of our Top 20 assets have a low or very low exposure in 2050 under 'Paris-Aligned' and 'High emissions' scenarios
- 50 assets have the same risk score today and in 2050 under a 'High emissions' scenario

Physical Risk Insights

Overall, scenario analysis has highlighted the majority of the BBGI portfolio is very resilient to climate hazards both today and under future climate warming scenarios.

- Out of 54 assets modelled, only three have a high risk under a 'High emissions' scenario by 2050. Under a 'Paris-Aligned' scenario, only one asset has a high risk across the same timescale.
- Of the three assets with a high risk under a 'High emissions' scenario, we note that our concession period on the three assets terminates between 2030 and 2040, and thus we do not expect them to have material impact on our wider portfolio.
- Where there is risk within our portfolio, the driving peril is flood. Physical impacts are principally caused by river or coastal flooding; however, surface water flooding is increasingly prominent under future climate change scenarios.
- 17 of BBGI's top 20 assets all have a low or very low risk exposure today, and in 2050 under 'Paris-Aligned' and 'High emissions' scenario.
- The risk profile of BBGI's portfolio remains constant for 50 assets over the next 30 years, the climate risk profile of BBGI's portfolio remains relatively constant for the majority of assets, particularly when overlaying our concession periods, which do not extend further than 2051 for any asset.
- We note that modelling currently only considers present-day government-funded defence infrastructure in place. When local mitigation measures are also taken into account, this may further reduce the exposure of our assets to climate change.

Transition Risk Insights

We recognise the effects transition risks have on our business. In the table below, we outline the potential impacts of policy, technology, reputational and market risks across the infrastructure sector.

Transition Risk Category	Industry Trends	Mitigating Actions
Policy and legal risk: Legislation enacted by national and local governments to price and penalise GHG emissions	We anticipate that as society attempts to reduce global warming, the cost of carbon taxation will increase and potentially impact businesses. Carbon pricing and exposure to litigation may also increase globally, encouraging businesses to reduce their own GHG emissions.	We are exploring ways to further minimise our carbon footprint in line with our net-zero commitment. We recognise decarbonisation as a priority and a key focus area for BBGI.
Technology risk: Disruptive technology changes in key sectors of the economy responding to changing energy needs	Technology risks may arise across infrastructure assets where changes and adaptations to new, low-carbon materials and technologies arise.	We are exploring ways to implement the use of increasingly environmentally-friendly and sustainable materials across our assets such as low carbon alternatives for road surfaces, electric vehicles charging infrastructures and switching to energy-efficient or motion sensor equipment during planned refurbishments. We will continue to investigate new technologies which can improve the environmental efficiency of our assets in the long term.
Reputational risk: Investor and client sentiment influenced by the Company's actions to manage climate change risk	Globally there is increasing focus on businesses to minimise their carbon footprint. Reputational risk may arise where companies do not take sufficient action to decarbonise or integrate sustainability across their operations.	We recognise the need to decarbonise our portfolio companies and are developing a number of strategies to begin reducing our emissions footprint. We continue to work with our public sector clients and subcontractors to communicate our decarbonisation plans, propose carbon footprint and net-zero assessments and ensure we continue to align with regulatory requirements for reporting on and managing our ESG and climate risks.
Market risk Market disruption, changes in client preferences, cost of capital and valuation changes, as investors prioritise returns from low carbon companies	Transitioning into a low carbon society has potential implications on client and investor appetite and demand.	We are making voluntary TCFD Disclosures to satisfy investor priorities and monitor ESG and sustainability regulations and reporting requirements, to maintain our compliance.

As the Company is considered an investment trust it is therefore not in scope of the Financial Conduct Authority's (FCA) requirement for commercial companies with a premium listing to make TCFD disclosures. Notwithstanding this exemption, the Management Board recognise the importance of the TCFD and its related disclosures and has, as a result, taken the voluntary decision to fully report against the TCFD recommendations.

In the following section we report the progress we have made across each of TCFD's four pillars: Governance; Strategy; Risk Management; and Metrics and Targets. We have made material improvements toward assessing our climate-related risks and opportunities, embedding stronger climate governance and risk management across the business and developing a robust awareness of risk metrics and targets we can use to monitor and track progress.

We are pleased to present our second disclosure against all 11 of the recommended TCFD disclosures:

Governance		
TCFD Recommendation		**Progress to date**
1	Describe the Board's oversight of climate-related risks and opportunities.	• Our Supervisory Board and Management Board recognise the importance of climate-related risk and opportunities and the Management Board has established an executive-led ESG Committee as a sub-committee, comprising of the Co-CEOs, the CFO, the ESG/Sustainability Director and the Corporate Secretary to govern all climate and ESG-related activities. • This ESG Committee meets at least quarterly, and in relation to environmental matters reviews both the climate-related risks facing the Company and its GHG emissions reductions targets. The Risk Manager and the Management Board ensure that any risks/opportunities can be addressed through the Company strategy, risk management procedure and responsible investment approach. • The Management Board considers climate-related issues when setting strategy, approving annual budgets, monitoring performance metrics and targets, approving climate change-related disclosures and overseeing potential portfolio acquisitions. • The Supervisory Board's constituted Remuneration Committee designs reward structures for our Management Board executives in ways that foster long-term value-creation and reinforce the organisation's ability to achieve its climate change goals and

		targets. In 2021, the Remuneration Committee introduced LTIP targets related to reducing GHG emissions. **More details on our remuneration policy are provided in the Remuneration Report section of this Annual Report.**
2	Describe management's role in assessing and managing climate-related risks and opportunities.	• The ESG Committee meets at least quarterly, in relation to environmental matters and reviews both the climate-related risks facing the Company and its GHG emissions reductions targets. The Risk Manager and the Management Board ensure that any risks/opportunities can be addressed through the Company strategy, risk management procedure and responsible investment approach. • Our ESG Committee is led by our dedicated ESG Director, and together with the Management Board, maintains our ongoing commitment to manage the dual impacts of both physical risk events on our assets and the transition towards becoming a low carbon business and delivers our sustainability programmes. • Management Board's roles cover the following areas: o The **Investment decisions** incorporate ESG and climate-related risks and opportunities assessments during the due diligence phase for new acquisitions. All existing and all new investment opportunities are screened for climate risks and ESG factors. o The **Risk Management Function** assesses the firm's exposures across all risks compared with its stated risk appetite, including the long-term consequences of climate change along our asset's concession periods. o **Corporate governance** obligations and oversight responsibilities in relation to climate-related risks and the review of the Company's approach to disclosures, including those relating to climate change. o The **Compliance Function** undertakes an internal compliance monitoring programme, including our policies relating to sustainability including climate change. Full responsibilities of our ESG Committee are outlined in our ESG Committee Terms of Reference which can be viewed on the Company's website www.bb-gi.com/esg/. • In 2021, BBGI commissioned an independent carbon footprint assessment and verification of its Scope 1-2 and 3 GHG emissions, as well as a detailed climate change impact assessment for its entire portfolio, to identify and assess climate-related risks and opportunities across various climate scenarios. The results of this in-depth exercise will inform our long-term strategy and sets the foundation for further embedding climate-related risks into our engagement approach and investment decision process.
Strategy		
TCFD Recommendation		**Progress to date**
3	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	• In 2021, we have chosen to focus on undertaking an extensive, more detailed quantitative assessment of physical risk exposure across our entire asset portfolio to better identify climate-related risks that could have a material financial impact on the business, supporting wider management-led decision making. • Our assessment considers climate impacts over short (1-5 years), medium (5-10 years) and long-term (10+ years) time horizons up until 2050, covering the maximum investment life duration of our current portfolio. • Findings from our climate analysis demonstrate a high degree of climate resilience across our asset portfolio both today and under different climate warming scenarios. • Due to our asset's geographical locations, flood-related perils rank amongst the most material physical risks, particularly under a 'High emissions' scenario, although overall exposure may be mitigated through both national and local defence mechanisms and a comprehensive insurance programme. • Beyond 2051, the period when our concessions end and assets revert to public sector clients, climate risk is projected to increase for 17 assets, most notably under a 'High emissions' scenario. While BBGI will not have a financial interest in the assets during this future period, it may create opportunities for BBGI to propose climate mitigation and adaptation measures. • Under a 'Paris-Aligned' scenario it is likely that BBGI can take advantage of opportunities arising from energy transition investment plans from the public sector during planned retrofit interventions or for additional investments. • BBGI are working to understand the impact transition risks will have on the portfolio, particularly where rapid, unexpected changes in legislation or government policy occur.
4	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	• During 2021, we engaged with a climate-modelling specialist firm, leveraging their expertise in climate risk, to better quantify both the materiality and financial impact of physical risks on our entire asset portfolio. • We are committed to ensuring our investment strategy, financial planning and decision-making accounts for climate-related risks and opportunities, ensuring we work with our clients to consider appropriate risk mitigation, adaptation and resilience measures where necessary. • The results of the quantitative climate change assessment will feed into our Company's strategy in a number of ways. It informs us on the type of climate risk each of our assets is exposed to, the magnitude of that risk (from low risk to high risk, if any) and the corresponding reinstatement value (i.e. the potential cost of damage from physical climate risks). This exercise will be complemented during the first part of 2022 by a

		'deep-dive' assessment for 20 of our assets. The outcomes will drive our engagement initiatives as we will share the findings with our public sector clients. • The primary financial impacts of physical climate risks for BBGI were modelled in relation to our portfolio companies until the end of the concession term: our costs model might increase to accommodate increased insurance premiums; however, there is a degree of contractual protection from increased insurance costs. • Our Net Zero Plan lays the foundation of how BBGI intends to transition to a low carbon business as we leverage the outcomes of the quantitative climate-change assessment in order to set our targets and objectives, as well as inform future acquisition screening and strategic portfolio construction.
5	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	• Portfolio-level findings from the quantitative climate change assessment highlight a high-degree of resilience to climate change impacts under scenarios tested. • As exposures are identified from the analysis, we are considering how outputs can inform future decision making. • We have identified one asset with a high risk by 2050 under the 'Paris-Aligned' scenario and three assets under the 'High emissions' scenario. • Any assets we have identified as medium or high risk or considered important to BBGI, are being taken forward to a 'deep-dive' assessment to better identify local resilience and mitigation measures that may further minimise residual climate risk. • A transition to a lower carbon economy also presents a number of opportunities.
Risk Management		
TCFD Recommendation		**Progress to date**
6	Describe the organisation's processes for identifying and assessing climate-related risks.	• Prior to acquiring any new asset, we systematically consider during the due diligence phase whether - and to what extent - material sustainability risks might meaningfully impact our investments, including climate-related risks. When an investment is made, we ensure the ongoing monitoring and management of sustainability risks. We may use inputs from external data providers but typically base our due diligence process on proprietary models and primary data we obtain from our portfolio companies. • The Company's approach to internal controls is risk based. All material risks are identified, analysed, assessed, reported and managed. Sustainability risk, including climate-related risk, is part of what we consider being one of our strategic risks. Since outlining our commitment to better improve our understanding of climate-related risks and opportunities, in 2021 we have chosen to focus on two areas: 1) identifying physical risk exposures to our asset portfolio, and 2) better quantifying our corporate GHG emissions footprint to support identification of future risks arising as we develop our decarbonisation strategy. • To ensure our portfolio remains resilient to climate risk, we will embed these new insights into our investment screening process from 2022 which ensures physical climate risk impacts are assessed for all new investments.
7	Describe the organisation's processes for managing climate-related risks.	• Climate risks identified through our climate risk modelling are managed by our Risk Manager and the Management Board with work continuing to ensure climate risk considerations are formally embedded within risk management procedures. • Recognising that climate risk cross-cuts both our value-driven asset management approach and the essential infrastructure we provide to our clients, work is ongoing to ensure climate risks, where identified, will be actively discussed with public sector clients with the objective of a collective action through influence and stewardship where necessary (e.g. mitigation, risk transfer). It should be noted that BBGI rarely has operational control at its portfolio companies, so the achievement of the targets and objectives will be highly dependent on successfully influencing stakeholders (typically our public sector clients) into taking action. • Through 2021, we have systematically reviewed all existing investments for physical climate change exposure against eight climate perils through quantitative scenario-analysis. This exercise will be complemented during the first part of 2022 by a 'deep-dive' assessment for 20 of our assets considering at this point the mitigation measures in place for each asset. • Our engagement activities are undertaken by our asset managers in close collaboration with our public sector clients and local contractors. Informed by the result of both our internal ESG KPI survey and the results of our climate change assessment, over time, each portfolio company will systematically develop and share an action plan with our public sector clients to suggest adaptation and mitigation measures they may want to consider. The ESG Committee will receive regular progress updates from the various portfolio companies and, through its reporting, will facilitate direct oversight at Management Board level. • By voluntarily applying the TCFD regulatory framework, BBGI is gradually reinforcing numerous aspects of sustainability as a strategic agenda item: risk and opportunities identification, management of climate-risk exposure and disclosure of relevant metrics and targets. • BBGI is required to comply with the EU Sustainable Finance Disclosures Regulation ('SFDR').
8	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the	• Through 2020 and 2021, we have made systematic enhancements to our risk management procedures to integrate climate-related risk. • Where material climate risks are identified, these are escalated where necessary to the ESG Committee and the Management Board at least quarterly, ensuring risks can then be appropriately assessed, managed and monitored per our risk management procedure.

<table>
<tr><td></td><td>organisation's overall risk management.</td><td>• To ensure our portfolio remains resilient to climate risk, we will embed our findings into our investment screening process which ensures physical climate risk impacts are assessed for all new investments.</td></tr>
<tr><td colspan="3">Metrics and Targets</td></tr>
<tr><td colspan="2">TCFD Recommendation</td><td>Progress to date</td></tr>
<tr><td>9</td><td>Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</td><td>• Through scenario analysis conducted through 2021, we are now embedding enhanced physical risk metrics across our risk management processes and will embed climate-related risks and opportunities in line with our strategy. Principally, we have quantified both physical severity risk scores and projected financial impacts (expressed as an Average Annualised Loss) from 2020 to 2100 for every asset under each warming scenario assessed.
• We recognise the importance of continually improving both our climate scenario analysis methodology and the metrics we use to track and monitor exposures across our portfolio, and therefore we will review and update our results and key metrics as necessary to ensure we maintain an up-to-date picture of climate risk across our investments and future acquisitions.
• BBGI is disclosing its Corporate Scope 1, 2 and 3 GHG emissions with a 2019 baseline. We have been certified a Carbon neutral company for our 2021 Corporate Emissions. Over the course of the year we standardised the reporting from our portfolio companies and from 2022 onwards will report on portfolio GHG emissions.
• Our targets for reducing our GHG emissions in line with the Paris Agreement have been set in line with science-based targets that are consistent with achieving net zero global emissions by 2050, or sooner.
• As a result of our continuous stakeholder engagement and the robust materiality assessment performed in 2021, as well as ongoing asset monitoring, we are now able to report a robust set of additional metrics and targets for each of our ten most material ESG topics.</td></tr>
<tr><td>10</td><td>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks</td><td>• Our GHG emissions inventory covers all GHG emissions from our Corporate Emissions and our Financed Emissions, as per the GHG Protocol.
• In 2021, BBGI's calculated Corporate Emissions are estimated to be c. 78 TCO_2e (under the market-based approach). Almost 49% of emissions analysed during this study are from business travel (mainly air travel). Due to COVID-19, 2020 and 2021 are considered an outlier in terms of business travel emissions.
• In 2019, BBGI's calculated Corporate Emissions were estimated to be c. 273 TCO_2e, which serves as our baseline year.
• Our GHG emissions have been independently verified for 2019, 2020 and will be for 2021. BBGI is a certified CO_2 Assessed Organisation.
<table>
<tr><th rowspan="2">Scope</th><th rowspan="2">Activity</th><th>2021</th></tr>
<tr><th>Tonnes CO_2e</th></tr>
<tr><td>Scope 1</td><td>Gas</td><td>13.40</td></tr>
<tr><td colspan="2">Scope 1 Sub Total</td><td>13.40</td></tr>
<tr><td rowspan="2">Scope 2</td><td>Electricity (location-based)</td><td>3.70</td></tr>
<tr><td>Electricity (market-based)</td><td>7.20</td></tr>
<tr><td colspan="2">Scope 2 Sub Total (location-based)</td><td>3.70</td></tr>
<tr><td colspan="2">Scope 2 Sub Total (market-based)</td><td>7.20</td></tr>
<tr><td rowspan="6">Scope 3</td><td>Air travel</td><td>32.95</td></tr>
<tr><td>Upstream well-to-tank</td><td>11.22</td></tr>
<tr><td>Home-working</td><td>4.98</td></tr>
<tr><td>Personal vehicles for business purposes</td><td>4.29</td></tr>
<tr><td>Employee commuting</td><td>3.69</td></tr>
<tr><td>Other</td><td>0.58</td></tr>
<tr><td colspan="2">Scope 3 Sub Total</td><td>57.71</td></tr>
<tr><td colspan="2">Location-based total tonnes of CO_2e</td><td>74.81</td></tr>
<tr><td colspan="2">Market-based total tonnes of CO_2e</td><td>78.31</td></tr>
</table></td></tr>
<tr><td>11</td><td>Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</td><td>• Targets have been set in line with science-based targets that are consistent with achieving net zero global emissions by 2050, or sooner.
• The main driver for achieving Financed Emissions reduction targets will come from the increasing alignment of portfolio companies with net zero pathways.
• BBGI rarely has operational control at its portfolio companies, so the achievement of the targets and objectives will be highly dependent on successfully influencing stakeholders (typically our public sector clients) into taking action to achieve these goals.
• BBGI's commitment to net zero can be distilled into various targets:
Corporate Emissions
o Reduce our Corporate Emissions Scope 1, 2 and 3 by 50% by 2030 (aligned to a 'Paris-Aligned' reduction pathway using the absolute contraction approach).
o Net zero Corporate Emissions Scope 1, 2 and 3 by 2040.
o Carbon neutral from 2021 onwards at corporate level. All residual, including unavoidable Corporate Emissions, will be offset by purchasing high quality offsets to obtain carbon neutrality beginning in 2021.
Financed Emissions</td></tr>
</table>

		o Report Financed Emissions (Scope 1 and Scope 2 at portfolio companies) for 100% of portfolio companies beginning from 2022 onwards. o Engage with our top 20% of emitters to discuss emission reduction strategies by 2024. o Develop net zero plans for 50% of portfolio companies by 2025 and for 100% of portfolio companies by 2030. o Reduce our Financed Emissions portfolio companies Scope 1 and 2 emissions and, to the extent possible, material portfolio companies Scope 3 emissions by 50% by 2030. o Overall net zero Financed Emissions by 2050 or sooner. • Throughout 2022, we will continue to build on the results of the physical climate change scenario analysis, working with our asset managers and public sector clients to set clear targets which support the effective management of climate-related risks and opportunities. • Going forward we will consider each new acquisition using the same physical climate risk analysis. **More details on our targets scope, time frame, base year and metrics can be found in the 'Net Zero commitment' section of this Annual Report.**

SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR)

The EU SFDR is a new set of European Union rules that came into effect on 10 March 2021, which aim to provide transparency on sustainability within financial markets with the goal to making the sustainability profile of funds more comparable and easier to understand for investors. SFDR focuses on categorising products into specific types, providing information with regards to the integration of sustainability risks and pre-defined metrics for assessing the ESG impacts of the investment process.

BBGI is an Article 8 product under SFDR

Under SFDR, the Company takes the view that it falls within the scope of Article 8, where the investment product promotes environmental and/or social characteristics and follows good governance practices. The information in this section describes our approach to SFDR. More information is available in our SFDR Disclosures here: www.bb-gi.com/esg/.

How does SFDR impact BBGI?

As currently prescribed under SFDR, from January 2023 onwards, there will be a mandatory requirement under SFDR to consider all mandatory and certain selected voluntary SFDR indicators as part of our approach to ESG integration, and to disclose our consideration of these indicators through a **Principal Adverse Sustainability Impact statement.**

To be ready for these new requirements, we reviewed the new SFDR framework and identified the necessary data which will have to be collected from our portfolio companies. Our existing 23-questions ESG KPI survey was updated and expanded into an 82-question screening tool covering all aspects of our ESG oversight. This new document, **BBGI's ESG Best Practice Guide,** was introduced to all our portfolio companies and subcontractors during various webinars in 2021.

The 82-questions screening and management tool will provide us with the appropriate date so we can report against the new mandatory and voluntary metrics in the future. Where possible and appropriate, each response is scored against our own minimum requirements, industry benchmarks and national statistics or against a relative year-to-year improvement. As a result, our portfolio becomes a reference group, from which we can set targets for future improvements.

Description of Principal Adverse Sustainability Impacts

BBGI is committed to having a robust internal approach in place to ensure we identify and properly consider how our investment decisions may have positive and/or negative impacts on the environment, people and society[xxxiv]. Sustainability impact assessment is central to our long term oriented investment approach, which integrates environmental, social and governance factors into our strategy, investment approach, risk management, due diligence process, asset management and reporting.

Principal Adverse Sustainability Impacts indicators

BBGI began the process of collecting the required information and will report against SFDR Principal Adverse Sustainability Impact indicators.

CORPORATE GOVERNANCE

INTRODUCTION

Our Governance Structure

BBGI is internally managed and operates with a two-tier governance structure that comprises a Management Board and a Supervisory Board. The responsibilities of each are outlined in this Report.

Management Board

The Management Board is responsible for the management of the Company and its representation vis-à-vis third parties (e.g., entry into agreements on behalf of the Company). Its principal responsibilities lie in all operational management activities of the Company, including the discretionary investment management of the Company's investments as well as setting and implementing the overall strategy for the Group. The Management Board is ultimately responsible for implementing risk management, monitoring operational risks and measures related to risks.

In carrying out the function of investment manager via the Management Board, the Company does not engage an external investment manager to provide such investment management services.

The Management Board is also responsible for the overall administration of the Company, including the preparation of semi-annual valuations; statutory financial statements; management accounts and the business plan that defines the Company's active approach to asset management. Given its role as investment manager, the Management Board is the primary interface for investor relations, including engagement with the Supervisory Board on shareholders' behalf.

Supervisory Board

The roles of the Supervisory Board are (a) to appoint and, where relevant, dismiss the members of the Management Board; (b) carry out the permanent supervision of the management of the company by the Management Board, without being authorised to interfere with such management, and (c) exercise the powers attributed to the Supervisory Board by the Company's articles which include: supervising and monitoring the appointment of the Company's service providers and those of its subsidiaries; reviewing the levels and structure of the remuneration, compensation, and other benefits and entitlements of the Management Board; considering any prospective issues, purchases or redemptions of shares that are proposed by the Management Board; reviewing and monitoring compliance with the corporate governance framework and financial reporting procedures within which the Company operates; reviewing and (if thought fit) approving interim and annual financial statements and providing general supervisory oversight to the Management Board and the operations of the Group as a whole.

The Supervisory Board consists solely of the independent Non-Executive Directors and the Supervisory Board Chair, who was also considered independent at the time of her appointment.

Notwithstanding this, the Directors on both the Management and Supervisory Boards are accountable under the Listing Rules as the Listing Rules do not distinguish between different types of directors.

In particular, for such time as the Company's shares are listed on the Official List of the UK Listing Authority, the Supervisory Board and the Management Board act as one in approving any circular or corporate action where the Listing Rules require the recommendation of the board of directors of a publicly listed company (or where such recommendation is customarily given). Any responsibility applied to Directors under the Listing Rules applies to all directors of the Company.

Governance and Regulatory Environment

As an internally managed investment company, having effective controls in place is paramount to securing the sound financial and operational performance of the Company's investments. The Company recognises the importance of effective engagement with its stakeholders, viewing it as a key part of its own long-term success and sustainability.

BBGI is a member of the Association of Investment Companies ('AIC') and as such reports against the AIC Code of Corporate Governance (the 'AIC Code').

The Company have considered the Principles and Provisions of the AIC Code. The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code 2018 (the 'UK Code'), as well as setting out additional Provisions on issues that are of specific relevance to the Company as an Investment Company. BBGI considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides relevant information to shareholders.

For the most part, the Company has complied with the Principles and Provisions of the AIC Code and where it currently does not, an explanation is provided. Those specific Provisions where the Company does not comply are outlined below along with the section reference for the accompanying explanation:

- AIC Code Provision 10 (at least half the board excluding the chair, should be non-executive directors which the board considers to be independent): see Management Board - General section;
- AIC Code Provision 13 (circumstances likely to impair, or appear to impair a non-executive director's independence - serving in excess of nine years): See Board Composition, Tenure and Diversity section;
- AIC Provision 17 (in relation to establishing separate Management Engagement Committee): See Committees of the Supervisory Board;
- AIC Provision 23 (All directors should be subject to annual re-election by the shareholders): See Management Board - General section.

Whilst BBGI is a non-domiciled publicly listed entity on the UK London Stock Exchange, to which the UK Companies Act 2006 (the 'CA2006') has limited application, the Company recognises the value that all its stakeholders bring to the business. As such, BBGI acknowledges the continuing requirement under Section 172(1) CA2006 for boards of UK large or publicly listed companies to take stakeholder interests into account and further to report on how they have done so when performing their duties.

Details of how the Company adopts the spirit of those provisions and considers its stakeholders can be found in the ESG section of this Annual Report, which details the Company's commitment to generating positive and sustainable outcomes for our stakeholders.

RELEVANT APPLICATION OF EUROPEAN UNION AND LUXEMBOURG LAW

The Company is regulated by the CSSF under Part II of the amended Luxembourg law of 17 December 2010 on undertakings for collective investments, and is subject to the Luxembourg amended law of 12 July 2013 on Alternative Investment Fund Managers ('AIFM Law') that implemented the EU Alternative Investment Funds Managers Directive ('AIFMD') into national legislation.

AIFM

There have been no material changes during the year in respect of Art. 20 Para. 2(d) of the AIFM Law that would warrant further disclosure to shareholders.

Material Risk Takers

There has been no change in the Company's Material Risk Takers, who, in accordance with Luxembourg's AIFM law of 12/07/2013, are identified as the members of the Management Board.

SUPERVISORY BOARD AND MANAGEMENT BOARD

As at 31 December 2021

Name	Function	Independence	Age	Original appointment	Next renewal date	Attendance at Meetings (meetings held in the year)			
Supervisory Board						**Supervisory Board (7)**	**Audit Committee (3)**	**Nomination Committee (4)**	**Remuneration Committee (4)**
Sarah Whitney	Chair of Supervisory Board	Independent	58	01-May-19	29-Apr-22	7	3	4	4
Howard Myles	Senior Independent Director	Independent	72	03-Oct-11	To step down 29-Apr-22	7	3	4	4
Jutta af Rosenborg	Chair of Audit Committee	Independent	63	01-Jul-18	29-Apr-22	7	3	4	4
Chris	Director of the	Independent	63	01-May-21	29-Apr-22	4	1	2	1

Waples[(i)]	Supervisory Board					

[(i)]Mr Waples was appointed with effect from 1 May 2021, and attended all meetings held following his appointment. Additionally, Mr Waples was invited to attend the Supervisory Board meeting held 29 April 2021 as an observer.

Name	Function	Independence	Age	Original appointment	Next renewal date	Attendance at Meetings
Management Board						**Management Board (24)**
Duncan Ball	Member of the Management Board	Non-independent	56	05-Oct-11	05-Oct-22	24
Frank Schramm	Member of the Management Board	Non-independent	53	05-Oct-11	05-Oct-22	24
Michael Denny	Member of the Management Board	Non-independent	44	30-Apr-13	30-Apr-22	24

The tables above set out the expiry dates of the current terms of the Directors' appointments, as well as meeting attendance. All appointments may be renewed in accordance with the provisions of the Company's Articles.

BIOGRAPHIES OF DIRECTORS

Supervisory Board

Sarah Whitney

Chair of the Supervisory Board and Nomination Committee

Ms Whitney brings a 35-year career advising on strategy, corporate finance, real estate and economic matters. Her executive roles included corporate finance partner at PricewaterhouseCoopers; she set-up and led the Government & Infrastructure Team at CB Richard Ellis; and prior to that, she was head of the Consulting & Research business at DTZ Holdings plc (now Cushman & Wakefield).

For over 15 years, Ms Whitney's career has been focused on the provision of consultancy services to national and local governments, investors, and real estate companies on matters pertaining to real estate, economic growth, infrastructure and investment. Her early career was spent as an investment banker advising major corporates on M&A transactions.

Ms Whitney became Chair of the Supervisory Board on 31 July 2020. Ms Whitney is also Chair of the Nomination Committee.

Ms Whitney has a BSc in Economics & Politics from the University of Bristol and is a Fellow of the Institute of Chartered Accountants of England and Wales.

Ms Whitney serves as a Non-Executive Director of two other listed companies; JPMorgan Global Growth & Income plc (where she also serves as Chair of the Audit Committee) and Tritax EuroBox plc (appointed with effect from 14 February 2022). She is Treasurer and a Member of the Council of University College London.

Howard Myles

Chair of the Remuneration Committee and Senior Independent Director

Howard Myles began his career in stockbroking in 1971 as an equity salesman, before joining Touche Ross in 1975 where he qualified as a chartered accountant. In 1978, he joined W. Greenwell & Co in the corporate broking team, and in 1987 moved to SG Warburg Securities where he was involved in a wide range of commercial and industrial transactions, in addition to leading Warburg's corporate finance function for investment funds. Mr Myles worked for UBS Warburg until 2001 and was subsequently a partner in Ernst & Young LLP from 2001 to 2007, where he was responsible for the Investment Funds Corporate Advisory team.

Mr Myles became Senior Independent Director on 31 August 2018, and Chair of the Remuneration Committee on 29 June 2020.

Mr Myles holds an MA from Oxford University.

He is a Fellow of the Institute of Chartered Accountants and a Fellow of the Chartered Institute for Securities and Investment.

Mr Myles serves as a Non-Executive Director of three other listed investment companies; Baker Steel Resources Trust Limited, Aberdeen Latin American Income Fund Limited and Chelverton UK Dividend Trust plc.

Having served as a Non-Executive Director of the Company since IPO, Mr Myles will step down, and does not intend to stand for re-election, at the upcoming 2022 AGM.

Jutta af Rosenborg

Chair of the Audit Committee

Jutta af Rosenborg has extensive experience in management and strategy derived from senior operational roles in a number of companies and significant experience with group finance and auditing, risk management, mergers & acquisitions and streamlining of business processes.

Ms af Rosenborg served as the Chief Financial Officer, Executive Vice President of Finance and IT, and Member of the Board of Management at ALK-Abelló A/S until 2010. Prior to this, Ms af Rosenborg served at Chr. Hansen Holding A/S as its Vice President of Group Accounting from 2000 to 2003. From 1978 to 1992, she worked for the Audit Group at Deloitte.

Ms af Rosenborg became Chair of the Audit Committee on 31 August 2018.

Ms af Rosenborg obtained a certificate in Business Administration from Copenhagen Business School in 1982, gained an MSc in Business Economics and Auditing from Copenhagen Business School in 1987 and qualified as a state authorised public accountant in 1992.

Ms af Rosenborg serves as a Non-Executive Director on three other listed companies; abrdn plc, Nilfisk Holding A/S and JP Morgan European Growth & Income PLC.

Chris Waples

Independent Director

Chris Waples CDir FIoD has 35 years' global experience of managing the acquisition, construction and divestment of infrastructure projects. Mr Waples has an extensive track record of asset management in progressive high-profile companies, including 12 years with the John Laing Group plc where he held the position of Executive Director Asset Management and led the international portfolio of PPP assets across Europe, North America and Asia Pacific regions.

Mr Waples was a member of the executive team that oversaw the successful initial public offering of the John Laing Group plc in February 2015 with approximately a £1 billion market capitalisation. Additionally, he held the positions of Chair of the Investment Committee, Chair of the Investment Portfolio Committee and Trustee of the John Laing Charitable Trust. He previously served as Managing Director of Amey plc, for public and private sector clients, before and leading up to its acquisition by Groupo Ferrovial. Prior to this, he held senior positions with Scottish Power plc and Blue Circle plc.

Mr Waples is a Fellow and Chartered Director of the Institute of Directors and holds a Postgraduate degree in Management Studies as well as Agricultural Engineering LICG.

Mr Waples was appointed by shareholders at the Company's 2020 AGM as a Non-Executive Director with effect from 1 May 2020.

Mr Waples does not hold any Non-Executive Director positions at any other listed company.

Management Board

Duncan Ball

Co-CEO and member of the Management Board

Duncan Ball has been Co-CEO of BBGI from inception and was actively involved in the establishment and IPO of BBGI in 2011 and the subsequent growth from 19 assets at IPO to 54 assets at the end of the reporting period.

Mr Ball has worked in the infrastructure sector, investment banking and advisory business for over 30 years. As Co-CEO of BBGI, he is responsible for overall strategy and management of the Company. He is one of three members of the Management Board and sits on the Group's Investment and ESG Committees.

Additionally, he is a shareholder representative and holds directorships in key investments of BBGI.

Frank Schramm

Co-CEO and member of the Management Board

Frank Schramm has been Co-CEO of BBGI from inception and was actively involved in the establishment and IPO of BBGI in 2011 and the subsequent growth from 19 assets at IPO to 54 assets at the end of the reporting period.

Mr Schramm has worked in the infrastructure sector, investment banking and advisory business for over 25 years. As Co-CEO of BBGI, he is responsible for overall strategy and management of the Company. He is one of three members of the Management Board and sits on the Group's Investment and ESG Committees.

Additionally, he is a shareholder representative and holds directorships in key investments of BBGI.

Michael Denny

CFO and member of the Management Board

Michael Denny has over 20 years' experience in corporate finance with a focus on the infrastructure and real estate sectors.

He joined BBGI in early 2012, shortly after the Company's IPO. As CFO of the Group, he is primarily responsible for all corporate financial matters including but not limited to financial reporting, UK listing requirements, taxation, foreign exchange hedging and regulatory compliance. Mr Denny is a member of the Management Board and sits on the Group's Investment and ESG Committees.

SUPERVISORY BOARD

General

The Supervisory Board currently consists of four Independent Non-Executive Directors.

In accordance with the Articles, all members of the Supervisory Board are elected for a period ending at the AGM of the Company in April each year, at which time they are required to retire. They may, if they so wish, offer themselves for re-election by shareholders. However, re-appointment is not automatic.

The Supervisory Board believes that its members continue to have an appropriate combination of skills, experience and knowledge to enable them to fulfil their obligations.

The Supervisory Board members have a breadth and diversity of experience relevant to the Company, and the Company believes that any future changes to the composition of the Supervisory Board can be managed without undue disruption.

The Supervisory Board meets at least four times a year and between these formal meetings, there is regular contact with the Management Board and the Company's corporate brokers. Where necessary, both Supervisory and Management Board members also have access to independent professional advice at the expense of the Company.

The Supervisory Board considers items laid out in the Notices and Agendas of meetings which are formally circulated to its members in advance of the meeting as part of the Board papers. At each meeting, members are required to advise of any potential or actual conflicts of interest prior to discussion.

In performing its role, the Supervisory Board meets at least quarterly where it reviews investment performance and associated matters, compliance and risk management activities, the performance of key service providers, investment and financial controls, marketing and investor relations, general administration, peer group information, industry issues and other matters relevant to fulfil the supervisory oversight remit.

Each of the Supervisory Board members continues to be considered as independent, and the Supervisory Board is not aware of any circumstances which are likely to impair, or could appear to impair, the independence of any of the Supervisory Board members.

The Supervisory Board has formally established Audit, Remuneration and Nomination Committees, further details of which are contained below and in each of the respective Committee reports.

Audit Committee

In accordance with provision 29 of the AIC Code and the Disclosure Guidance and Transparency Rules ('DTR') rule 7.1, the Company has a formally constituted Audit Committee, to which the Supervisory Board has delegated its responsibility for the general oversight and monitoring of the Company's compliance with various financial and regulatory controls, in accordance with AIC Code and Disclosure and Transparency Rules requirements.

The Audit Committee operated throughout the year in accordance with the AIC Code. As indicated above, it does so within clearly defined terms of reference, which are regularly reviewed, including all matters indicated by DTR 7.1 and the AIC Code. It comprises the four independent Non-Executive Directors who are also members of the Supervisory Board: Jutta af Rosenborg is Chair of the

Committee, and Sarah Whitney, Howard Myles and Chris Waples are the other members. Mr Myles will step down as a member of the Committee at the conclusion of the 2022 AGM. The AIC Code Provision 29 states that the Chair of the Board should not chair the Audit Committee, but can be a member if they were independent on appointment. The Board and Committee are of the opinion that Ms Whitney's experience and competencies, along with the relatively small size of the Board, warrants her membership of the Committee. Furthermore, Ms Whitney was considered to be independent on appointment.

The Audit Committee is required to report its findings to the Supervisory Board, identifying any matters on which it considers that action or improvement is recommended. In the event of any conflict between the provisions of the AIC Code and the provisions of the law on the Audit Profession, the Company will comply with the provisions of the law on the Audit Profession and will disclose any such conflict.

The External Auditor is invited to attend and present the conclusions of its work at those Audit Committee meetings at which the annual and interim financial statements are considered, and at other times if considered necessary by the Audit Committee.

The Audit Committee meets not less than three times per year, and at such other times as the Audit Committee Chair may require. Additional meetings may be requested by any other member of the Audit Committee, or the External Auditor, if deemed necessary. Other Directors and third parties may be invited by the Audit Committee to attend meetings as and when appropriate.

Further details on the Audit Committee and its work during the year, including details on the tendering and selection of a new External Auditor can be found in the Audit Committee report.

The Audit Committee Chair attends each AGM of the Company and is prepared to respond to any shareholder questions on the Committee's activities.

The Audit Committee terms of reference are available on the Company's website and can also be requested directly from the Company Secretary.

Remuneration Committee

In accordance with AIC Code provision 37, the Company has a formally constituted Remuneration Committee, to which the Supervisory Board has delegated its responsibilities for establishing the general principles of the policy for Directors' remuneration and for setting remuneration for the Management Board, as well as supervising the general remuneration structure and levels for other employees.

It comprises the four Independent Non-Executive Directors who are also members of the Supervisory Board: Howard Myles is Chair of the Committee, Sarah Whitney, Jutta af Rosenborg and Chris Waples are the other members. Mr Myles will step down from his position as Chair at the conclusion of the 2022 AGM, with Andrew Sykes expected to take over as Committee Chair.

On reviewing the levels and structure of the remuneration, compensation and other benefits and entitlements of the Management Board of the Company, the Remuneration Committee reports its findings and any recommendations to the Supervisory Board.

Further details on the work of the Remuneration Committee during the year, along with information in relation to both Executive and Non-Executive Directors' remuneration, can be found in the Remuneration Report.

The Remuneration Committee meets no less than two times per year, and at such other times as the Remuneration Committee Chair may require. Additional meetings may be requested by any other member of the Remuneration Committee, if deemed necessary. Other Directors and third parties may be invited by the Remuneration Committee to attend meetings as and when appropriate.

The Remuneration Committee Chair attends each AGM of the Company and is prepared to respond to any shareholder questions on the Committee's activities.

The Remuneration Committee terms of reference, which are kept under regular review, are available on the Company's website and can also be requested directly from the Company Secretary.

Nomination Committee

In accordance with AIC Code provision 22, the Company has a formally constituted Nomination Committee, to which the Supervisory Board has delegated its responsibilities for appointing the members of the Management Board and the appointment of any further Supervisory Board members. Further details on the roles of each of the Committees and their activities undertaken during the year can be found in the section titled Committees of the Supervisory Board.

It currently comprises the four Independent Non-Executive Directors who are also members of the Supervisory Board: Sarah Whitney is Chair of the Committee, and Howard Myles, Jutta af Rosenborg and Chris Waples are the other members.

The Nomination Committee meets to consider the renewal of the appointments of the Management Board members (which appointments are renewable annually for one year only), the appointment of new Supervisory Board members, to review the succession plans for both the Management and Supervisory Boards and oversight of the annual performance evaluation of the Supervisory Board and its formally constituted Committees.

In accordance with AIC Code provision 22, the Chair does not chair any Committee meeting at which her succession is discussed.

The Nomination Committee meets not less than two times per year, and at such other times as the Nomination Committee Chair may require. Additional meetings may be requested by any other member of the Nomination Committee, if deemed necessary. Other Directors and third parties may be invited by the Nomination Committee to attend meetings as and when appropriate.

In recruiting new Directors, the Nominations Committee actively seeks greater diversity by gender, ethnicity, nationality and other criteria, whilst remaining committed to selecting members on merit with relevant and complementary skills to help the Company maximise stakeholder value.

The Company will continue to make future appointments at all levels on the basis of the full merits of the individual candidates, and the strengths, skills and experience that they would bring to the composition and balance of the Management and Supervisory Boards or Company as a whole. The process of appointing any new Directors is led by the Nomination Committee.

The Nomination Committee Chair attends each AGM of the Company and is prepared to respond to any shareholder questions on the Committee's activities.

In accordance with Provision 24 of the AIC Code, the Company has a formal policy on the tenure of the Supervisory Board Chair. The Company acknowledges the Supplementary Guidance under Provision 24 of the AIC Code with regard to a more flexible approach in respect of chair tenure. In the case of the Chair, the need for regular refreshment and diversity must be balanced with the skills and experience of the existing Board and Committee members, and the benefit of retained historic knowledge of the Company's business, all of which are considered as part of the succession plan.

The Nomination Committee terms of reference, which are kept under regular review, are available on the Company's website at www.bb-gi.com/investors/policies/nomination-committee-terms-of-reference/ and can also be requested directly from the Company Secretary.

Further details on the Nomination Committee and its work during the year can be found in the Nomination Committee report.

Management Engagement Committee

Oversight of delegates and key service providers is highly regulated by the Luxembourg CSSF, including formal reporting structures, regular visits and compliance monitoring plans in accordance with the Company's Oversight of Delegated Activities framework. In recognition of the Management Board's primary involvement in the process, the Company being internally managed, and considering the size of the Supervisory Board, the functions of a Management Engagement Committee continue to be conducted by the Supervisory Board as a whole, with Ms Whitney acting as Chair. As a result, the establishment of a separate management engagement committee, as prescribed under AIC Code Provision 17, was considered to be unnecessary as there is no material benefit to the Company and its shareholders.

In its role as Management Engagement Committee, the Supervisory Board met on five occasions during the year under review to consider, together with the Management Board, the performance, effectiveness and appropriateness of the ongoing appointments of the Company's third-party service providers under Principle H of the AIC Code. During these meetings, the Management Board provides feedback and key findings resulting from any onsite meetings with third-party service providers as part of the Company's programme of oversight of delegates and key service providers.

Re-election of Supervisory Board members

In accordance with the Articles, Supervisory Board members are elected for a period ending at the Company's next AGM, at which time they are eligible for reappointment. With the exception of Mr Myles, who will step down on 29 April 2022 following the conclusion of the 2022 AGM, all other members of the Supervisory Board have decided to offer themselves for re-election at the forthcoming AGM and, as a result of the successful performance evaluation, the Supervisory Board recommends the re-election of each of them.

MANAGEMENT BOARD

General

The Management Board comprises three members, each contractually engaged by BBGI Management HoldCo S.à r.l., a direct consolidated 100 per cent. held subsidiary of the Company. As a result, no member is deemed independent under AIC Code Provision 10. However, the Management Board's functions are overseen by the Supervisory Board which itself meets the independence criteria set out in Provision 10. Whilst this two-tier structure is not explicitly covered by the AIC Code, the Company considers that an independent Supervisory Board ensures the Company is compliant with AIC Code Provision 10. Under AIC Code Provision 3, it is the Co-CEOs of the Management Board who seek regular engagement with the Company's major shareholders in order to understand their views concerning significant matters. The Chair of the Supervisory Board is, however, always available to undertake such engagement at shareholders' request.

The Company's Articles require that the Management Board's members be elected on an annual basis by the Supervisory Board, and not by shareholders. As a result, this does not meet the requirements of AIC Code Provision 23, which requires that directors should be subject to election by shareholders. However, as the Management Board carries out the role of investment manager, the Supervisory Board deems it appropriate that it elects the members of the Management Board. The Articles also require that the members of the Supervisory Board themselves be subject to annual election by shareholders, who may also dismiss any such member. Accordingly, the Company considers that this procedure satisfies the requirements of AIC Code Provision 23.

Performance evaluation and re-appointment

As stated above, the Management Board carries out the functions of the Company's investment manager, and its Directors are appointed by the Supervisory Board for a period of one year, which is renewable. Mr Ball and Mr Schramm were both originally appointed on 5 October 2011 at the time of the Company's IPO, with Mr Denny originally appointed to the Management Board on 30 April 2013.

Re-election of the Management Board members

The Supervisory Board evaluates the performance of the Management Board and its Directors annually to ensure that the Management Board and its individual members continue to operate effectively and efficiently, and that the continued appointment of the individual Directors is in the best interests of the Company and its shareholders. Satisfied with the evaluations carried out in 2021, the Supervisory Board resolved to renew Mr Denny's appointment for a further term of one year with effect from 30 April 2021, and those of Mr Ball and Mr Schramm for a further term of one year with effect from 5 October 2021.

Internal controls

The Management Board has established an ongoing process and system of robust internal controls designed to help the Company manage the risks to which it is exposed. Processes have been put in place to manage risk, oversee the internal control framework, and determine the nature and extent of principal risks the Company is willing to take to achieve its long-term strategic objectives. The policies and procedures are reviewed at least annually, together with continual, ongoing monitoring.

During the year, the Company's Compliance and Risk functions continued to review, assess and reinforce its already robust governance and risk controls frameworks. Notwithstanding the challenges presented by the COVID-19 pandemic, which limited in-person meetings and on-site attendance to delegates' offices, the Company continued to stringently monitor and undertake due diligence processes as part of its oversight of the appointed delegates. Where physical meetings were not possible during the year, these interactions were carried out remotely, by way of video and teleconferencing facilities, and were supported by provision of documentary evidence of any reported controls.

Furthermore, at each quarterly meeting, the Supervisory Board monitors the Company's investment performance against its stated objectives and reviews its activities to ensure that the Management Board is adhering to the investment policy and guidelines - including clearly defined investment criteria, return targets, risk profile and compliance framework. During these meetings, the Management Board reports in relation to Key Performance Indicators ('KPIs') on operating performance, cash projections, investment valuations and corporate governance matters. The Head of Compliance and Risk presents the Company's interim and annual Risk report and quarterly Compliance reports separately to meetings of both the Management Board and Supervisory Board or to one of its formally constituted Committees.

The ESG Committee oversees the management of material ESG activities, including climate-related issues and reports to the Management Board on any recommendations and proposed actions following each Committee meeting. The ESG Committee meets at least quarterly, and membership comprises the Co-CEOs, the CFO, the Director ESG / Sustainability and the Company Secretary. Through the ESG Committee, the Management Board remains informed about, amongst other areas, the dual risks to the Company of transitioning to a low carbon economy (with associated increased regulation) and the risk of physical impacts of climate change on the assets in the portfolio. A full-time dedicated Director ESG / Sustainability was appointed in March 2021.

The Company continues to delegate the Internal Audit function to Grant Thornton Vectis in Luxembourg. Internal Audit reviews are performed within the framework of a triennial audit plan as agreed upon by the Management Board and Audit Committee and communicated to the CSSF. Within this timeframe, the nature, timing and extent of the internal audit procedures are determined by an assessment of the risk related to specific activities, and by the complexity and sophistication of the Company's operations and systems, including the method of controlling information processing. The Internal Audit summary report is presented to the Audit Committee in March each year and is subsequently submitted to the CSSF.

The Company recognises that effective control systems can only seek to manage and mitigate the risks of failure to achieve business objectives. They cannot eliminate them. By their very nature, these procedures are not able to provide absolute assurance against material misstatement or loss.

Delegated functions

Amongst other requirements, the Company is required under the AIFM Law to have dedicated Risk Management, Compliance, and Internal Audit functions; each of which is required to be both functionally and hierarchically separate from the functions of the operating units. Accordingly, Grant Thornton Vectis is appointed to the role of Internal Audit and was engaged for the full year ended 31 December 2021.

Internal Audit: Grant Thornton Vectis

The Head of Risk and Compliance is authorised by the regulator to perform the risk management and compliance functions, and reports to the Management Board and Supervisory Board or one of its formally constituted Committees, as well as reporting to the respective Designated Board Members who retain responsibility for overseeing the performance of the respective functions.

Notwithstanding the above, the Company's Management Board retains overall responsibility for the correct and effective operation of the delegated functions.

Other key delegates and providers:	
Central Administrative Agent, Depositary, Paying Agent, Registrar and Transfer Agent:	RBC Investor Services Bank S.A ('RBC')
Depository (UK):	Link Market Services Trustees (Nominees) Limited ('Link')
Central Securities Depository:	LuxCSD S.A. ('Lux CSD')
Principal Agent:	Banque Internationale à Luxembourg S.A. ('BIL')
Information Technology:	G.I.T.S. PSF

The Company's shares are admitted to trading on the LSE main market for listed securities. In this context, the Company has engaged Link as depository, receiving agent and UK transfer agent. Listing on the LSE provides liquidity for investors in what is otherwise a closed-ended investment company, holding a portfolio of illiquid assets.

Link, acting in its depository capacity, as holder of in excess of 99.9 per cent. of the issued ordinary shares in the Company, represents all the ordinary shares that are ultimately subscribed for in dematerialised, non-certified form. Link holds such dematerialised ordinary shares and issues uncertificated depository interest holdings in order to facilitate indirect holding of the Company's shares by non-certified depository interest holders. These non-certified dematerialised shareholdings are held via shareholder nominee accounts as registered by LuxCSD. The remaining issued ordinary shares are held directly on the certified share register maintained by RBC. Accordingly, the Company's share register only lists the Certified Investors.

LuxCSD is appointed to act as the Company's EEA-based CSD. BIL is appointed to act as the required intermediary between the Company and LuxCSD. Both LuxCSD and BIL are classified as delegates and as such are subject to the appropriate level of delegate oversight in accordance with the Company's delegate oversight framework.

Those shareholders who continue to hold their shares in issued registered form have, in accordance with the Dematerialisation Law, until 30 November 2022 to instruct their shares to be converted from issued registered form to a dematerialised form, after which those issued registered shares will be required to be mandatorily converted.

During the year, 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 June 2021, BBGI received confirmation from the FCA of its 'Landing Slot' during which BBGI was 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.

Board members and other interests

The members of the Management Board are also BBGI Management HoldCo S.à r.l. managers. Mr Ball and Mr Schramm both hold service contracts and Mr Denny holds a management contract in respect of BBGI Management HoldCo S.à r.l. Otherwise, no other member of the Group held service or management contracts during the year under review. Notice periods to and from the Company of 12 months apply in respect of each of the members of the Management Board.

No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.

Ms Whitney, Mr Myles, Ms af Rosenborg and Mr Waples are all considered to be independent Board members as they: (i) have not been employees of the Company; (ii) have not had material business relationships with the Company; (iii) have not received performance-based remuneration from the Company; (iv) do not have family ties with any of the Company's advisers, Directors or senior employees; (v) do not hold cross-directorships or have links with other Directors through involvement on other companies; (vi) do not represent a significant shareholder; and (vii) have not, with the exception of Mr Myles, served on the Board for more than nine years. For further information on tenure, refer to the section Board composition, tenure and diversity.

Refer to the Remuneration Report for details of the Directors' holdings in the Company's shares.

Board composition, tenure and diversity

The Nomination Committee and the Management Board regularly reviews the succession plans for the Company, with the ultimate decision resting with the Supervisory Board. As part of a structured succession plan, each of the original Non-Executive Directors plan to retire on a staggered basis and the Company is recruiting additional Non-Executive Directors over a timeframe that enables the knowledge and experience built up over the preceding years to be both retained and enhanced. As was highlighted in last year's Annual Report, Mr Myles will step down from his position as a member of the Supervisory Board and each of the Committees, including his role as Senior Independent Director and Chair of the Remuneration Committee, following the conclusion of the Company's 2022 shareholders' Annual General Meeting.

The Management and Supervisory Boards of BBGI take into full consideration both the gender and ethnic diversity of their composition. They fully acknowledge the goals of FTSE Women Leaders (formerly the Hampton-Alexander Review on Women on Boards) and the Parker Review on Ethnic Diversity on Boards. Female representation on the Supervisory Board at the reporting date stood at 50 per cent., exceeding the aim of the FTSE Women Leaders of having at least one third representation of women on the Boards of FTSE 350 companies. Furthermore, following the conclusion of the 2022 AGM, it is expected that female representation on the Supervisory Board will increase to 60 per cent. and the Company will have met the target set by the Parker Review.

The Company prides itself on being one of the few FTSE 350 companies with both a female Chair and Audit Committee Chair. In its commitment to the goals of both the FTSE Women Leaders and the Parker Review, the Nomination Committee keeps under review the Group's Diversity and Equality Policy, which seeks to enhance BBGI's existing culture of diversity, equality and inclusion, and the Group's adherence thereto.

The Company recognises that the gender composition goals extend down to the Management Board, as well as direct reports to them. As at 31 December 2021, 13 different nationalities were represented by the Group's employee base of 25 people. Given the relatively low turnover and small number of staff employed across the Group, the Management and Supervisory Boards are mindful of the naturally limited opportunities that exist to promote greater diversity of gender and ethnicity to senior roles within the Company, but believe the Company takes all reasonable and practical steps to evolve diversity at all levels of the Group.

Refer to the Nomination Committee Report for further details on board composition, tenure and diversity.

General Meetings

2021

The AGM was held on 30 April 2021. There were no other shareholder meetings held during the year.

The notice for the AGM (and associated documents) as well as the results of the meeting can be found in the Investor Relations section of the Company's website.

In accordance with AIC Code Provision 4, it was reported subsequent to the AGM that the Company received votes against Resolution 12 (Amendment to the Long-Term Incentive Plan) representing 20.77% of those shares voting and 12.46% of the issued share capital. Further details on the steps taken by the Company in response to this is given in the Remuneration Committee Report.

No votes of 20 per cent. or more were cast against the Board recommendations for any other resolutions.

2022

The next Company AGM will be held on Friday 29 April 2022. In accordance with the Law of 23 September 2020, as amended (the 'COVID-19 Law'), the meeting will be organised without the physical presence of participants. The Notice of Meeting, proposed Resolutions and Explanatory Notes, and the associated Proxy Form, will be circulated to shareholders to meet the regulatory deadlines. These will also be made available on the Company's website.

Substantial Shareholdings

As at 31 December 2021, the Company had 712,125,805 shares in issue. Pursuant to DTR5 of the FCA's Disclosure Guidance and Transparency Rules, the Company had received notice of substantial interests (5 per cent. or more) in the total voting rights of the Company as follows, in compliance with DTR 7.2.6R:

Name	**Held**	**% of total share capital**[1]
M&G plc	59,502,903	9.42%
Schroders plc	56,304,964	8.48%
Newton Investment Management Limited	39,947,825	8.46%
Investec Wealth & Investment Limited	31,569,569	5.01%
Smith & Williamson Holdings Limited	28,885,124	5.00%

[1] The percentage of voting rights detailed in the table above was calculated at the time of the relevant disclosure made in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules and the shareholders' percentage interests in the Company may have changed since that date.

NOMINATION COMMITTEE REPORT

Annual Statement from Nomination Committee Chair

Dear Shareholders,

I am pleased to present the Nomination Committee (the 'Committee') report for the financial year ended 31 December 2021 on behalf of the Supervisory Board.

Composition of the Committee

The Committee consists of a minimum of two members. The Committee and its Chair are appointed by the Supervisory Board. Membership is confined to Independent Non-Executive Directors. Each of the four Independent Non-Executive Directors is a member of the Committee, which is chaired by me, and our biographies can be found in the Corporate Governance section of this Annual Report.

Responsibilities

The Nomination Committee meets to consider the renewal of the appointments of the Management Board members (which appointments are renewable annually for one year only); the composition of the Supervisory Board and the appointment of new Supervisory Board members; succession planning for both the Management and Supervisory Boards; and the annual performance evaluation of the Supervisory Board and its formally constituted Committees.

Key activities during the Year

During the year, the Committee met four times, with all members present at each meeting.

Supervisory Board Composition, Tenure and Diversity

As at the date of this report, Mr Myles has served as a Director of the Company for a period exceeding nine years. The Nomination Committee and Supervisory Board acknowledge that under Provision 13 of the AIC Code that this is one of a number of circumstances which could impair, or appear to impair, a Non-Executive Director's independence. Mr Myles has nonetheless continued to demonstrate independent judgement and challenge to the Management Board throughout his tenure and the Company does not consider his independence at any stage to have been compromised or impaired. Mr Myles will retire at the forthcoming AGM.

As was reported in last year's Annual Report, in accordance with the Company's succession plans, it is proposed that, subject to shareholder approval at the 2022 AGM, Andrew Sykes be appointed to serve as his replacement on the Supervisory Board. Subject to his appointment to the Supervisory Board, Mr Sykes will also replace Mr Myles as Chair of the Remuneration Committee and as a member of the Audit and Nomination Committees. It is further proposed that June Aitken be appointed, subject to shareholder approval at the 2022 AGM, as an additional member of the Supervisory Board. If approved, Ms Aitken would also serve as a member on the Audit, Nomination and Remuneration Committees. Mr Sykes will replace Mr Myles as Senior Independent Director.

We believe the Supervisory Board's effectiveness is greatly enhanced by diversity. Its members bring a varied range of skills and expertise to the benefit of the Company's stakeholders and we are proud that the Supervisory Board has an equal gender balance.

During the year, the Nomination Committee oversaw and the Supervisory Board approved certain amendments to the Group Diversity and Equality Policy to further clarify BBGI's commitment to promoting diversity and equality. The Committee kept the Group's adherence to the Policy under review during the year, and further details on its implementation can be found in the ESG section of this Annual Report.

Appointment of Non-Executive Directors

As outlined in last year's Annual Report, having undertaken an assessment of the Supervisory Board's size and composition, the Nomination Committee recommended an increase in the number of Non-Executive Directors to five members in order to better meet the growing regulatory requirements of the Company and to widen the skillset of the Supervisory Board, particularly with regard to sustainability.

The Nomination Committee oversaw the process for appointing both Mr Myles's replacement and a fifth member of the Supervisory Board. Cornforth Consulting Limited, an external search consultancy firm, was engaged to assist in this process. Cornforth's knowledge of investment companies and their understanding of the specific nature of the Company's structure and ongoing requirements ensured a targeted search of candidates with the most relevant experience and suitable skills.

Following a successful conclusion to this search, the Company will seek approval from its shareholders at the forthcoming AGM, to appoint Ms June Aitken and Mr Andrew Sykes as new members of the Supervisory Board with effect from 29 April 2022. Apart from this engagement, there was no other connection between Cornforth Consulting Limited and the Company or its Directors.

Ms Aitken and Mr Sykes bring with them extensive experience which will be further detailed in the Convening Notice for the 2022 AGM and will further strengthen the composition of the Supervisory Board and its Committees.

Annual performance evaluation

During the year, the Supervisory Board conducted the annual evaluation of its performance, that of its Chair, and each of the Committees, and considered the term and independence of each member. Having undertaken an external evaluation in 2020, this year's evaluation was by means of questionnaires devised internally and in line with good corporate governance.

These separately covered the Supervisory Board and its Chair, and the three Committees: the Audit Committee, the Nomination Committee and the Remuneration Committee. The conclusions from each of the evaluations were subsequently formally considered and discussed by all members of the Supervisory Board.

In considering the outcomes of the evaluation, the Nomination Committee agreed that the composition of the Supervisory Board and its respective Committees reflected a suitable mix of skills, experience and knowledge; that each body was functioning effectively; and that the performance of each individual member continued to be effective. Notwithstanding this conclusion, the Supervisory Board were of the view that the increasing importance of ESG warranted the appointment of an additional candidate with suitable experience. Ms Aitken had since been identified as having the relevant skills. Additionally, a small number of areas for attention were proactively identified from this evaluation process, with the primary agreed outcome being the formalisation of annual Committee plans to ensure all pertinent matters continued to be allocated sufficient time for discussion and deliberation by all relevant stakeholders.

In accordance with provision 14 of the AIC Code, the performance of the Chair was also evaluated by way of questionnaire and led by the Senior Independent Director. The results were discussed with the Chair and the remaining members. The Chair's evaluation concluded that she continues to perform her role effectively.

The Chair in turn evaluated the performance of each member of the Supervisory Board. It was concluded that each member continued to perform their duties effectively and throughout the reporting period, each member had, and was expected to continue to have, sufficient capacity to carry out their duties properly with no one member being over-boarded by other directorships.

As a FTSE 350 constituent, AIC Code Provision 26 requires that an externally facilitated evaluation of the Supervisory Board must be carried out at least every three years, with such evaluation having been most recently conducted in December 2020. The Company remains committed to undertaking externally facilitated reviews at least every three years in accordance with the AIC Code, with the next such evaluation therefore required to take place no later than the end of 2023.

Renewal of Executive Director Mandates

The performance of each member of the Management Board was reviewed by the Supervisory Board. Each member was considered to have performed his duties effectively, and were therefore reappointed for a further year.

In respect of succession planning, the plans developed for all senior positions were reviewed. These plans are regularly updated by the Management Board and reviewed by the Nomination Committee at least annually.

The Year Ahead

The Committee will meet regularly in 2022 to ensure continued progress is made on gender and ethnic diversity and that these continue to be key areas of focus for both the Management and Supervisory Boards'. The Committee will continue to strive for achieving the best possible results for all stakeholders in performing its duties in 2022, including in the undertaking of the annual performance evaluation process and in actioning the outcomes of the 2021 evaluation.

Approval

This Report was approved by the Board on 30 March 2022 and signed on its behalf by:

Sarah Whitney
Nomination Committee Chair

REMUNERATION COMMITTEE REPORT

Annual Statement from Remuneration Committee Chair

Dear Shareholders,

I am pleased to present the Remuneration Committee (the 'Committee') report for the financial year ended 31 December 2021 on behalf of the Supervisory Board.

Composition of the Committee

The Committee consists of a minimum of two members. The Committee and the Chair thereof (who cannot be the Chair of the Supervisory Board) are appointed by the Supervisory Board. Membership is confined to independent Non-Executive Directors. Each of the four Independent Non-Executive Directors is a member of the Committee, which is chaired by me, and our biographies can be found in the Corporate Governance section of this Annual Report.

Key activities during the Year

During the year, the Committee met four times, with all members present at each meeting.

Responsibilities

The Committee is responsible for establishing the general principles of the policy for Directors' remuneration and for setting remuneration for the Management Board and also for the Supervisory Board, in accordance with the Principles and Provisions of the Code and the terms of the Remuneration Policy.

This Remuneration report has been prepared in compliance with the reporting obligations as outlined in the relevant Luxembourg legislation. Furthermore, and in the interest of greater transparency, the Company has again taken the voluntary decision to disclose additional remuneration detail, beyond its legal reporting obligations.

The Company continues to comply with the provisions of the AIC Code in respect of remuneration and those of the relevant AIFMD regulations.

Business context and external environment

2021 was another year of economic uncertainty as COVID-19 continued to disrupt businesses around the world. Against this backdrop, the Company has continued to deliver strong, and resilient financial and operational performance across our globally diversified, low-risk portfolio of essential social infrastructure investments.

The health and safety of our employees and the continued provision of essential infrastructure services to our public sector clients remained our key priorities in the year.

Furthermore, the preservation of value, and where possible enhancing the value of the Company's existing portfolio remained a key focus for management. While the pandemic affected society at large in those locations where the Company invests, the Company experienced no material COVID-19 related operational or financial impact, again demonstrating the hard work of the team and the successful construction of a portfolio consisting of resilient and high-quality availability-based assets. We have not entered any furlough arrangements globally or made redundancies as a result of the pandemic.

Our proven investment strategy of acquiring and managing low-risk, availability-based assets has supported a 9.4 per cent. increase in NAV to £1,001.6 million and a 2.1 per cent. increase in NAV per share during 2021. In turn, the Company has met its full-year dividend target of 7.33pps, an increase of 2.1 per cent. compared to the prior year and strong coverage of 1.31x. Accretive and pro-active management activities resulted in £13.1 million of value enhancements over the period and contributed to the strong portfolio performance.

At BBGI, sound ESG practices are integral to building a resilient business and creating long-term value for our investors and other stakeholders. Investing sustainably and responsibly in social infrastructure is central to BBGI's business model. The majority of the Company's employees have ESG related targets and the Management Board's remuneration framework includes both LTIP and STIP metrics related to ESG.

Key activities during the year

In recognition of the significant growth in the business and increased complexity of the organisation, an independent review of the remuneration of the Co-CEOs was conducted in 2020, with the previous such review carried out in 2014. In the interests of greater transparency, the Company voluntarily disclosed additional remuneration detail in last year's Remuneration Report. The amendment of the Company's long-term incentive plan was also presented for shareholder approval at the 2021 AGM. In accordance with AIC Code Provision 4, it was reported that 20.77 per cent. of votes cast were against this resolution.

Whilst we were pleased to receive support from a significant majority of shareholders who approved the proposals, the Supervisory Board is also cognisant of the objections requiring consultation with shareholders and disclosure of actions taken in response. Accordingly, I followed up by writing to some 17 major shareholders including those shareholders who voted against the proposal, in order to understand their position and perspectives in relation to the increases made to the maximum opportunity under the LTIP and to further inform them about:

- the changes in the remuneration of the Management Board resulting from the review undertaken in 2020, placing these into the context of the remuneration of companies in the FTSE 250 share index, as indicated in the survey published by Deloitte in October 2020; and

- the process undertaken by the Committee in relation to the review.

Shareholders were also invited to contact me if they had further questions or views they wished to express. Following this letter, I had a telephone conversation with one shareholder, with no subsequent follow-up.

The Committee reiterates its original statement that careful consideration was given to the executive remuneration structure, which included obtaining independent external advice to ensure that the framework is in line with comparative FTSE 250 peers and best practice guidelines. Furthermore, the significant growth and increasing complexity of the business since our last remuneration review presented a clear need to ensure that we are able to retain the high-performing senior executive talent that has provided the shareholders with significant returns on investment since IPO.

The changes made to the structure included the introduction of features such as bonus deferral and post-employment shareholding requirements, designed to ensure that executive and shareholder interests are closely aligned and focused on long-term sustainable performance. The Committee will continue to actively consider and take account of issues raised by shareholders in any future review of remuneration arrangements.

The Committee continues, as always, to be available to shareholders and to welcome engagement on such matters.

Other key decisions during the year

Salary increases

Management Board salaries were reviewed with effect from 1 May 2021, and the Committee carefully considered salary levels in the context of current positions relative to the market, development in their roles, individual performance and the level of pay increases for BBGI employees generally. Management Board members were awarded an increase of 2.1 per cent., which is below the average increases applied to the majority of employees.

Annual bonus (FY21) outcome

For the financial year ended 31 December 2021, the Co-CEOs and CFO were each eligible for a maximum bonus of 150 per cent. of base salary as at 31 December 2021. The annual bonus was assessed against a range of stretching financial and strategic KPIs, as outlined further in this report. The Management Board delivered excellent performance and progress against the targets set, with the annual bonus outcomes being 97.3 per cent. of the maximum opportunity in respect of the 2021 financial year. One-third of the earned bonus will be used to purchase shares, to be held for three years.

LTIP outcome (2018 award)

In December 2018, LTIP awards were granted to the Co-CEOs and CFO. These equated to an award value of 150 per cent. of salary for the Co-CEO, and EUR 100,000 for the CFO, and were based on stretching TSR and NAV growth targets. The 2018 award will be released following the publication of the Company's 2021 audited accounts. 2018 awards will vest at 76.3 per cent. and 94.8 per cent. of maximum for the Co-CEOs and CFO respectively, reflecting performance against targets in the three-year period to 31 December 2021.

No discretion was exercised in determining the annual bonus and incentive outcomes described above.

Supervisory Board remuneration

During the year, the Committee also reviewed the remuneration of the Supervisory Board members and concluded that no changes should be made.

Howard Myles
Remuneration Committee Chair
30 March 2022

Remuneration at a glance

Key remuneration principles

BBGI's remuneration framework is based on the following key principles:

- Attract and retain highly qualified executives and employees with a history of proven success.
- Align the interests of BBGI's Management Board and employees with shareholders' interests, the execution of the Company's investment policy and the fulfilment of the Company's investment objectives.
- Support strategy and promote long-term sustainable success.
- Establish performance goals that, if met, are expected to be accretive to long-term shareholder value.
- Link compensation to performance goals and provide meaningful rewards for achieving these goals. This incorporates both financial and non-financial performance indicators, including key ESG goals and health & safety factors.

In considering Management Board remuneration during 2021, the Committee had regard to the principles of transparency, clarity, simplicity, risk management, proportionality and alignment to culture.

Risk and conduct

BBGI's remuneration policy encourages sound and efficient management of risks, and does not encourage excessive risk-taking. The Remuneration Policy is consistent with sound and effective risk management through:

- The implementation of a sound governance structure for establishing goals and for communicating performance goals to staff members to ensure transparency;
- The inclusion of both financial and non-financial objectives in performance and result assessments; and
- An appropriate mix of fixed and variable compensation to discourage inappropriate risk-taking.

In evaluating the components of variable remuneration, the Company considers the long-term performance and considers the current and future risks associated with that performance and lifetime of the assets under management.

Summary of Management Board remuneration framework

Element		
Base salary	Base salaries effective from 1 May 2021: Co-CEOs: C$859,847 and €567,652[xxxv]	CFO: €363,575
Pension and benefits	Co-CEOs and CFO: 15% of salary (cash allowance). The Co-CEOs receive a monthly car allowance.	
Annual Bonus (STIP)	Co-CEOs and CFO: Maximum opportunity: 150% of salary. Target opportunity: 75% of salary (50% of maximum). One-third of bonus is used to purchase shares to be held for a period of three years. STIP is based on a balance of strategic, financial, operational, compliance and ESG/Health and Safety metrics with robust quantitative and qualitative performance requirements set for threshold, target and maximum performance.	
Long-Term Incentive Plan (LTIP)	Co-CEOs: Performance measures established entitling beneficiaries to 50% of salary at threshold, 100% of salary at target and 200% at maximum.	

	CFO: Threshold: 50% of salary, Target: 75% of salary, Maximum: 150% of salary. Performance is measured over three years. For 2021 awards, 90% of the award will be subject to stretching Net Asset Value Total Return targets and 10% will be subject to reduction in GHG emissions.
Shareholding requirements	All Management Board members are required to build and maintain a minimum holding of BBGI shares with a value of 200% of salary[xxxvi] : *Post-employment shareholding requirements*: Management Board members are required to hold 100% of salary in shares for a period of two years after leaving the Company.

Annual report on remuneration

Single total figure table - Management Board

The following table sets out total remuneration for each member of the Management Board in respect of the year ending 31 December 2021[xxxvii].

In Pounds Sterling	**Duncan Ball** (Co-CEO) 2021	2020	**Frank Schramm** (Co-CEO) 2021	2020	**Michael Denny** (CFO) 2021	2020
Salary	495,275	456,921	484,872	467,173	310,555	275,758
Benefits	13,956	13,799	13,605	13,874	-	-
Annual Bonus	728,093	713,994	712,799	720,917	456,540	461,739
Pension	74,804	73,456	73,233	74,168	46,905	47,504
LTIP[1]	490,259	565,204	522,452	593,770	95,170	106,526
Other	-	-	-	-	-	-
Total fixed	*584,035*	*544,176*	*571,709*	*555,215*	*357,460*	*323,262*
Total variable	*1,218,352*	*1,279,198*	*1,235,252*	*1,314,687*	*551,710*	*568,265*
Total remuneration	**1,802,387**	**1,823,374**	**1,806,961**	**1,869,902**	**909,170**	**891,527**

[1] The 2018 LTIP vests by reference to performance in the three-year period to 31 December 2021. The associated shares will be released to the Management Board members following the publication of the Company's 2021 audited accounts.

The figures in the table above are derived from the following:

(a)	Base salary	The amount of salary earned in respect of the year, shown in the reporting currency of the Group (Pound Sterling). Both Mr Denny and Mr Schramm receive all cash entitlements in Euro. Mr Ball receives all cash entitlements in Canadian Dollars. The amounts shown in sterling are converted using the average exchange rate for the respective financial year. For the year ended 31 December 2021, the relevant exchange rates were £1 = C$1.7242 and £1 = €1.1627.
(b)	Benefits	The taxable value (gross) of benefits received in the year. These are principally car allowance.
(c)	Annual bonus (STIP)	The value of the bonus earned in respect of the financial year of which one third will be paid in shares and held for a period of three years. A description of achievements against the performance measures which applied for the financial year is provided below.
(d)	Pension	The pension figure represents the cash value of any pension contributions including any cash payments in lieu of pension contributions made in the year.
(e)	Long-term incentives	The value of LTIP shares vesting, calculated by the estimated number of shares that vest in respect of the 2018 LTIP award multiplied by the average share price over the last quarter of the year ended 31 December 2021 (£1.741).

Additional disclosures in respect of the single figure table

Base salary

Each member of the Management Board receives an annual base salary which is payable monthly in arrears.

Management Board salaries were reviewed with effect from 1 May 2021, and the Committee carefully considered salary levels in the context of current positions relative to the market, development in their roles, individual performance and the level of pay increases for BBGI employees generally. Executive Directors were awarded an increase of 2.1 per cent., which was below the average increases applied to the majority of employees.

Details of annual base salary for the Management Board are set out below.

	Base salary at 31 December 2021	**Base salary at 31 December 2020**

Duncan Ball	£501k	£484k
Frank Schramm	£477k	£500k
Michael Denny	£305k	£320k

As noted above, both Mr Denny and Mr Schramm receive salaries in Euro (€363,575 and €567,652 respectively from 1 May 2021). Mr Ball receives his salary in Canadian Dollars ($C859,847 from 1 May 2021). The figures in the table above are reported in Pounds Sterling, the Group's reporting currency, and therefore reflect not only the base salary increase of 2.1 per cent. but also the impact of exchange rate movements.

The combined annual base salary received by the members of the Management Board during the year ended 31 December 2021 was £1,290,702 (2020: £1,199,852).

Taxable benefits and pension-related benefits

The Co-CEOs received a monthly car allowance amounting to a total amount of £27,561 (2020: £27,673) for the year.

As shown in the Single Total Figure table, the Co-CEOs and the CFO also received a supplementary annual cash payment to provide pension, retirement or similar benefits equating to 15 per cent. of their annualised base salary at 31 December 2021. BBGI has a small team of less than 30 employees in six different countries and individual pension arrangements across the team vary by location. In Luxembourg, where the majority of staff are located, normal pension contributions are 8 per cent. of salary from the employer, 8 per cent. of salary from the state and 8 per cent. from the employee.

STIP - Annual Bonus in respect of year ended 31 December 2021

The following table summarises the STIP performance metrics and achievements in respect of the financial year ended 31 December 2021. The Remuneration Committee is responsible for determining both whether the relevant financial and non-financial performance objectives have been satisfied and the level of award under the STIP for the relevant year. The Management Board delivered excellent performance and progress against the targets set at the start of the year. No payment under the STIP is made if performance is below the Threshold criteria.

The maximum STIP opportunity for the Co-CEOs and the CFO is 150 per cent. of base salary.

Performance assessed - summary	**Threshold performance** (33% vesting equating to 50% of base salary)	**Target performance** (50% vesting equating to 75% of base salary)	**Maximum performance** (100% vesting equating to 150% of base salary)	**Outcome** (% of maximum)
Key financial targets (15% weighting)	Achievement against key primary financial metrics during the year including: • Dividends paid and declared for the year. • Growth in NAV per share.			**100%**
Operational financial targets (10% weighting)	Achievement against operational financial metrics during the year including: • Budgetary controls. • Cash management. • Ongoing charge. • Other key financial performance metrics.			**83%**
Disciplined growth (25% weighting)	Achievement against key disciplined growth metrics including: • The value, quality and pricing of projects acquired. • The prospective investment pipeline at 31 December 2021.			**100%**
Portfolio management (25% weighting)	Achievement against key metrics relating to strategic projects and investments, including: • Portfolio control and organisational effectiveness through the assessment of capacity. • Project risk management, overruns and delays.			**100%**
Compliance and regulation (10% weighting)	Achievement against key compliance and regulatory metrics including: • Key risk management controls. • AIFMD compliance. • Wider regulatory compliance and reporting quality. • Management of issues related to Brexit.			**90%**

	• Management of delegated service providers.	
ESG (15% weighting)	Achievement against key ESG metrics including: • ESG performance in accordance with BBGI's ESG Best Practices Guidance where appropriate or equivalent standards. • Development of key ESG performance indicators and materiality assessment.	**100%**

For 2021, awards of 146 per cent. of base salary were achieved by the Co-CEOs and CFO. One-third of the earned bonus will be settled in shares, with the net number of shares after settling the associated tax liability to be held for a period of three years. The remaining STIP awards will be paid in cash in May 2022. During the year ended 31 December 2021, the total amount accrued in respect of the 2021 STIP amounted to £1,897,433 (2020: £1,896,650). Cash payments under the STIP are made in Canadian Dollars and Euros.

LTIP - awards granted during the financial year

LTIP awards of 200 per cent. of base salary were granted to the Co-CEOs in December 2021. The CFO's maximum LTIP award is set at 150 per cent. of base salary. All awards granted are within the approved limits under the current LTIP Plan.

For 2021 awards, 90 per cent. of the performance target will be subject to stretching Net Asset Value ('NAV') Total Return targets. NAV Total Return reflects both capital returns generated and dividends returned to shareholders.

10 per cent. of the award will be linked to a reduction in corporate GHG emissions (Scope 1, 2 & 3) (against a 2019 baseline), a key climate related ESG metric linked to BBGI's Net Zero Plan. For the December 2022 award, the Remuneration Committee intends to introduce an additional metric in order to track progress in the implementation of net zero plans across all BBGI assets (by value).

Performance metric	Threshold performance	Target performance	Maximum performance
NAV Total return (90% weighting)	Dividend of 7.33p per annum to 2024, and NAV per share maintained from 31 December 2021 to 31 December 2024.	Dividend growth of 2% per annum to 2024; and 1% per annum NAV per share growth to 31 December 2024.	Dividend growth of 2% per annum to 2024; and 2% per annum NAV per share growth to 31 December 2024.
ESG - % Corporate GHG emissions (Scope 1, 2 & 3) (10% weighting)	GHG emissions as % of 2019 baseline (at 31 December 2024)		
	77%	75%	72%

For the Co-CEOs, 25 per cent. and 50 per cent. of the maximum award vests for threshold and target performance respectively. The award vests in full for maximum performance.

For the CFO, 33 per cent. and 50 per cent. of the maximum award vests for threshold and target performance respectively. The award vests in full for maximum performance.

A key feature of these awards is that they will be settled entirely by way of Company shares and not in cash. All LTIP awards, which are to be settled by shares, fall under the scope of IFRS 2 'Share-Based Payments' and its specific requirements. The Company continues to engage Ernst & Young Advisory ('EY') to carry out the valuation of LTIP awards falling under the scope of IFRS 2. Refer to Note 20 of the Consolidated Financial Statements for further details on share-based payments.

The 2021 award was issued in December 2021. No expense was accrued for this particular award during the reporting period.

During the year ended 31 December 2021, the Company settled the 2017 award obligation by issuing the respective gross share entitlement to each member of the Management Board. In total the Company issued and allotted 730,785 shares by way of settlement.

As at the date of this Report, there are no amounts set aside, needing to be set aside or accrued by the Company to provide pension, retirement or similar benefits to any member of the Management Board.

Total basic and variable remuneration for the financial year

The total basic remuneration paid to all members of staff (including the Management Board members) during the year ended 31 December 2021 was £3.15 million (2020: £2.88 million). The total amount accrued for cash-settled variable remuneration at 31 December 2021 was £2.26 million. The total variable remuneration paid in cash in 2021 relating to the financial year ended 31 December 2020 was £1.75 million (2020: £1.53 million).

Payments made to former Directors and payments for loss of office during the year

No payments for loss of office and no payments to any former Management Board member were made in the year.

Single total figure table - Supervisory Board

The Supervisory Board members are the Company's Independent Non-Executive Directors and are paid a fixed quarterly fee. The Remuneration Committee consider the Non-Executive Directors' fees annually within the approved maximum aggregate remuneration cap as approved by the Company's shareholders. No member of the Supervisory Board is entitled to vote on his or her own individual remuneration. Supervisory Board members are not entitled to any other fees, pension payments, incentive plans, performance-related payments or any other form of compensation; with the exception of ex gratia fees that are considered in the event of an exceptional and substantial increase in the members' workload.

Single total figure of remuneration - Supervisory Board

During the year ended 31 December 2021 the Company paid Supervisory Board fees of £220,000 (2020: £208,570). The table below outlines the fees paid in Sterling to each of the Supervisory Board members.

In Pounds Sterling	Sarah Whitney[2] 2021	Sarah Whitney[2] 2020	Howard Myles 2021	Howard Myles 2020	Jutta af Rosenborg 2021	Jutta af Rosenborg 2020	Chris Waples[3] 2021	Chris Waples[3] 2020	Colin Maltby[4] 2021	Colin Maltby[4] 2020
Base fee	65,000	53,333	45,000	45,000	45,000	45,000	30,000	-	-	37,917
Senior Non-Executive Director	-	-	5,000	5,000	-	-	-	-	-	-
Committee Chair	-	-	5,000	2,500	5,000	5,000	-	-	-	-
Other - additional fees[1]	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	-	-
Total	**70,000**	**58,333**	**60,000**	**57,500**	**55,000**	**55,000**	**35,000**	**-**	**-**	**37,917**

[1] In addition to the standard fees each of the sitting Directors was entitled to additional fees in 2020 and 2021 in relation to equity issues.
[2]Sarah Whitney was appointed Company Chair with effect from 31 July 2020 increasing her annual base fee entitlement from £45,000 to £65,000.
[3]Chris Waples was appointed to the Supervisory Board with effect from 1 May 2021.
[4]Colin Maltby stood down from the Supervisory Board on 31 July 2020.

Supervisory Board fees

Details of Supervisory Board fees are set out below.

In Pounds Sterling	Fees from 1 January 2021	Fees from 1 January 2020
Chair	65,000	65,000
Senior Independent Director	50,000	50,000
Director	45,000	45,000
Committee Chair[(i)]	5,000	5,000

[(i)]This fee is paid to the Chair of the Remuneration Committee and the Chair of the Audit Committee.

Supervisory Board fees were last changed in 2017.

To accommodate the addition of further Non-Executive Directors to the Company, shareholders were asked to vote on increasing the maximum aggregate remuneration cap from £300,000 to £400,000 at the 2021 AGM. A significant majority voted in favour of the resolution.

Share interests and statement of Directors' shareholdings

Total share interests as at 31 December 2021

The interests of the Directors and their connected persons in the Company's ordinary shares as at 31 December 2021 were as set out below.

Shares owned by Directors:

Number of shares	At 31/12/2020	At 31/12/2021
Management Board		
Duncan Ball	548,490	635,660
Frank Schramm	500,000	600,000
Michael Denny	262,015	412,415
Supervisory Board		
Sarah Whitney	39,000	39,000
Howard Myles	-	-
Jutta af Rosenborg	-	-
Chris Waples	-	17,321

Awards under share plans:

	Award	At 31/12/2020[(i)]	Granted in the year	Vested in the year	Lapsed/ Forfeited in the year	At 31/12/2021
Management Board						
Duncan Ball	LTIP	1,695,384	569,916	(326,387)	(72,833)	1,866,080
Frank Schramm	LTIP	1,763,131	547,914	(342,883)	(76,514)	1,891,648
Michael Denny	LTIP	457,942	263,200	(61,515)	(1,485)	658,142

[(i)] Reflects maximum potential number of shares under all the awards granted, including the 2017 award which was settled in May 2021.

Shareholding guidelines:

The Committee has adopted a shareholding guideline for the Management Board, which requires a shareholding equivalent to 200 per cent. of salary (increased from 150 per cent. of salary in 2020 for the Co-CEOs). Prior to adopting the shareholding guideline, the CFO had no contractual shareholding requirement. Management Board members had until December 2021 to meet the minimum shareholding requirements. The respective Management Board members achievement of this guideline at 31 December 2021 is summarised below:

Management Board	Shares counting towards the guideline at 31 December 2021	Required shareholding to achieve[(i)]	Percentage of shareholding requirement achieved
Duncan Ball	635,660	576,190	110.3%
Frank Schramm	600,000	576,190	104.1%
Michael Denny	412,500	375,000	110.0%

[(i)] Two times the revised base salary with effect from 1 May 2020 divided by the Company share price on date revised terms were agreed. The minimum holding requirement is fixed for a period of three years and will be reset in 2023.

Post-employment shareholding requirements: Management Board members are required to hold shares to the value of 100 per cent. of salary for a period of two years after leaving the Company.

Other information

Advisers

Deloitte LLP is retained to provide independent advice to the Committee as required. Deloitte is a member of the Remuneration Consultants Group and, as such, voluntarily operated under the Code of Conduct in relation to executive remuneration consulting in the UK. Deloitte LLP's fees for providing remuneration advice to the Committee were £9.6k for the year ended 31 December 2021. The Committee assesses from time to time whether this appointment remains appropriate or should be put out to tender and considers the Remuneration Consultants Group Code of Conduct when considering this.

Consideration by the Directors of matters relating to Directors' remuneration

Committee responsibilities and composition

BBGI's Remuneration Committee comprises four members including Howard Myles, Sarah Whitney, Jutta af Rosenborg and Chris Waples. The Chair of the Remuneration Committee, Howard Myles, will step down at the conclusion of the 2022 AGM. The intention is that Andrew Sykes will take his place as Remuneration Committee Chair. The Terms of Reference for the Remuneration Committee are available here www.bb-gi.com/investors/policies/remuneration-committee-terms-of-reference/

The Committee is responsible for ensuring that the remuneration of the Management supports the delivery of BBGI's strategic and operational goals without encouraging undesirable risk-taking behaviour. This is achieved through the Committee overseeing and approving all aspects of Management Board remuneration, including development of the remuneration policy, and monitoring pay arrangements for the wider workforce.

There were four scheduled Committee meetings plus further ad-hoc meetings during the year. During the year, all members of the Committee were and remain independent, and represent a broad range of backgrounds and experience to provide balance and diversity.

The following parties may attend Committee meetings by invitation during the year in relation to its consideration of matters relating to Directors' remuneration: Co-CEOs, CFO, Company Secretary and Deloitte LLP. No Management Board member is involved in deciding their own remuneration outcome and no attendee is present when their own remuneration is being discussed.

Remuneration and AIFM law

In 2013, the European Securities and Markets Authority ('ESMA') published its final guidelines on sound remuneration policies under the AIFMD. These guidelines indicate that remuneration disclosures may be made on a 'proportional' basis and acknowledge that the application of proportionality may lead exceptionally to the 'disapplication' of some requirements, provided this is reconcilable with the risk profile, risk appetite and strategy of the AIFM and the AIFs it manages. According to the Guidelines, the different risk profiles and characteristics among AIFMs justify a proportionate implementation of the remuneration principles and, where a company chooses to disapply requirements, it must be able to explain the rationale to a competent authority. No such requirements were disapplied by the Company during or in respect of 2021.

Employee remuneration

At BBGI, we provide development opportunities for our employees to build their careers and enhance their skills. We encourage and embrace employee diversity, equality and inclusion. We support and invest in individuals to achieve their potential across the business.

Each of the remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the business units, job grade within the Company and professional activity, as well as market practice.

Statement of implementation of Directors' Remuneration Policy for the financial year commencing 1 January 2022

Base salary
Management Board salaries were reviewed with effect from 1 May 2021 and are as follows:

Duncan Ball	Co-CEO	£501k
Frank Schramm	Co-CEO	£477k
Michael Denny	CFO	£305k

The next expected review will be in May 2022. As previously noted, both Mr Denny and Mr Schramm receive salaries in Euro (€363,575 and €567,652 respectively from 1 May 2021). Mr Ball receives his salary in Canadian Dollars (C$859,847 from 1 May 2021).

Annual bonus (STIP)

The maximum bonus opportunity for FY22 will remain at 150 per cent. of salary for the Co-CEOs and 150 per cent. of salary for the CFO. The target opportunity will be 50 per cent. of maximum. One-third of any bonus earned will be used to purchase shares to be held for a period of three years.

The annual bonus will be subject to stretching financial and strategic targets. The Committee considers the targets are commercially sensitive and therefore they should remain confidential. However, the Committee will disclose an overview of the bonus performance measures and out-turns retrospectively in the 2022 Directors' Remuneration Report.

LTIP

The current intention of the Committee is to recommend the grant of ongoing annual maximum LTIP awards of 200 per cent. of salary to the Co-CEOs and 150 per cent. of salary to the CFO, subject to stretching NAV Total Return and a climate related ESG target.

Approval

This Report was approved by the Board on 30 March 2022 and signed on its behalf by:

Howard Myles
Chair of the Remuneration Committee

AUDIT COMMITTEE REPORT

The following section presents the Audit Committee's Report on how it has discharged its duties in accordance with the 2019 AIC Code of Corporate Governance and its activities in respect of the year ended 31 December 2021 for BBGI Global Infrastructure S.A. (the 'Company' or 'BBGI').

The Audit Committee (the "Committee") has been in operation throughout the year and operates within defined terms of reference, which are available to view on the Company's website www.bb-gi.com/investors/policies/audit-committee-terms-of-reference. The Committee consists of four Independent Non-Executive Directors, all of whom sit on the Supervisory Board.

The duties of the Committee in discharging its responsibilities include reviewing the annual and interim reports, the semi-annual valuation of BBGI's investment portfolio, the effectiveness of the Company's internal controls and risk monitoring, ensuring that the Company maintains an effective internal audit function, reviewing the terms of appointment, independence, objectivity and effectiveness of the audit process by the external auditor, KPMG Luxembourg, Société coopérative ('KPMG' or the 'external auditor').

The Committee also reviews the appropriateness of the provision of non-audit services by the external auditor, including the cost of the related non-audit services in accordance with the Company's Non-Audit Services policy.

Members of the Committee

Chris Waples was appointed as a member of the Committee with effect from 1 May 2021. Each of the remaining three Independent Non-Executive Directors continued to be members of the Committee throughout the year. The Committee is chaired by me, and our biographies can be found in the Corporate Governance section of this Annual Report. The Supervisory Board considers that at least one Committee member has recent and relevant financial experience for the Committee to discharge its functions effectively. Due to the size of the Supervisory Board, its Chair, Sarah Whitney, is also a member of the Committee. Ms Whitney has announced her intention to step down from the Committee following the appointment of the new Supervisory Board members.

Responsibilities

The Committee's terms of reference have been prepared in accordance with the Disclosure and Transparency Rule 7.1 and the AIC Code and are reviewed at each formal meeting scheduled by the Committee. Any amendments recommended as a result of review are referred to the Supervisory Board for approval. The roles and responsibilities of the Committee, as set out in its terms of reference, are reviewed at least annually, and consider relevant regulatory changes and recommended best practice. There were no material amendments to the terms of reference during the year.

The key responsibilities of the Committee include, but are not limited to:

- To provide advice to the Supervisory Board on whether the Group's annual and interim reports and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- To monitor the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance, satisfy themselves that the financial statements are compliant with relevant accounting standards and that any significant financial reporting issues and judgements raised by the external auditors are appropriately considered;
- To review the effectiveness of the Group's internal financial controls and risk monitoring including consistency of accounting policies and practices on a year-to-year basis, and, unless expressly addressed by the Supervisory Board itself, the Group's internal control and risk management systems, including reviewing the internal auditors annual regulatory report;
- To monitor and review the effectiveness of the Company's internal audit function, including the appointment and removal of the third-party service provider and review and approve the tri-annual internal audit plan.
- To formally report and make recommendations to the Supervisory Board for resolutions to be put to shareholders at the AGM, to approve the appointment, re-appointment and removal of the external auditor, and for approval of their associated remuneration and terms of engagement;
- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK and Luxembourg professional and regulatory requirements;
- To develop and implement a policy relating to the engagement of the external auditor for the supply of non-audit services, considering relevant guidance and legislation regarding the provision of non-audit services by the external audit firm; and
- To review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence via BBGI's whistle-blower hotline, about possible wrongdoing in financial reporting, fraud, bribery and other matters.

These responsibilities form the basis of the Committee's annual work plan. The Committee is authorised to seek any information it requires from the Management Board, and external parties and to investigate issues or concerns as it deems appropriate. The Committee may also obtain independent professional advice at the Company's expense, in order to perform its duties. No independent advice was required in 2021.

The external auditor is invited to attend Committee meetings at which the annual and interim reports are considered, and at which they can meet with the Committee without representatives of the Management Board being present. The Committee has direct access to KPMG and to members of the Management Board, and reports its findings and recommendations to the Supervisory Board.

2021 in review

The Committee met formally on three occasions during the year. Member attendance is disclosed in the Corporate Governance section of this Annual Report, under the heading 'Committees of the Supervisory Board'. At these meetings, the Committee considered, *inter alia*:

- The Committee's terms of reference;
- The semi-annual valuation reports with respect to the Company's portfolio of investments;
- The 2020 Annual Report and the 2021 interim report and the appropriateness and consistency of the Company's accounting policies therein;
- The relevance of new IFRS reporting standards to the Company: Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16;
- The external auditor's terms of appointment and remuneration, including overseeing the independence of the external auditor, particularly in relation to the provision of non-audit services;
- The effectiveness of the audit and approval of the external auditor's plan for the financial year and the key business risks relevant to the audit;
- The external auditor's reports to the Committee;

- The oversight of a formal market tender process in accordance with the mandatory external audit firm rotation requirements per EU audit legislation as transposed into National law as described below;
- The non-financial impact of COVID-19 and in particular the effectiveness of the Company's business continuity plan and the controls in place to mitigate the increased risk of cyber-attack;
- The Company's overall Risk Profile and Key Risk Indicators and the effectiveness of the Company's risk monitoring; and
- The Internal Auditors effectiveness, the 2020 internal auditor's annual regulatory report and the 2021-2023 triennial internal audit plan.

Valuation of Investments

During the year, the Committee discussed and debated a range of topics with each of the Management Board, the external auditor and the internal auditor. Consistent with prior reporting periods, the Committee concluded that the most significant risk of material misstatement in the Company's financial statements relates to the valuation of the underlying investments.

The Company's portfolio valuation makes up 97 per cent. of the Company's NAV as at 31 December 2021. The valuation of the underlying investments, including NAV sensitivity analyses, is carried out semi-annually by the Management Board. These semi-annual valuations are reviewed by an independent third-party valuation expert.

The Management Board members were available during the Committee review process in order to respond to challenge and to provide detailed explanations of the rationale used for the valuation of investments and the assumptions, judgements and methodology applied.

The external auditor was invited to attend the Committee meetings at which the annual and interim financial statements were considered in order to present the conclusion of its work and to discuss the results of the external auditor's audit and review procedures. The external auditor, including the external auditor's valuation specialist provided a review of the adequacy of the valuation of the underlying investments, paying particular attention to the discount rates applied and the key assumptions used in deriving the fair valuation of the investments.

Furthermore, the external auditor briefed the Committee on the outcome of their controls testing and the audit procedures performed. This risk of material misstatement is carefully considered when the Committee reviews the Company's annual and interim financial statements.

Subsequent to the valuation and ensuing reviews, the Committee concluded that the valuation process of the Company's investments for the year ended 31 December 2021 had been carried out appropriately and the value of investments was reasonable.

Audit Tender

In accordance with the mandatory external audit firm rotation requirements per EU audit legislation as transposed into National law, the Committee initiated a formal tender process for the Company's external audit function in Q4 2020. A number of audit firms were approached to tender, and formal tender proposals were received from participating firms in early 2021. Meetings with representatives of the Committee and the Management Board took place in May 2021 where the audit firms presented their proposals. Certain key criteria were deliberated by the Committee in reaching its tender decision including, but not limited to: the quality of the proposal and level of engagement, relevant experience with the audit of infrastructure and fair market valuation, audit approach, audit team credentials, potential for added value, and fees. Following the completion of the selection process, PricewaterhouseCoopers, société cooperative ('PwC'), was selected as the preferred firm. Subject to shareholder approval at the Company's AGM in April 2022, PwC will assume the role of the Company's external auditor for the financial year beginning 1 January 2022.

The Company's current statutory auditors, KPMG Luxembourg, société cooperative, will complete the audit for the 2021 financial year. A detailed transition plan has been agreed, with all parties working closely to ensure an efficient and successful transition.

I would like to thank KPMG for its significant contribution and service as statutory auditor since the inception of the Company.

The Tender process was overseen by the Committee with consultation from the Management Board.

External Auditor Independence

The Committee is satisfied that it has acted in accordance with its terms of reference and that the audit process carried out by the external auditor continues to be independent, objective and effective. Furthermore, the Committee assessed the independence of PwC prior to making a recommendation to the Supervisory Board to approve their appointment as external auditor of the Company.

Non-Audit Services

The Committee considered the extent of non-audit services provided by the external auditor. To the extent that non-audit services are not prohibited, the Committee will continue to review and, where appropriate, approve non-audit service engagements performed by the external auditor or its successor on controlled subsidiaries. As a general principle, the Company will not look to retain the services of the external auditor or its successor for non-audit services unless there is a specific justification for doing so, for example, legacy knowledge whereby the appointment of another adviser would potentially be sub-optimal to the business.

There were no non-audit services provided to the Company by the external auditor during 2021.

Internal Controls

The Committee monitors the Group's internal control systems. The internal controls consist of three main pillars: risk management, compliance and internal audit.

- Risk Management: The Committee members attended the presentation of the annual risk report and the semi-annual risk report presented by BBGI's Risk Manager. During these meetings the Committee members had the opportunity to challenge the Risk Manager and members of the Management Board enabling an appropriate level of direct oversight. Additionally, the Committee reviews the regular updates of the risk profile and related key risk indicators during the year, prepared by the Risk Manager.
- Compliance: The Committee members received and considered the quarterly compliance reports prepared by BBGI's Compliance Manager, describing the work performed by the compliance function, and covering all compliance topics, including AML/CTF, data protection, fraud, cyber security, delegate oversight, implementation and update of policies, ESG and personal transactions. Management Board members and other representatives were available to respond to the Committee members' queries and requests for further clarification.
- Internal Audit: As described in the responsibilities section above, the Committee undertook a review of the internal auditor's effectiveness, the 2020 internal auditor's annual regulatory report and the 2021-2023 triennial internal audit plan, including a presentation to the Committee by the external firm providing the internal audit service.

The Committee considers the implementation of the three lines of defence when assessing the effectiveness of the internal control systems. The first line of defence, management controls, is monitored on an ongoing basis, by the compliance and risk management functions, which themselves make up the second line of defence. The third line of defence is the internal audit function. Members of the Committee are presented with sufficient information to monitor the effectiveness of all three of those functions.

Regulatory Environment

The Committee have been kept informed of regulatory changes during the year, including changes in scope or interpretation by the regulator, and potential developments anticipated for the future. This is achieved by means of the Regulatory Watch maintained by the Compliance Function and included in regular compliance reporting to the Committee members

Focus for 2022

A key area of focus for the Committee during 2022 will be to ensure that the transition from KPMG to PwC is smooth and efficient. The Committee has scheduled meetings with the succeeding external auditor to discuss and agree the nature and scope of the audit, with a particular emphasis on the audit of the portfolio investment value, due to its significance to the Company's NAV, for the purpose of safeguarding the integrity of the Company's financial statements.

While the Company's business model has proven to be robust in the face of the COVID-19 pandemic, we will continue to monitor closely the effectiveness of the Company's business continuity plan and the controls in place to mitigate potential risks, including the risk of cyber threat, will remain a specific area of focus for the Committee.

The Committee will continue to evaluate the impact of political, tax and regulatory developments in its applicable geographies.

I, or any member of the Committee, will continue to be available at each AGM to respond to any questions from shareholders regarding our activities.

Approval

This Report was approved by the Board on 30 March 2022 and signed on its behalf by:

Jutta af Rosenborg
Chair of the Committee

VIABILITY

Viability statement

As part of their ongoing process of monitoring risk, and as required by the AIC Code Principle N and Provision 36, the Directors have considered the viability and prospects of the Company for the next five years.

Whilst the average remaining life of the portfolio of assets is 20.3 years, we continue to consider that five years is an appropriate and acceptable length of time in which to consider the risks of the Company continuing in existence. In making this judgement, the Directors have considered detailed information provided at Board meetings, including:

- The Company's investment policy and the investment pipeline.
- The long-term and contractual nature of the Company's investments.
- Investment reviews.
- The Company's risk profile and key risk indicators (including the principal risks and uncertainties).
- Current relevant financial and economic information.
- Long-term economic assumptions.
- Scenario testing.
- Annual and semi-annual valuations.

This judgement forms part of the overall annual risk review process carried out by the Company. Each of the principal risks and uncertainties the Company faces, along with detailed descriptions of the areas and factors of the risks as well as explanations of the processes by which the Management Board monitors, reviews and assess them, can be found in the Risk section of this Annual Report.

The Company has put in place a robust risk and internal controls framework with the objectives of reducing the likelihood and impact of poor decision-making, risk-taking above agreed levels, and human error.

The Management Board regularly review and assess the principal risks facing the Company including and in particular those that could threaten its business model, strategy, solvency, liquidity and future performance. All risks identified are assessed based on (i) probability or likelihood of occurrence, (ii) impact and (iii) mitigation measures in place. They are then scored and ranked in accordance with remaining residual risk and monitored on an ongoing basis by the Management Board.

In addition to the risk management and the mitigation measures in place, a valuation of each individual asset is carried out every six months at each of the Company's financial half-year and year-ends (30 June and 31 December, respectively). Such valuations are based on long-term discounted future cash flows that are themselves predominantly based on long-term contracts and other assumptions which together form a key part of the overall viability assessment. Once complete, each portfolio valuation is reviewed by an independent third-party valuer and is also subject to audit/review by the Company's External Auditor.

A key part of the viability assessment is analysing how the Company's NAV will be impacted in stressed macro-economic scenarios. This provides further insight into how the Company is likely to perform when affected by variables and events that are inherently outside of the control of the Management Board and its risk management framework. As part of this assessment, the Management Board continues to consider the risk posed by COVID-19 and the impact it could have on the Company and the performance of its underlying investment portfolio. To date, the Company has not experienced any material COVID-19 related operational or financial impact.

A more detailed description of the valuations, assumptions and stress-testing applied can be found in the Valuation section of the Strategic Report.

Following the assessment, the Board has a reasonable expectation that the Company will be able to continue in operation and meet all of its liabilities as they fall due, up to March 2027. This assessment is subject to the following conditions: that the availability of sufficient capital and market liquidity continues to allow for the refinancing/repayment of any short-term recourse RCF obligations which may be due; and that the Company's investments are not materially affected by retrospective changes to government policy, laws, regulations or other risks which are currently not considered material or probable by the Company.

The Company is also subject to a biennial shareholder continuation vote, the next of which is scheduled to take place at the AGM of shareholders scheduled to be held in 2023.

RISK

The Company follows a risk-based approach to internal controls. The Company's Risk Management Function facilitates the Management Board's duty to effectively govern and manage risks facing the Company. Given the nature of its assets and its interaction with the capital markets, the Company does not operate in a risk-free environment. In an uncertain environment, proactive action is required to address risks to achieve business and investment objectives.

All material risks are identified, analysed, assessed, reported, and managed. Risks to the Company are identified as early as possible to minimise their impact and are classified according to the following risk types:

- Economic and market risks;
- Taxation risks;
- Political risks;
- 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. This gives the Management Board a universal interpretation of risk. 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.

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 - 67 per cent. of portfolio value at 31 December 2021 - are denominated in currencies other than Sterling. The Company maintains its financial statements, prepares the valuation, and pays dividends in Sterling. There is a risk that fluctuations in exchange rates between 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-Sterling portfolio distributions denominated in Australian Dollars, Canadian Dollars, Norwegian Kroner and US Dollars are in place for a rolling period of four years to mitigate some of this risk. In addition to cash flow hedging, our strategy is also to hedge a portion of the non-Sterling, non-Euro portfolio to reduce NAV sensitivity to approximately 3 per cent. for a 10 per cent. adverse foreign exchange 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 Sterling, so there is some natural diversification amongst the underlying currencies. A sensitivity analysis is provided in the valuation section of the 2021 Annual 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 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 also 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 the valuation section of the 2021 Annual Report in relation to deposit rates of the Portfolio Companies.
Inflation	The Company has observed inflationary pressure across all jurisdictions in which it invests. The Company's performance may be adversely or positively affected by lower or higher 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	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. Also, it is important to note BBGI's equity cash flows are positively correlated to inflation at c. 0.44. This

	financial modelling perspective, an assumption is usually made that inflation will increase at an assumed rate (which 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.	means that if long-term inflation was to be 1% higher than the Company's assumptions for all future periods, the Company's returns would increase by c. 0.44%. A sensitivity analysis is provided in the valuation section of the 2021 Annual Report in relation to inflation rates of the Portfolio Companies.
Volatility of discount rates	The Company uses a discounted cash flow methodology to value its portfolio of investments. Higher discount rates may have a negative impact on valuation while lower discount rates may have a positive impact. Discount rates applied to the Company's portfolio of investments is the single most important judgement and variable used. Appropriate discount rates are therefore key to deriving a fair and reasonable valuation for the portfolio.	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 rates. 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. Interest and inflation rates are positively correlated over the long term. Therefore, an increase in discount rates due to increased interest rates over the long term is likely to coincide with higher inflation rates. These two rates partly offset one another in the portfolio valuation calculation. An interest rate increase would also have a positive impact on cash deposit interest income for portfolio companies. This would additionally mitigate a portfolio value reduction arising from increased discount rates. It does not necessarily follow that an increase in long-dated government bond yields would immediately result in an increase in discount rates. As long-dated government bond yields have largely trended downwards since BBGI's launch in 2011, the market discount rate applied to secondary transactions has not followed in lockstep. The resulting increase in equity risk premium provides a degree of buffer to absorb potential long-term increases in government bond yields and should consequently reduce the impact on the overall discount rate. A sensitivity analysis is provided in the valuation section of the 2021 Annual Report in relation to discount rates of the Portfolio Companies.
COVID-19	Since the outbreak of COVID-19 in December 2019, 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. Over the reporting period, government stimulus has managed for a decline in unemployment rates and the vaccination programme in the markets in which the Company invests - whilst not universal in coverage rates - has sought to maintain access to the facilities which the Company's Portfolio Companies maintain. The ultimate long-term impact of COVID-19 remains unclear. In infrastructure, which relies on demand-based usage, operators of these assets have 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 Annual 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 some remaining 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 31 December 2021, the Group had utilised £1.2 million of the facility.
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 OECD's 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 the valuation section of the 2021 Annual 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. In 2017, the FCA announced that the underlying markets from which the London Interbank Offered Rate ('LIBOR') is derived were no longer considered appropriate to offer a sustainable interest rate benchmark, and determined that this benchmark would be discontinued on 31 December 2021 replaced with the Sterling Overnight Index Average ('SONIA').	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. Within the BBGI portfolio there are 16 investments that have LIBOR exposure. As of the date of publishing this report the Company made significant progress and, with the exception of four investments, all remaining investments have transitioned to SONIA or are awaiting client consent. The remaining four investments are scheduled to transition in the near term and we do not expect any material risk to arise.
Brexit	The Company is incorporated in Luxembourg and is listed on the London Stock Exchange. The UK's departure from the EU does 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* The Company continued to access the UK market under the UK government established 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 was 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 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 could suffer a material loss.	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, and even with the prospect of a modest rise in interest rates, swaps have become 'out of the money' for 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 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 an ESG and 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 can 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 costs and management service contracts.	Of the 54 assets in the BBGI portfolio at 31 December 2021, 19 Portfolio Companies retain the lifecycle obligations. The remaining 35 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 internal or external technical advice to assist in such forecasting of lifecycle timings, scope of work and costs. As part of the acquisition due diligence, the budgeted costs are reviewed and an assessment is made as to its adequacy. A sensitivity analysis is provided in the valuation section of the 2021 Annual Report in relation to life-cycle costs. In the case of insurance cost, this risk is on part of investments taken 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 also 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. There is an ongoing subcontractor monitoring in place.
Cyber-security	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.	BBGI has taken several 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 staff periodically undergo cyber security training.

		In a typical PPP structure, the public sector client has its own IT systems; the vast majority of our Portfolio Companies do not maintain their own IT systems. Subcontractors of the Portfolio Company such as management service providers, facility maintenance contractors for accommodation investments and operations and maintenance contractors for transport assets, will have their own IT systems, which will likely house data relating to the project. In a typical PPP structure, risks are passed down to subcontractors by the project entity. This would include risks relating to design and construction warranties relating to IT systems (such as a warranty that the system will meet specifications requiring it to meet robust security requirements), as well as the risk where a cyber-attack would interrupt the provision of services to the project.
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. BBGI has undertaken a formal climate risk assessment for its entire portfolio to better understand the impact of climate risk on our Company. Findings demonstrate a high degree of climate resilience across our asset portfolio both today and under different climate warming scenarios. Although climate change is projected to increase physical risk impacts across our portfolio, many of our assets, due to the vital services they provide, have been designed and constructed in consideration of potential physical risk impacts and thus are inherently more resilient to climate change. Events arising from adverse climate change is 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 valuation.

ADMINISTRATION

Incorporation and administration

The ordinary shares were created in accordance with Luxembourg law and conform to the regulations made thereunder, have all necessary statutory and other consents, and are duly authorised according to, and operate in conformity with, the Articles.

Articles of Association

The Articles were originally approved and formalised before a Luxembourg notary public on 24 November 2011. The Articles are filed with the Luxembourg Registre de Commerce et des Sociétés and are published in the Mémorial. The Articles may be amended in accordance with the rules set out in article 32 of the Articles.

A copy of the current Articles, which were most recently amended by shareholder approval on 30 November 2020, is available for inspection on the Company's website www.bb-gi.com/investors/policies/articles-of-association/.

MANAGEMENT BOARD RESPONSIBILITIES STATEMENT

The Management Board of the Company is responsible for ensuring proper preparation of the Company's Annual and Interim Reports and financial statements for each financial period in accordance with applicable laws and regulations, which require it to:

i) Give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as of and at the end of the financial period, in accordance with International Financial Reporting Standards as adopted by the European Union and the Listing Rules.

ii) Give a true and fair view of the development and performance of the business and the position of the Group.

iii) Give a true and fair description of the principal risks and uncertainties the Group may encounter and put in place an appropriate control framework designed to meet the Group's particular needs and the risks to which it is exposed.

In addition, the Management Board is responsible for ensuring that the Company complies with applicable company law and other UK or Luxembourg applicable laws and regulations.

In preparing such Financial Statements, the Management Board is responsible for:

- Selecting suitable accounting policies and applying them consistently.
- Making judgements and estimates that are reasonable and prudent.
- Stating whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business.
- Maintaining proper accounting records which disclose with reasonable accuracy the financial position of the Group and enable it to ensure that the financial statements comply with all relevant regulations.
- Safeguarding the assets of the Group and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management Board Responsibilities Statement

We confirm that to the best of our knowledge:

- The financial statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and Group included in the consolidation as a whole.
- The Chair's Statement and the Report of the Management Board ('Strategic Report') include a fair review of the development and performance of the business and the position of the Company and Group included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that it faces.

Luxembourg, 30 March 2022

Duncan Ball Co-CEO	**Frank Schramm** Co-CEO	**Michael Denny** CFO

AUDIT OPINION

To the Shareholders of

BBGI Global Infrastructure S.A. 6E, route de Trèves

L-2633 Senningerberg Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the consolidated financial

statements Opinion

We have audited the consolidated financial statements of BBGI Global Infrastructure S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs").

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investments at fair value through profit or loss

a) Why the matter was considered to be one of most significance in our audit of the consolidated financial statements of the current period

We refer to the accounting policy "Investments at fair value through profit or loss" and to Note 9 in the consolidated financial statements. 97% of the Group's assets are infrastructure assets that have been developed predominantly under the PPP/PFI or similar procurement models ("Infrastructure Investments"), held at fair value through profit or loss. The valuation of infrastructure investments is a significant judgement area resulting from a number of assumptions in the financial models. The valuation is inherently subjective due to the absence of a liquid market for these investments. The complexity of this methodology as well as assumptions taken in the financial models mean that there is a risk that the fair value of these investments may not be appropriate. The key assumptions used by the Management Board are among others in respect of discount rates and components of budgets used being part of long term forecast cash flows. In addition, the Management Board also used assumptions such as inflation, deposit interest and tax rates that have an impact on the long term forecast cash flows.

The significance of the estimates and judgements involved, coupled with the fact that a small percentage difference in the key assumptions in individual infrastructure investment valuations, when aggregated, could result in a material misstatement on the consolidated income statement and consolidated statement of financial position, warrants specific audit focus in this area.

b) How the matter was addressed in our audit

Our audit procedures over the valuation of investments at fair value through profit or loss included, but were not limited to the following:

- We tested the design and implementation of the management review controls over the valuation process.
- We used our own valuation specialists and their market knowledge to perform the following procedures:

- We considered and commented the approach and methodology documented by Management Board used in BBGI's Valuation Report against International Private Equity and Venture Capital Valuation Guidelines;

- We obtained market benchmarks for discount rates from public and private sources. We considered the discount rates applied in BBGI's Valuation Report against market benchmarks in the light of market, project, sector and country issues;

- We performed research on key assumptions and commented and compared those against the assumptions applied in BBGI's Valuation Report;

- We reviewed the results of the sensitivity analysis on key assumptions taken by Management;

- We challenged and determined the appropriateness of the Management Board's assumptions used for the valuation of a sample of Infrastructure Investments applying the following procedures:

  - We considered if the methodology for assessing fair value has been applied consistently across the assets;

  - We read the latest board minutes, board packages and other supporting documents and information in respect of the sampled investments and raised Q&A comments to challenge the inputs in the valuation;

- We determined the appropriateness of the changes in the cash-flows inputs (such as dividends, subordinated debt interest and principal repayment and director's fees) used for the valuation of Infrastructure Investments;

- We reviewed the Valuation Report prepared by the Management Board and assessed whether the valuation inputs and results are consistent with our other audit procedures performed as part of our audit of the consolidated financial statements;

- We obtained and reviewed the valuation review opinion issued by the independent third-party valuation expert engaged by the Group, in connection with the appropriateness of the portfolio value prepared by the Management board.

Other information

The Management Board is responsible for the other information. The other information comprises the information stated in the annual report but does not include the consolidated financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Management Board for the consolidated financial statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.

- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 30 April 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is eleven years.

The annual report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, 30 March 2022

KPMG Luxembourg
Société anonyme
Cabinet de révision agréé

Joseph De Souza

Partner

Consolidated Income Statement
For the year ended 31 December 2021

In thousands of Pounds Sterling	Note	2021	2020
Continuing operations			
Income from investments at fair value through profit or loss	9	**75,443**	63,337
Other operating income		**734**	186
Operating income		**76,177**	63,523
Administrative expenses	6	**(10,234)**	(9,607)
Other operating expenses	7	**(2,492)**	(7,268)
Operating expenses		**(12,726)**	(16,875)
Results from operating activities		**63,451**	46,648
Net finance result	8	**(1,974)**	(1,647)
Net loss on balance sheet hedging	18	**(782)**	(642)
Profit before tax		**60,695**	44,359
Tax expense - net	11	**(2,698)**	(2,649)
Profit from continuing operations		**57,997**	41,710
Profit from continuing operations attributable to the owners of the Company		**57,997**	41,710
Earnings per share			
Basic earnings per share (pence)	14	**8.47**	6.58
Diluted earnings per share (pence)	14	**8.46**	6.57

The accompanying notes form an integral part of the consolidated financial statements

Consolidated Statement of Other Comprehensive Income
For the year ended 31 December 2021

In thousands of Pounds Sterling	Note	2021	2020
Profit from continuing operations attributable to the owners of the Company		**57,997**	41,710
Other comprehensive loss for the year	13	**(595)**	-
Total comprehensive income for the year attributable to the owners of the Company		**57,402**	41,710

The accompanying notes form an integral part of the consolidated financial statements

Consolidated Statement of Financial Position
as at 31 December 2021

In thousands of Pounds Sterling	Note	2021	2020
Assets			
Property and equipment		**68**	58
Investments at fair value through profit or loss	9	**975,225**	895,674
Deferred tax assets	11	**-**	225
Derivative financial assets	18	**-**	12
Other non-current assets	15	**1,417**	-
Non-current assets		**976,710**	895,969
Trade and other receivables	20	**1,024**	1,631
Other current assets	12	**761**	2,164
Derivative financial assets	18	**907**	247
Cash and cash equivalents	10	**26,862**	20,532
Current assets		**29,554**	24,574
Total assets		**1,006,264**	920,543
Equity			
Share capital	13	**847,858**	770,942
Additional paid-in capital	20	**1,833**	1,517
Translation and other capital reserves	13	**(8,809)**	(378)
Retained earnings		**159,661**	143,759
Equity attributable to the owners of the Company		**1,000,543**	915,840
Liabilities			
Derivative financial liabilities	18	**429**	218
Non-current liabilities		**429**	218
Loans and borrowings	15	**246**	177
Trade and other payables		**2,956**	2,716
Derivative financial liabilities	18	**717**	25
Tax liabilities	11	**1,373**	1,567
Current liabilities		**5,292**	4,485
Total liabilities		**5,721**	4,703
Total equity and liabilities		**1,006,264**	920,543
Net asset value attributable to the owners of the Company	13	**1,000,543**	915,840
Net asset value per ordinary share (pence)	13	**140.50**	137.78

The accompanying notes form an integral part of the consolidated financial statements

Consolidated Statement of Changes in Equity
For the year ended 31 December 2021

In thousands of Pounds Sterling	Notes	Share capital	Additional paid-in capital	Translation and other capital reserve	Retained earnings	Total equity
As at 1 January 2020		714,280	965	(378)	146,765	861,632
Total comprehensive income for the year ended 31 December 2020						
Profit from continuing operations attributable to the owners of the Company		-	-	-	41,710	41,710
Total comprehensive income for year		-	-	-	41,710	41,710
Transactions with the owners of the Company, recognised directly in equity						
Issuance of shares from placing of ordinary shares - net of issue cost	13	54,169	-	-	-	54,169

Scrip dividends	13	2,068	-	-	(2,068)	-
Cash dividends	13	-	-	-	(42,648)	(42,648)
Equity settlement of share based compensation	13,20	425	(425)	-	-	-
Share-based payment	20	-	977	-	-	977
Balance as at 31 December 2020		770,942	1,517	(378)	143,759	915,840

The accompanying notes form an integral part of the consolidated financial statements

In thousands of Pounds Sterling	Notes	Share capital	Additional paid-in capital	Translation and other capital reserve	Retained earnings	Total equity
Balance as at 1 January 2021		**770,942**	**1,517**	**(378)**	**143,759**	**915,840**
Total comprehensive income for the year ended 31 December 2021						
Profit from continuing operations attributable to the owners of the Company		-	-	-	57,997	57,997
Exchange difference on translation of foreign operation		-	-	(8,431)	7,836	(595)
Total comprehensive income for year		-	-	(8,431)	65,833	57,402
Transactions with the owners of the Company, recognised directly in equity						
directly in equity						
ordinary shares - net of issue cost	13	73,893	-	-	-	73,893
Scrip dividends	13	1,978	-	-	(1,978)	-
Cash dividends	13	-	-	-	(47,953)	(47,953)
Equity settlement of share based compensation	13,20	1,045	(1,045)	-	-	-
Share-based payment	20	-	1,361	-	-	1,361
Balance as at 31 December 2021		**847,858**	**1,833**	**(8,809)**	**159,661**	**1,000,543**

The accompanying notes form an integral part of the consolidated financial statements

Consolidated Statement of Cash Flows
For the year ended 31 December 2021

In thousands of Pounds Sterling	Notes	2021	2020
Operating activities			
Profit from continuing operations		**57,997**	41,710
Adjustments for:			
Depreciation expense	6	**23**	27
Net finance results	8	**1,974**	1,647
Income from investments at fair value through profit or loss	9	**(75,443)**	(63,337)
Loss on derivative financial instruments - net	18	**1,797**	1,495
Foreign currency exchange loss (gain) - net	7	**(448)**	4,767
Share-based compensation	20	**1,361**	977
Tax expense - net	11	**2,698**	2,649

Working capital adjustments:			
Trade and other receivables		**691**	(1,094)
Other current assets		**1,045**	(2,822)
Trade and other payables		**214**	(168)
Cash used in operating activities		**(8,091)**	(14,149)
Interest paid and other borrowing costs		**(1,356)**	(1,219)
Interest received		**-**	10
Realised gain on derivative financial instruments - net	18	**3**	594
Taxes paid		**(2,667)**	(3,010)
Net cash flows used in operating activities		**(12,111)**	(17,774)
Investing activities			
Acquisition of/additional investments at fair value through profit or loss	9	**(79,163)**	(59,185)
Distributions received from investments at fair value through profit or loss	9	**75,055**	72,815
Realised loss on derivative financial instruments - net	18	**(1,543)**	(745)
Acquisition of property and equipment		**(33)**	(24)
Net cash flows from/(used in) investing activities		**(5,684)**	12,861
Financing activities			
Issuance of share capital through placing (net of issuance cost)	13	**73,893**	54,169
Dividends paid	13	**(47,953)**	(42,648)
Repayment of loans and borrowings	15	**(67,000)**	(62,000)
Proceeds from issuance of loans and borrowings	15	**67,000**	41,000
Debt issue cost		**(1,608)**	(27)
Net cash flows from/(used in) financing activities		**24,332**	(9,506)
Net increase (decrease) in cash and cash equivalents		**6,537**	(14,419)
Impact of foreign exchange on cash and cash equivalents		**(207)**	173
Cash and cash equivalents at 1 January		**20,532**	34,778
Cash and cash equivalents at 31 December	10	**26,862**	20,532

The accompanying notes form an integral part of the consolidated financial statements

Notes to the Consolidated Financial Statement
For the year ended 31 December 2021

1. Corporate information

BBGI Global Infrastructure S.A., formerly BBGI SICAV 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. On 27 October 2020, the Company changed its registered name from BBGI SICAV S.A. to BBGI Global Infrastructure S.A.

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 2021, the Group has one investment that is under construction (31 December 2020: one).

As at 31 December 2021, the Group employed 25 staff (31 December 2020: 23 staff).

Reporting period

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

The amounts presented as 'non-current' in the consolidated statement of financial position are those expected to be recovered or settled after more than one year. The amounts presented as 'current' are those expected to be recovered or settled within one year.

These consolidated financial statements were approved by the Management Board on 30 March 2022.

2. Basis of preparation

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU').

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 shall prevail.

The consolidated financial statements have been prepared using the going concern principle, under the 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.

In the Consolidated Statement of Changes in Equity, certain amounts in Retained earnings were reclassified to 'Translation and other capital reserves' as at 31 December 2020 in order to ensure comparability with the current year presentation. This reclassification had no effect on the reported net results nor the net asset value as at 31 December 2020.

Changes in accounting policy

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 (effective 1 January 2021)**

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 had no significant impact on the consolidated financial statements of the Group.

Functional and presentation currency

These consolidated 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 31 December 2021, the Company has 54 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. Summary of significant accounting policies

a) *Basis of consolidation*

Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to direct the relevant activities, i.e. the activities that significantly affect the investee's returns and to obtain those returns. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When there is an excess of value over consideration, a bargain purchase gain is recognised immediately in the consolidated income statement.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in the consolidated income statement. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in fair value of the contingent consideration are recognised in the consolidated income statement.

Subsidiaries

Subsidiaries are investees controlled by the Company (directly or indirectly). The Company controls an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company is an Investment Entity and measures investments in certain subsidiaries at fair value through profit or loss. In determining whether the Company meets the definition of an Investment Entity, the management considered the Group structure as a whole (see also Note 2).

Although the Company qualifies as an Investment Entity and is required to value certain subsidiaries at fair value, the Company has a number of subsidiaries which provide services that relate to the Company's investment activities. These subsidiaries are consolidated on a line-by-line basis (see Note 19).

Acquisition of non-controlling interests (consolidated subsidiaries)

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interest arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Loss of control (consolidated subsidiaries)

For subsidiaries which are consolidated on a line-by-line basis, upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an investment at fair value through profit or loss.

Transactions eliminated on consolidation (consolidated subsidiaries)

Intra-group receivables, liabilities, revenue and expenses are eliminated in their entirety when preparing the consolidated financial statements. Gains that arise from intra-group transactions and that are unrealised from the standpoint of the Group, at the date of the consolidated statement of financial position, are eliminated in their entirety. Unrealised losses on intra-group transactions are also eliminated in the same way as unrealised gains, to the extent that the loss does not correspond to an impairment loss.

b) *Foreign currency transactions*

Transactions in foreign currencies are translated into Pounds Sterling at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Pounds Sterling at the exchange rate on that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into Pounds Sterling at the exchange rate on the date that the fair value was determined. Foreign currency differences arising on translation are recognised in the consolidated income statement as a gain or loss on currency translation.

c) *Foreign currency translations*

The assets and liabilities of foreign operations are translated to Pounds Sterling at the exchange rates on the reporting date. The income and expenses of foreign operations are translated to Pounds Sterling at the average exchange rates during the year, if such does not significantly deviate from the exchange rates at the date on which the transaction is entered into. If significant deviations arise, then the exchange rate at the date of the transaction is used.

Foreign currency differences are recognised in the consolidated statement of other comprehensive income, and presented in 'translation reserve' in equity, except for exchange differences from intra-Group monetary items which are reflected in the consolidated income statement. However, since the Company qualifies as an investment entity under IFRS 10 and records its investments in subsidiaries as investment at FVPL, 'translation reserve' movements during the reporting period relating to investments are classified as 'Income from investments at fair value through profit or loss' (income from Investments at FVPL). If the foreign operation is a non-wholly owned consolidated subsidiary, then the relevant portion of the translations difference is allocated to the non-controlling interest.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to consolidated income statement as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a consolidated subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such an item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

d) Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Financial assets are classified at initial recognition at either: (i) amortised cost; (ii) fair value through other comprehensive income - debt instruments; (iii) fair value through other comprehensive income - equity instruments; or (iv) fair value through profit or loss.

In general, the Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate financial asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

At the date of the consolidated statement of financial position, except for Investments at FVPL and derivative financial assets, all non-derivative financial assets of the Group have been classified as financial assets at amortised cost.

Investments at FVPL
The Company is an Investment Entity and therefore values its investment in subsidiaries at fair value through profit or loss, except where the subsidiary provides investment related services or activities. The fair value of an investment in subsidiary includes the fair value of the equity, loans and interest receivable and any other amounts which are included in the discounted estimated cash flow (which is used to compute the fair value) from such subsidiary. The Company subsequently measures its investment in certain subsidiaries at fair value in accordance with IFRS 13, with changes in fair value recognised in consolidated income statement in the period of change. The fair value estimation of investments in subsidiaries is described in Note 18.

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest rate ('EIR') method and are subject to impairment. Gains and losses are recognised in the consolidated statement of income when the asset is derecognised, modified or impaired.

The Group recognises an allowance for expected credit losses ('ECLs') for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Non-derivative financial liabilities
The Company classifies non-derivative financial liabilities as liabilities at amortised cost. Such financial liabilities are recognised initially at fair value less any direct attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the EIR method.

The Company derecognises a financial liability (or part of a financial liability) from the consolidated statement of financial position when, and only when, it is extinguished or when the obligation specified in the contract or agreement is discharged or cancelled or has expired. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is considered in the consolidated income statement.

e) Fair value measurement
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 18.

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.

f) Provisions
A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to a liability. The unwinding of such discount is recognised as finance cost.

g) Cash and cash equivalents
Cash and cash equivalents comprise of cash balances and term deposits with maturities of three months or less from the date when the deposits were made and that are subject to an insignificant risk of change in their fair value, and are used by the Group in the management of its short-term commitments.

h) Share capital
Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares, or which are associated with the establishment of the Company, that would otherwise have been avoided are recognised as a deduction from equity, net of any tax effects.

i) Segment reporting

Segment results that are reported to the Management Board include items directly attributable to segments as well as those that can be allocated on a reasonable basis.

j) Employee benefits
Short-term and other long-term employee benefits are expensed as the related services are provided. A liability is recognised for the amount expected to be paid, and discounted at present value if necessary, if the Group has present legal or constructive obligation to pay this amount as a result of a past service provided by the employee and the obligation can be estimated reliably.

For share-based payment arrangements, the grant-date fair value of the equity settled share-based payment arrangement is recognised as an expense, with a corresponding increase in additional paid in capital over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect related service and non-market performance conditions. The market condition related to the award is measured at the date of grant and there is no adjustment of expense/income to the consolidated income statement for differences between expected and actual outcomes.

k) Finance income and finance costs
Interest income and expenses are recognised in the consolidated income statement using the EIR method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, where appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Interest received or receivable and interest paid or payable are recognised in the consolidated income statement as finance income and finance costs, respectively.

l) Leases
Under IFRS 16, upon lease commencement, a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to office premises.

m) Tax
According to the Luxembourg regulations regarding SICAV companies, the Company itself, as an undertaking for collective investment, is exempt from paying income and/or capital gains taxes in Luxembourg. It is, however, liable to annual subscription tax of 0.05 per cent. on its consolidated net asset value ('NAV'), payable quarterly and assessed on the last day of each quarter.

Income tax on the consolidated subsidiaries' profits for the year comprises current and deferred tax. Current and deferred tax is recognised in the consolidated income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in the consolidated statement of other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- Temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

n) Current versus non-current classification
The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

4. Significant accounting judgements, estimates and assumptions
The preparation of consolidated 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 consolidated financial statements.

4.1 Assessment as an investment entity

Refer to Note 2 for the discussion on this topic.

4.2 Fair value determination

Refer to Note 3 e) for the discussion on this topic.

4.3 Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of equity-settled transactions for the Long-Term Incentive Plan ('LTIP'), the Group uses a Monte Carlo simulation model for the market-based performance condition element of the awards. Non-market based performance conditions are not taken into account in the valuation of the unit fair value per share of the LTIP. Instead, the number of shares is adjusted at each reporting date to take into account the actual level of non-market based performance condition.

For the measurement of the fair value of equity-settled transactions for the Deferred Short-Term Incentive Plan ('Deferred STIP'), the Group recognises a portion of the annual estimated bonus of the Management Board. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 20.

4.4 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 per cent. operational and relies on availability-based revenues. At the time of producing these consolidated financial statements, there was no evidence to suggest of material disruption to the operations of 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 consolidated financial statements. After due consideration, the Management Board believes it is appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements.

5. 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
Segment information is presented below:

For the year ended 31 December 2021		North		Continental	Holding	Total
In thousands of Pounds Sterling	UK	America	Australia	Europe	Activities	Group
Income from investments at FVPL	**4,718**	**65,061**	**1,509**	**4,155**	**-**	**75,443**
Administrative expenses	**-**	**-**	**-**	**-**	**(10,234)**	**(10,234)**
Other operating expenses - net	**-**	**-**	**-**	**-**	**(1,758)**	**(1,758)**
Results from operating activities	**4,718**	**65,061**	**1,509**	**4,155**	**(11,992)**	**63,451**
Net finance result	**-**	**-**	**-**	**-**	**(1,974)**	**(1,974)**
Net loss on balance sheet hedging	**-**	**-**	**-**	**-**	**(782)**	**(782)**
Tax expense - net	**-**	**-**	**-**	**-**	**(2,698)**	**(2,698)**
Profit or loss from continuing operations	**4,718**	**65,061**	**1,509**	**4,155**	**(17,446)**	**57,997**

For the year ended 31 December 2020		North		Continental	Holding	Total
In thousands of Pounds Sterling	UK	America	Australia	Europe	Activities	Group
Income from investments at FVPL	18,715	15,685	22,062	6,875	-	63,337
Administration expenses	-	-	-	-	(9,607)	(9,607)
Other operating expenses	-	-	-	-	(7,082)	(7,082)
Results from operating activities	18,715	15,685	22,062	6,875	(16,689)	46,648
Net finance result	-	-	-	-	(1,647)	(1,647)
Net loss on balance sheet hedging	-	-	-	-	(642)	(642)
Tax expense - net	-	-	-	-	(2,649)	(2,649)
Profit or loss from continuing operations	18,715	15,685	22,062	6,875	(21,627)	41,710

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

As at 31 December 2021		North		Continental	Holding	Total
In thousands of Pounds Sterling	UK	America	Australia	Europe	Activities	Group
Assets						
Property and equipment	**-**	**-**	**-**	**-**	**68**	**68**
Investments at FVPL	**319,324**	**456,690**	**110,242**	**88,969**	**-**	**975,225**

Other non-current assets	-	-	-	-	**1,417**	**1,417**
Current assets	-	-	-	-	**29,554**	**29,554**
Total assets	**319,324**	**456,690**	**110,242**	**88,969**	**31,039**	**1,006,264**
Liabilities						
Non-current	-	-	-	-	**429**	**429**
Current	-	-	-	-	**5,292**	**5,292**
Total liabilities	-	-	-	-	**5,721**	**5,721**

as at 31 December 2020 In thousands of Pounds Sterling	UK	North America	Australia	Continental Europe	Holding Activities	Total Group
Assets						
Property and equipment	-	-	-	-	58	58
Investments at FVPL	264,797	418,063	117,984	94,830	-	895,674
Other non-current assets	-	-	-	-	237	237
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 particular 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.

6. Administrative expenses

In thousands of Pounds Sterling	Year ended 31 December 2021	Year ended 31 December 2020
Personnel expenses	**6,915**	6,246
Legal and professional fees	**2,496**	2,570
Office and other expenses	**800**	764
Depreciation expense	**23**	27
	10,234	9,607

The Group has engaged certain third parties to provide legal, depositary, custodian, audit, tax and other services to the Group. The expenses incurred in relation to such services are treated as legal and professional fees. Depositary and custodian related charges during the year amounted to £459,000 (2020: 347,000).

During the year, the Company and its consolidated subsidiaries obtained the following services from the external auditors.

In thousands of Pounds Sterling	Year ended 31 December 2021	Year ended 31 December 2020
Group auditor remuneration:		
Statutory audit fees to the Group's external auditor	**177**	187
Audit-related fees	**65**	66
Other statutory audit fees	**33**	29
	275	282

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

There were no non-audit related fees charged by the Group's external auditor during the year (31 December 2020: nil).

7. Other operating expenses

In thousands of Pounds Sterling	Year ended 31 December 2021	Year ended 31 December 2020
Acquisition-related including unsuccessful bid costs	**1,477**	1,626
Loss on derivative financial instruments at FVPL - net (Note 18)	**1,015**	853
Foreign currency exchange loss - net	**-**	4,767
Others	**-**	22

	2,492	7,268

8. Net finance result

In thousands of Pounds Sterling	Year ended 31 December 2021	Year ended 31 December 2020
Finance costs on loans and borrowings (Note 15)	**(1,905)**	(1,657)
Other finance costs	**(69)**	-
Interest income on bank deposits	**-**	10
	(1,974)	(1,647)

9. Investments at FVPL

In thousands of Pounds Sterling	31 December 2021	31 December 2020
Balance at 1 January	**895,674**	845,967
Acquisitions of/additions in Investments at FVPL	**79,163**	59,185
Income from investments at FVPL[(i)]	**75,443**	63,337
Distributions received from Investments at FVPL	**(75,055)**	(72,815)
Balance at 31 December	**975,225**	895,674

(i) This account reflects the unrealised gain on revaluation of investments.

The impact of foreign exchange gains or losses on income from Investments at FVPL for the year ended 31 December 2021 amounted to a net loss of £3.2 million (year ended 31 December 2020: net gain of £3.2 million). Refer to Note 18 of the consolidated 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 31 December 2021 and 2020, loan and interest receivable from unconsolidated subsidiaries is embedded within Investments at FVPL.

The valuation of Investments at FVPL considers all future cash flows related to each individual underlying asset.

Interest income, dividend income, asset-related management fee income and other income, recorded under the accrual's basis at the level of the consolidated subsidiaries for the year ended 31 December 2021, amounted to £67,046,000 (31 December 2020: £65,689,000). The associated future cash flows deriving from these items are considered when fair valuing the investments.
During the year, the Group made four acquisitions and one follow-on subscription as follows:

- **Poplar Affordable Housing & Recreational Centres (United Kingdom)**: In April 2021, the Group acquired a 100 per cent. 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. This PPP project originally 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. Availability payments are to be received from the London Borough of Tower Hamlets.

- **Ayrshire and Arran Hospital (United Kingdom):** In July 2021, the Group acquired a 100 per cent. interest this project which consists of the design, construction, financing and maintenance of a 206-bed acute mental health facility and community hospital in Irvine, North Ayrshire, 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 Building Research Establishment Environmental Assessment Method ('BREEAM') 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.

- **North West Fire and Rescue (United Kingdom):** In July 2021, the Group acquired a 100 per cent. interest in this project which consists of the design, construction, financing, operations and maintenance and rehabilitation 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 rating of Very Good and sustainability measures have been integrated into the buildings. Availability payments are received from the Cumbria County Council, Lancashire Combined Fire Authority and Merseyside Fire and Rescue Authority.

- **Aberdeen Western Peripheral Route (United Kingdom):** In August 2021, the Group acquired a 33.33 per cent. interest this project which encompasses the 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.

- **McGill University Health Centre (Canada):** In December 2021, the final value of the acquired property was consummated resulting to an upward adjustment to the original purchase price. This transaction does not result in a change in Group's indirect interest in the project.

Details of various asset investments in the Group's portfolio and their respective acquisition dates are as follows:

Company	Asset	Country of Incorporation	Ownership Interest	Year Acquired
RW Health Partnership Holdings Pty Limited*	Royal Women's Hospital	Australia	100%	2012
Victorian Correctional Infrastructure Partnership Pty Limited	Victoria Correctional Facilities	Australia	100%	2012
BBPI Sentinel Holdings Pty Limited* BBGI Sentinel Holdings 2 Pty Limited*, and Sentinel Financing Holdings Pty Limited*	Northern Territory Secure Facilities	Australia	100%	2014 and 2015
Golden Crossing Holdings Inc.*	Golden Ears Bridge	Canada	100%	2012 and 2013
Trans-Park Highway Holding Inc.*	Kicking Horse Canyon	Canada	50%	2012
NorthwestConnect Holdings Inc.*	Northwest Anthony Henday Drive	Canada	50%	2012
BBGI KVH Holdings Inc.*	Kelowna and Vernon Hospital	Canada	100%	2013 and 2020
WCP Holdings Inc.*	Women's College Hospital	Canada	100%	2013
Stoney Trail Group Holdings Inc.*	Northeast Stoney Trail	Canada	100%	2013
BBGI NCP Holdings Inc.*	North Commuter Parkway	Canada	50%	2015
SNC-Lavalin Infrastructure Partners LP*	William R. Bennet Bridge Southeast Stoney Trail Canada Line Restigouche Hospital Centre McGill University Health Centre	Canada Canada Canada Canada Canada	80% 40% 26.7% 80% 40%	2017 2017 2017 2017 2018 and 2021
BBGI Stanton Holdings Inc.*	Stanton Territorial Hospital	Canada	100%	2018 and 2020
BBGI 104 GP Inc.	Highway 104	Canada	50%	2020
BBGI Champlain Holding Inc.*	Champlain Bridge	Canada	25%	2020
Kreishaus Unna Holding GmbH*	Unna Administrative Centre	Germany	90%	2012 and 2020
PJB Beteiligungs - GmbH*	Burg Correctional Facility	Germany	90%	2012
Hochtief PPP 1 Holding GmbH & Co.KG*	Cologne Schools Rodenkirchen Schools Frankfurt Schools Fürst Wrede Military Base	Germany Germany Germany Germany	50%	2014
Noaber18 Holding B.V.*	N18 Motorway	Netherlands	52%	2018, 2019 and 2020
De Groene SchakelHolding B.V. *	Westland Town Hall	Netherlands	100%	2018 and 2019
SAAone PPP B.V*	A1/A6 Motorway	Netherlands	37.14%	2018 and 2019
Agder OPS Vegselskap AS	E18 Motorway	Norway	100%	2013 and 2014
Folera TH Holdings Limited	Poplar Affordable Housing & Recreational Centres	Jersey	100.0%	2021
Kent Education Partnership (Holdings) Limited*	Kent Schools	UK	50%	2012
Healthcare Providers (Gloucester) Ltd.*	Gloucester Royal Hospital	**UK**	50%	2012
Highway Management M80 Topco Limited*	M80 Motorway	UK	50%	2012
Bedford Education Partnership Holdings Limited*	Bedford Schools	UK	100%	2012
Lisburn Education Partnership Holdings Limited*	Lisburn College	UK	100%	2012
Clackmannanshire Schools Education Partnership (Holdings) Limited*	Clackmannanshire Schools	UK	100%	2012
Primaria (Barking & Havering) Limited*	Barking & Havering Clinics (LIFT)	UK	60%	2012
East Down Education Partnership (Holdings) Limited*	East Down Colleges	UK	100%	2012 and 2018
Scottish Borders Education Partnership (Holdings) Limited*	Scottish Borders Schools	UK	100%	2012
Coventry Education Partnership Holdings Limited*	Coventry Schools	UK	100%	2012
Fire Support (SSFR) Holdings Limited*	Stoke & Staffs Rescue Service	UK	85%	2012
GB Consortium 1 Limited*	North London Estates Partnership (LIFT) Liverpool & Sefton Clinics (LIFT)	UK UK	60% (both)	2012, 2014 and 2018
Mersey Care Development Company 1 Limited*	Mersey Care Hospital	UK	79.6%	2013 and 2014
MG Bridge Investments Limited*	Mersey Gateway Bridge	UK	37.5%	2014

Tor Bank School Education Partnership (Holdings) Limited*	Tor Bank School	UK	100%	2013
Lagan College Education Partnership (Holdings) Limited*	Lagan College	UK	100%	2014
Highway Management (City) Holding Limited*	M1 Westlink	UK	100%	2014
Blue Light Partnership (ASP) NewCo Limited* Blue Light Partnership (ASP) NewCo 2 Limited*	Avon and Somerset Police HQ	UK	100%	2014, 2015 and 2016
Northwin Limited	North West Regional College	UK	100%	2015
Northwin (Intermediate) (Belfast) Limited*	Belfast Metropolitan College	UK	100%	2016
Fire and Rescue NW Holdings Limited	North West Fire and Rescue	UK	100.0%	2021
Woodland View Holdings Co Limited	Ayrshire and Arran Hospital	UK	100.0%	2021
Aberdeen Roads Holdings Limited	Aberdeen Western Peripheral Route	UK	33.33%	2021
BBGI East End Holdings Inc.*	Ohio River Bridges	US	66.67%	2014 and 2019

**and its subsidiary companies.*

10. Cash and cash equivalents

Cash and cash equivalents relate to bank deposits amounting to £26,862,000 (31 December 2020: £20,532,000).

11. Taxes

In thousands of Pounds Sterling	Year ended 31 December 2021	Year ended 31 December 2020
Current tax:		
Income tax and other taxes	**2,008**	2,449
Subscription tax	**459**	427
	2,467	2,876
Deferred tax:		
Relating to origination and reversal of temporary differences	**231**	(227)
	2,698	2,649

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 total net assets. Moreover, the Company as a SICAV is not subject to taxes on capital gains or income. All other consolidated subsidiaries are subject to taxation at the applicable rate in their respective jurisdictions.

Reconciliation of tax expense and the accounting profit multiplied by the Company's effective corporate tax rate for the year is as follows:

In thousands of Pounds Sterling	Year ended 31 December 2021	Year ended 31 December 2020
Profit before tax	**60,695**	44,359
Income tax using the Luxembourg domestic tax rate of 24.94%	**15,137**	11,063
Subscription tax during the year	**459**	427
Reconciling difference mainly due to fair valuation of assets, net of gain/loss on derivatives (unrealised)	**(12,898)**	(8,841)
Tax charge for the year	**2,698**	2,649

A significant portion of the profit before tax results from fair valuation of Investments at FVPL. The net income of the unconsolidated subsidiaries is taxed in their respective jurisdictions.

As a consequence of the adoption of IFRS 10, the Company is classified as an Investment Entity (see Note 2), meaning the tax expenses of the unconsolidated subsidiaries are not included within these consolidated financial statements. Therefore, the consolidated tax expense and tax assets/liabilities, if any, do not include those of the Portfolio Companies. The tax liabilities of the Portfolio Companies are embedded in the fair value calculation of the Investments at FVPL.

The Group did not recognise any deferred tax asset during the year (31 December 2020: £225,000). Furthermore, the Group has additional tax losses carried forward amounting to £7,229,000 (2020: £5,823,000) for which no deferred tax asset was recognised.

Tax liability as at 31 December 2021 amounted to £1,373,000 (31 December 2020: £1,567,000).

12. Other current assets

In thousands of Pounds Sterling	31 December 2021	31 December 2020
Prepaid taxes	**587**	1,627
Prepaid expenses	**11**	413
Others	**163**	124
	761	2,164

13. Capital and reserves

Share capital

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

In thousands of Pounds Sterling	31 December 2021	31 December 2020
Share capital as at 1 January	**770,942**	714,280
Issuance of ordinary shares through placing	**75,000**	55,000
Shares issuance cost on placing	**(1,107)**	(831)
Share capital issued through scrip dividends	**1,978**	2,068
Equity settlement of share-based compensation (see Note 20)	**1,045**	425
	847,858	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	31 December 2021	31 December 2020
In issue at beginning of the year	**664,691**	630,213
Shares issued through placing of ordinary shares	**45,181**	32,544
Shares issued through scrip dividends	**1,155**	1,244
Shares issued as share based compensation	**1,099**	690
	712,126	664,691

In July 2021, the Company raised gross proceeds of £75,000,000 through a placing of 45,180,722 new ordinary shares of no-par value ('Placing'). The Placing price was 166.0 pence per Placing share. The related share issuance cost amounted to £1,107,000.

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

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity except for exchange differences from intragroup monetary items which are reflected in the consolidated income statement. The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

Dividends

The dividends declared and paid by the Company during the year ended 31 December 2021 are as follows:

In thousands of Pounds Sterling except as otherwise stated	31 December 2021
2020 2nd interim dividend of 3.59 pence per qualifying ordinary share - for the period 1 July 2020 to 31 December 2020	**23,863**
2021 1st interim dividend of 3.665 pence per qualifying ordinary share - for the period 1 January 2021 to 30 June 2021	**26,068**
Total dividends declared and paid during the year	**49,931**

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.

The 30 June 2021 1st interim dividend was paid in October 2021. The value of the scrip election was £1,464,000 with the remaining amount of £24,604,000 paid in cash to those investors that elected for a cash dividend.

The dividends declared and paid by the Company during the year ended 31 December 2020 are as follows:

In thousands of Pounds Sterling except as otherwise stated	31 December 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
2020 1st interim dividend of 3.59 pence per qualifying ordinary share - for the period 1 January 2020 to 30 June 2020	22,659

Total dividends declared and paid during the year	44,716

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.

The 30 June 2020 1st interim dividend was paid in October 2020. The value of the scrip election was £1,639,000 with the remaining amount of £21,020,000 paid in cash to those investors that elected for a cash dividend.

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

In thousands of Pounds Sterling/pence	2021	2020	2019
NAV attributable to the owners of the Company	**1,000,543**	915,840	861,632
NAV per ordinary share (pence)	**140.50**	137.78	136.72

14. Earnings per share

a) Basic earnings per share

The basic earnings per share is calculated by dividing the profit 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	Year ended 31 December 2021	Year ended 31 December 2020
Profit attributable to the owners of the Company	**57,997**	41,710
Weighted average number of ordinary shares in issue	**684,569**	633,662
Basic earnings per share (in pence)	**8.47**	6.58

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	Year ended 31 December 2021	Year ended 31 December 2020
Shares outstanding as at 1 January	**664,691**	630,213
Effect of shares issued on placing of ordinary shares	**18,825**	2,712
Effect of scrip dividends issued	**366**	363
Shares issued as share based compensation	**687**	374
Weighted average - outstanding shares	**684,569**	633,662

b) Diluted earnings per share

The diluted earnings per share is calculated by dividing the profit 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. There were no items of the consolidated income statement accounts which have a dilutive effect on the profit attributable to the owners of the Company.

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

In thousands of shares	Year ended 31 December 2021	Year ended 31 December 2020
Weighted average number of ordinary shares for basic earnings per share	**684,569**	633,662
Effect of potential dilution from share-based payment	**985**	1,122
Weighted average - outstanding shares	**685,554**	634,784

The price of the Company's shares for the purpose of calculating the potential dilutive effect of award letters (Note 20) was based on the average market price for the year ended 2021 and 2020, during which period the awards were outstanding.

15. 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 an amendment and restatement to 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 31 December 2021, the Group had utilised £1.2 million (31 December 2020: £1.2 million) of the £230 million RCF, which was being used to cover letters of credit. There were no outstanding borrowings under the RCF as at 31 December 2021 (31 December 2020: nil).

The interest payable and other related RCF fee payables under the credit facility as at 31 December 2021 amounted to £246,000 (31 December 2020: £177,000).

The RCF unamortised debt issuance cost amounted to £1,417,000 as at 31 December 2021 (2020: £358,000). The unamortised debt issuance cost is presented as part of 'Other non-current assets' in the Consolidated Statement of Financial Position (2020: as part of 'Other current assets').

The total finance cost incurred under the RCF for the year ended 31 December 2021 amounted to £1,927,000 (31 December 2020: £1,655,000) which includes amortisation of debt issue expense of £549,000 (31 December 2020: £351,000).

Changes in liabilities arising from financing activities

In thousands of Pounds Sterling	1 January 2021	Proceeds	Repayment	Others	31 December 2021
Loans and borrowings_non-current	**-**	**67,000**	**(67,000)**	**-**	**-**

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

Pledges and collaterals

As of 31 December 2021, and 31 December 2020, the Group has provided a pledge over shares issued by consolidated subsidiaries, pledge over receivables between consolidated subsidiaries and a pledge over the bank accounts of the consolidated subsidiaries.

Based on the provisions of the RCF, where there is a 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 year.

16. Trade and other payables

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

17. Financial risk review and management

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. This note also presents the result of the review performed by management on the above-mentioned risk areas.

Risk management framework

The Management Board has overall responsibility for the establishment and control of the Group's risk management framework.

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.

Exposures to credit risks

The Group is exposed to credit risks on the following items in the consolidated statement of financial position:

In thousands of Pounds Sterling	31 December 2021	31 December 2020
Derivative financial assets	**907**	259
Trade and other receivables	**1,024**	1,631
Cash and cash equivalents	**26,862**	20,532
	28,793	22,422

The maximum exposure to credit risk on receivables that are neither overdue nor impaired as of 31 December 2021, amounts to £1,024,000 (2020: £1,631,000).

As of 31 December 2021, the Group is also exposed to credit risk on the loan receivable, interest and other receivable components of Investments at FVPL (loans provided to Portfolio Companies) totalling to £262,822,000 (2020: £216,631,000).

Cash and cash equivalents and foreign currency forwards

The cash and cash equivalents and foreign currency forward contracts (recorded either as 'derivative financial assets' or 'derivative financial liabilities') are maintained with reputable banks with ratings that are acceptable based on the established internal policy of the Group. Based on the assessment of the Management Board, there are no significant credit risks related to the cash and cash equivalents and foreign currency forward contracts maintained. The main counterparty banks of the Group have S&P/Moody's credit rating of A+/Aa3 and AA-/Aa2.

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.

The following are the undiscounted contractual maturities of the financial liabilities of the Group, including estimated interest payments:

31 December 2021 In thousands of Pounds Sterling	Carrying amount	Contractual cash flows Total	Within 1 year	1-5 years
Loans and borrowings (Note 15)	**246**	**5,801**	**1,326**	**4,475**
Trade and other payables	**2,956**	**2,956**	**2,956**	**-**
	3,202	**8,757**	**4,282**	**4,475**

31 December 2020 In thousands of Pounds Sterling	Carrying amount	Contractual cash flows Total	Within 1 year	1-5 years
Loans and borrowings (Note 15)	177	1,220	1,220	-
Trade and other payables	2,716	2,716	2,716	-
	2,893	3,936	3,936	-

The Group needs to maintain certain financial covenants under the RCF. Non-compliance with such covenants may trigger an event of default (see Note 15). At 31 December 2021 and 2020, the Group was not in breach of any of the covenants under the RCF.

The Company has the possibility of raising capital through the issuance of shares in order to finance further acquisitions or to repay debt.

All external financial liabilities of the Group have maturities of less than one year except for loans and borrowings, which have a maturity of more than one year. The Group has sufficient cash and cash equivalents and sufficient funding sources to pay and/or refinance currently maturing obligations.

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.

UK departure from the European Union
As part of the UK's preparations for Brexit, the UK Government established a temporary permissions regime ('TPR') enabling European Economic Area ('EEA') AIFs with EEA AIFMs passporting into the UK at the end of the transition period to continue to access the UK market in the same manner as before the transition period ended for a limited period of time.

During the year, the Company continued to access the UK market under the 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 June 2021, the Company 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, the Group's portfolio cash flows are contracted and, unlike demand-based assets, are not sensitive to the performance of the wider economic environment.

Currency risk
The Group buys derivative financial instruments, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within certain internal guidelines. The Group, via its hedge counterparty, reports all trades under these hedging instruments, for European Market Infrastructure Regulations purposes, to an EU branch of the derivative repository.
The Group is exposed to currency risk as a result of its underlying Investments at FVPL and cash and cash equivalents being denominated in currencies other than Pounds Sterling. The currencies in which these items are primarily denominated are Australian dollars (A$), Canadian dollars (C$), Euros (€), Norwegian kroner (NOK) and US dollars (US$).

The Group actively seeks to manage geographical concentration and mitigate foreign exchange risk by balance sheet hedging through foreign exchange forward contracts, hedging of forecast portfolio distributions and borrowing in non-Sterling currencies. Furthermore, Euro-denominated running costs provide a natural hedge against the Euro-denominated portfolio distributions.

In respect of other monetary assets and liabilities denominated in currencies other than Pounds Sterling, the Group's policy is to ensure that its net exposure is kept at an acceptable level. The Company accepts that risk from foreign exchange exposure is an inherent aspect of holding an international portfolio of investments. However, the Management Board believes that, in addition to the hedging program in place, this risk is further mitigated by having exposure to a number of different currencies including the Australian dollar, Canadian dollar, US dollar, Euro and Norwegian krone, all of which can provide diversification benefits. The Management Board spends considerable time reviewing its hedging strategy and believes it remains both appropriate and cost effective to continue with its four-year rolling hedge policy.

The summary of the quantitative data about the Group's exposure to foreign currency risk are as follows:

31 December 2021 In thousands of Pounds Sterling	A$	C$	€	NOK	US$
Financial assets measured at fair value					
Investments at FVPL	**110,242**	**347,921**	**64,199**	**24,770**	**108,769**

Financial assets measured at amortised cost					
Cash and cash equivalents	**15**	**13,615**	**736**	**2**	**160**
Trade and other receivables	**484**	**241**	**1**	**-**	**103**
	499	**13,856**	**737**	**2**	**263**
Financial liabilities measured at amortised cost					
Trade and other payables	**(10)**	**(1,224)**	**(1,367)**	**-**	**(29)**

31 December 2020 In thousands of Pounds Sterling	A$	C$	€	NOK	US$
Financial assets measured at fair value					
Investments at FVPL	117,984	337,417	66,615	28,216	80,645
Financial assets measured at amortised cost					
Cash and cash equivalents	24	11,542	1,020	3	2,125
Trade and other receivables	341	589	84	-	526
	365	12,131	1,104	3	2,651
Financial liabilities measured at amortised cost					
Trade payables and other payables	(4)	(687)	(1,741)	-	-

The significant exchange rates applied during the year ended 31 December 2021 and 31 December 2020 are as follows:

	31 December 2021	
	Average £	Spot rate £
A$ 1	**0.546**	**0.537**
C$ 1	**0.580**	**0.583**
€ 1	**0.860**	**0.840**
NOK 1	**0.085**	**0.084**
US$ 1	**0.727**	**0.740**

	31 December 2020	
	Average £	Spot rate £
A$ 1	0.538	0.565
C$ 1	0.581	0.575
€ 1	0.889	0.899
NOK 1	0.083	0.086
US$ 1	0.780	0.733

The sensitivity of the NAV to a 10 per cent. positive and adverse movement in foreign exchange rates is disclosed in Note 18 to the consolidated financial statements. This is a scenario that the Group considers to be reasonably possible at the reporting date. This scenario assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted revenues and other related costs.

Interest rate risk

Except for the loans and other receivables from Portfolio Companies which are included as part of Investments at FVPL, the Group does not account for other fixed-rate financial assets and liabilities at fair value through profit or loss. For the years ended 31 December 2021 and 2020, the main variable interest rate exposure of the Group is on the interest rates applied to the Group's cash and cash equivalents, including deposit rates used in valuing the Investments at FVPL and the loans and borrowings of the Group. A change in the deposit rates used in valuing Investments at FVPL would have an impact on the value of such and a corresponding impact on the Group's NAV. Refer to Note 18 for a sensitivity analysis of the impact of a change in deposit rates on the Group's NAV.

Investment risk

The valuation of Investments at FVPL depends on the ability of the Group to realise cash distributions from Portfolio Companies. The distributions to be received from the Portfolio Companies are dependent on cash received by a particular Portfolio Company under the service concession agreements. The service concession agreements are predominantly granted to the Portfolio Companies by a variety of public sector clients including, but not limited to, central government departments and local, provincial and state government and corporations set up by the public sector.

The Group predominantly makes investments in countries where the Management Board consider that asset structures are reliable, where (to the extent applicable) public sector counterparties carry what the Management Board consider to be an appropriate credit risk, or alternatively where insurance or guarantees are available for the sovereign credit risk, where financial markets are relatively mature and where a reliable judicial system exists to facilitate the enforcement of rights and obligations under the contracts.

The Management Board continuously monitors the ability of a particular Portfolio Company to make distributions to the Group. During the year, there have been no material concerns raised in relation to current and future distributions to be received from any of the Portfolio Companies.

Capital risk management

The Company's objective when managing capital is to ensure the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for further stakeholders and to maintain an optimal capital structure. The Company, at a Group level, views the share capital (see Note 13) and the RCF (see Note 15) as capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, avail itself of additional debt financing, pay down debt or issue new shares.

The Group regularly reviews compliance with Luxembourg regulations regarding restrictions on minimum capital. During the year, the Group complied with all externally imposed capital requirements and made no changes in its approach to capital management.

Derivative financial assets and liabilities for which hedge accounting is not applied
The Group has entered into foreign currency forwards to fix the foreign exchange rates on certain investment distributions that are expected to be received and on a portion of the non-Pounds Sterling denominated portfolio value. The derivative financial instruments (asset/liability) in the consolidated statement of financial position represent the fair value of foreign currency forwards which were not designated as hedges. The movements in their fair value are directly charged/credited in the consolidated income statement within other operating expenses and net gain(loss) on balance sheet hedging.

18. Fair value measurements and sensitivity analysis

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position are presented below. This 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 (ie, cash and cash equivalents; trade and other receivables; trade payables, accruals and other payables, 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).

31 December 2021		**Fair value**		
In thousands of Pounds Sterling	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Investments at FVPL	-	-	**975,225**	**975,225**
Derivative financial assets	-	**907**	-	**907**
Financial liabilities measured at fair value				
Derivative financial liabilities	-	**(1,146)**	-	**(1,146)**

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)

Refer to table presented in note 9 for the reconciliation of the movements in the fair value measurements in level 3 of the fair value hierarchy for Investments at FVPL.

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 portfolio valuation is carried out on a six-monthly basis as at 30 June and 31 December each year. The portfolio valuation is reviewed by an independent third-party professional.

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 portfolio 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 Group holding a low-risk, 100 per cent. availability-based portfolio, coupled with strong stakeholder collaboration during the reporting period. We will continue to work very closely with all stakeholders to help mitigate the risks and effects of the global pandemic.

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

- The 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 operations 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, the Group works with Portfolio Company management teams, as well as using due diligence information from, or working with, suitably qualified third parties such as technical, legal and insurance advisers.

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

		31 December 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%
	US (iii)	2.50%	2.50%
Deposit rates (p.a.)	UK	0.00% to Q4 2023, then 1.00%	0.25% to Q4 2023, then 1.00%
	Canada	0.50% to Q4 2023, then 1.50%	0.75% to Q4 2023, then 1.50%
	Australia	0.25% 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	0.00% to Q4 2023, then 2.00%	0.25% to Q4 2023, then 2.00%
	US	0.00% 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(vii)	25.8%	25.0%
	Norway	22.0%	22.0%
	US	21.0%	21.0%

(i) On the 25 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 Ohio River Bridges investment 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: Alberta; Ontario, Quebec, Northwest Territory; Saskatchewan, British Columbia; New Brunswick.
(vi) Individual local trade tax rates are considered in addition to the tax rate above.
(vii) On 21 December 2021, the Dutch Government enacted an increase in the Corporate Tax rate to 25.8% with effect from 1 January 2022.

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:

Effects in thousands of Pounds Sterling	+1% to 7.55% in 2021[(i)]		-1% to 5.55% in 2021[(i)]	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2021	**(78,057)**	**(78,057)**	**89,908**	**89,908**
31 December 2020	(73,609)	(73,609)	85,076	85,076

(i) Based on the weighted average discount rate of 6.55 per cent. (31 December 2020: 6.77 per cent.).

Combined Sensitivity: discount, inflation and deposit rates

Inflation has increased in all jurisdictions across BBGI's geographies and interest rates are expected to rise from its historical lows. In the event long term interest rates substantially rise this may have an effect on discount rates.

It is reasonable to assume if discount rates increase then deposit rates and inflation rates would increase as well. To illustrate the effect of this combined movement on the Company's NAV, a scenario was created assuming a 1 per cent. increase in the discount rate to 7.55 per cent., and a 1 per cent. increase in both deposit and inflation rates above the macro-economic assumptions.

In thousands of Pounds Sterling	+1%	
	Equity	Profit or loss
31 December 2021	**(23,127)**	**(23,127)**

Inflation rate 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 portfolio cash flows are positively correlated with inflation (e.g. RPI, CPI, or a basket of indices).

BBGI's equity cash flows are positively correlated to inflation at c. 0.44. This means that if long-term inflation was to be 1% higher than the Company's assumptions for all future periods, the Company's returns would increase from 6.55% to 6.99%.

This inflation linkage is achieved through contractual indexation mechanics in the various project agreements with the public sector clients at the portfolio companies and the inflation adjustment updated at least annually.

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

Effects in thousands of Pounds Sterling	+1%		-1%	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2021	**39,499**	**39,499**	**(32,622)**	**(32,622)**
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 following table shows the sensitivity of the NAV, by applying a change to foreign exchange rates:

Effects in thousands of Pounds Sterling	Increase by 10% [(i)]		Decrease by 10%[(i)]	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2021	**(28,372)**	**(28,372)**	**31,140**	**31,140**
31 December 2020	(25,491)	(25,491)	25,396	25,396

(i) *Sensitivity in comparison to the spot foreign exchange rates at 31 December 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 which 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 table below shows the sensitivity of the NAV, by applying a change in the long-term deposit rates:

Effects in thousands of Pounds Sterling	+1%		-1%	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2021	17,260	17,260	(17,151)	(17,151)
31 December 2020	17,065	17,065	(16,641)	(16,641)

Lifecycle costs sensitivity

Lifecycle 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 54 Investments at FVPL, 19 Investments at FVPL retain the lifecycle obligations. The remaining 35 investments have this obligation passed down to the subcontractor.

The following table shows the sensitivity of the NAV, by applying a change in lifecycle costs:

Effects in thousands of Pounds Sterling	Increase by 10%(i)		Decrease by 10%(i)	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2021	**(19,003)**	**(19,003)**	**19,580**	**19,580**
31 December 2020	(17,621)	(17,621)	17,390	17,390

(i) Sensitivity applied to the 19 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 corporate tax in the country where that company is located.

The following table shows the sensitivity of the NAV, by applying a change in the corporate tax rates:

Effects in thousands of Pounds Sterling	+1% in 2021		-1% in 2020	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2021	**(8,760)**	**(8,760)**	**8,739**	**8,739**
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 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.

In thousands of Pounds Sterling	Margin +1%(i)	
	Equity	Profit or loss
2021	**(6,321)**	**(6,321)**
2020	(7,745)	(7,745)

(i) The Northern Territory Secure Facilities ('NTSF') asset is the only remaining asset 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 31 December 2021 amounted to a net liability of £239,000 (31 December 2020: £16,000 - net asset). The counterparty bank has an S&P/Moody's long-term credit rating of A+/Aa3.

The net loss on the valuation of foreign exchange forwards for the year ended 31 December 2021 amounted to a net loss of £1,797,000 (31 December 2020: £1,495,000 - net loss).

During the year ended 31 December 2021, the Group realised a net loss of £1,540,000 on the cash settlement of foreign exchange forwards (31 December 2020: £151,000 - realised net loss).

19. Subsidiaries
During the year ended 31 December 2021, the Company had the following consolidated subsidiaries ('Holding Companies' if referred to individually) which are included in the consolidated financial statements:

Company	Country of Incorporation	Effective Ownership Interest	Year Acquired/Established
BBGI Global Infrastructure S.A.	Luxembourg	Ultimate Parent	2011
BBGI Management HoldCo S.à r. l. ('MHC')	Luxembourg	100.0%	2011
BBGI Inv, S.à r. l.	Luxembourg	100.0%	2012
BBGI Investments S.C.A.	Luxembourg	100.0%	2012
BBGI Holding Limited	UK	100.0%	2012
BBGI (NI) Limited	UK	100.0%	2013
BBGI (NI) 2 Limited	UK	100.0%	2015
BBGI CanHoldco Inc.	Canada	100.0%	2013
BBGI Guernsey Holding Limited	Guernsey	100.0%	2013
BBGI Ireland Limited	Ireland	100.0%	2017
BBGI US Holding, Inc.	US	100.0%	2021

The Company's subsidiaries which are not consolidated, by virtue of the Company being an Investment Entity, and are accounted for as Investments at FVPL, are as follows:

	Country of	Effective	Date Acquired

Company	Asset Name	Incorporation	Ownership	Controlled
RW Health Partnership Holdings Pty Limited	Royal Women's Hospital	Australia	100.0%	2012
RWH Health Partnership Pty Limited	Royal Women's Hospital	Australia	100.0%	2012
RWH Finance Pty Limited	Royal Women's Hospital	Australia	100.0%	2012
Victorian Correctional Infrastructure Partnership Pty Limited	Victoria Correctional Facilities	Australia	100.0%	2012
BBPI Sentinel Holdings Pty Limited	Northern Territory Secure Facilities	Australia	100.0%	2014
BBPI Sentinel Holding Trust	Northern Territory Secure Facilities	Australia	100.0%	2014
BBPI Sentinel Pty Limited	Northern Territory Secure Facilities	Australia	100.0%	2014
BBPI Member Trust	Northern Territory Secure Facilities	Australia	100.0%	2014
Sentinel Partnership Pty Limited	Northern Territory Secure Facilities	Australia	100.0%	2014 and 2015
Sentinel UJV	Northern Territory Secure Facilities	Australia	100.0%	2014 and 2015
Sentinel Financing Holdings Pty Limited	Northern Territory Secure Facilities	Australia	100.0%	2014 and 2015
Sentinel Financing Pty Limited	Northern Territory Secure Facilities	Australia	100.0%	2014 and 2015
Sentinel Finance Holding Trust	Northern Territory Secure Facilities	Australia	100.0%	2014 and 2015
Sentinel Finance Trust	Northern Territory Secure Facilities	Australia	100.0%	2014 and 2015
BBGI Sentinel Holdings 2 Pty Limited	Northern Territory Secure Facilities	Australia	100.0%	2015
BBGI Sentinel Holding Trust 2	Northern Territory Secure Facilities	Australia	100.0%	2015
BBGI Sentinel 2 Pty Limited	Northern Territory Secure Facilities	Australia	100.0%	2015
BBGI Sentinel Trust 2	Northern Territory Secure Facilities	Australia	100.0%	2015
BBGI Champlain Holding Inc.	Champlain Bridge	Canada	100.0%	2020
BBGI SSLG Partner Inc.	Champlain Bridge	Canada	100.0%	2020
Golden Crossing Holdings Inc.	Golden Ears Bridge	Canada	100.0%	2012 and 2013
Golden Crossing Finance Inc.	Golden Ears Bridge	Canada	100.0%	2012 and 2013
Golden Crossing Inc.	Golden Ears Bridge	Canada	100.0%	2012 and 2013
Global Infrastructure Limited Partnership	Golden Ears Bridge	Canada	100.0%	2012 and 2013
Golden Crossing General Partnership	Golden Ears Bridge	Canada	100.0%	2012 and 2013
BBGI KVH Holdings Inc.	Kelowna and Vernon Hospitals	Canada	100.0%	2013
BBGI KVH Inc.	Kelowna and Vernon Hospitals	Canada	100.0%	2013
BBGI KVH Holdings 2 Inc.	Kelowna and Vernon Hospitals	Canada	100.0%	2020
BBGI KVH 2 Inc.	Kelowna and Vernon Hospitals	Canada	100.0%	2020
Infusion Health KVH General Partnership	Kelowna and Vernon Hospitals	Canada	100.0%	2013 and 2020
BBGI 104 GP Inc.	Highway 104	Canada	100.0%	2020
WCP Holdings Inc.	Women's College Hospital	Canada	100.0%	2013
WCP Inc.	Women's College Hospital	Canada	100.0%	2013
WCP Investments Inc.	Women's College Hospital	Canada	100.0%	2013
Women's College Partnership	Women's College Hospital	Canada	100.0%	2013
Stoney Trail Group Holdings Inc.	Northeast Stoney Trail	Canada	100.0%	2013
Stoney Trail LP Inc.	Northeast Stoney Trail	Canada	100.0%	2013
Stoney Trail Investments Inc.	Northeast Stoney Trail	Canada	100.0%	2013
Stoney Trail Inc.	Northeast Stoney Trail	Canada	100.0%	2013
Stoney Trail Global Limited Partnership	Northeast Stoney Trail	Canada	100.0%	2013
Stoney Trail General Partnership	Northeast Stoney Trail	Canada	100.0%	2013
BBGI NCP Holdings Inc.	North Commuter Parkway	Canada	100.0%	2015
BBGI Stanton Holdings Inc.	Stanton Territorial Hospital	Canada	100.0%	2018
BBGI Stanton Partner 1 Inc.	Stanton Territorial Hospital	Canada	100.0%	2020
BBGI Stanton Partner 2 Inc.	Stanton Territorial Hospital	Canada	100.0%	2020
Boreal Health Partnership	Stanton Territorial Hospital	Canada	100.0%	2018 and 2020
PJB Beteiligungs-GmbH	Burg Correctional Facility	Germany	100.0%	2018 and 2020
Projektgesellschaft Justizvollzug Burg GmbH & Co. KG	Burg Correctional Facility	Germany	90.0%	2012
PJB Management-GmbH	Burg Correctional Facility	Germany	100.0%	2012
Kreishaus Unna Holding GmbH	Unna Administrative Center	Germany	100.0%	2012 and 2020
Projekt- und Betriebsgesellschaft Kreishaus Unna mbH	Unna Administrative Center	Germany	90.0%	2012 and 2020
BBGI PPP Investment S.à r.l.	Holding entity	Luxembourg	100.0%	2018
De Groene Schakel Holding B.V.	Westland Town Hall	Netherlands	100.0%	2018 and 2019
De Groene Schakel B.V.	Westland Town Hall	Netherlands	100.0%	2018 and 2019
Noaber18 Holding B.V.	N18 Motorway	Netherlands	52.0%	2018, 2019

				and 2020
Noaber18 B.V.	N18 Motorway	Netherlands	52.0%	2018, 2019 and 2020
Agder OPS Vegselskap AS	E18	Norway	100.0%	2013 and 2014
Bedford Education Partnership Holdings Limited	Bedford Schools	UK	100.0%	2012
Bedford Education Partnership Limited	Bedford Schools	UK	100.0%	2012
Lisburn Education Partnership (Holdings) Limited	Lisburn College	UK	100.0%	2012
Lisburn Education Partnership Limited	Lisburn College	UK	100.0%	2012
Clackmannanshire Schools Education Partnership (Holdings) Limited	Clackmannanshire Schools	UK	100.0%	2012
Clackmannanshire Schools Education Partnership Limited	Clackmannanshire Schools	UK	100.0%	2012
Primaria (Barking & Havering) Limited	Barking & Havering Clinics (LIFT)	UK	100.0%	2012
Barking Dagenham Havering Community Ventures Limited	Barking & Havering Clinics (LIFT)	UK	60.0%	2012
Barking & Havering LIFT (Midco) Limited	Barking & Havering Clinics (LIFT)	UK	60.0%	2012
Barking & Havering LIFT Company (No.1) Limited	Barking & Havering Clinics (LIFT)	UK	60.0%	2012
Scottish Borders Education Partnership (Holdings) Limited	Scottish Borders Schools	UK	100.0%	2012
Scottish Borders Education Partnership Limited	Scottish Borders Schools	UK	100.0%	2012
Coventry Education Partnership Holdings Limited	Coventry Schools	UK	100.0%	2012
Coventry Education Partnership Limited	Coventry Schools	UK	100.0%	2012
Fire Support (SSFR) Holdings Limited	Stoke & Staffs Rescue Service	UK	85.0%	2012
Fire Support (SSFR) Limited	Stoke & Staffs Rescue Service	UK	85.0%	2012
Highway Management M80 Topco Limited	M80 Motorway	UK	100.0%	2012
Tor Bank School Education Partnership (Holdings) Limited	Tor Bank School	UK	100.0%	2013
Tor Bank School Education Partnership Limited	Tor Bank School	UK	100.0%	2013 and 2014
Mersey Care Development Company 1 Limited	Mersey Care Hospital (LIFT)	UK	100.0%	2013 and 2014
MG Bridge Investments Limited	Mersey Gateway Bridge	UK	100.0%	2014
Lagan College Education Partnership (Holdings) Limited	Lagan College	UK	100.0%	2014
Lagan College Education Partnership Limited	Lagan College	UK	100.0%	2014
Highway Management (City) Holding Limited	M1 Westlink	UK	100.0%	2014
GB Consortium 1 Limited	North London Estates Partnership (LIFT) and Liverpool and Sefton Clinics (LIFT)	UK	100.0%	2012, 2014 and 2018
East Down Education Partnership (Holdings) Limited	East Down Colleges	UK	100.0%	2012 and 2018
East Down Education Partnership Limited	East Down Colleges	UK	100.0%	2012 and 2018
Highway Management (City) Finance Plc	M1 Westlink	UK	100.0%	2014
Highway Management (City) Limited	M1 Westlink	UK	100.0%	2014
Blue Light Partnership (ASP) NewCo Limited	Avon and Somerset Police HQ	UK	100.0%	2014, 2015 and 2016
Blue Light Partnership (ASP) Holdings Limited	Avon and Somerset Police HQ	UK	100.0%	2014, 2015 and 2016
Blue Light Partnership (ASP) NewCo 2 Limited	Avon and Somerset Police HQ	UK	100.0%	2015
GT ASP Limited	Avon and Somerset Police HQ	UK	100.0%	2015
Blue Light Partnership (ASP) Limited	Avon and Somerset Police HQ	UK	100.0%	2015
Northwin Limited	North West Regional College	UK	100.0%	2015
Northwin (Intermediate) (Belfast) Limited	Belfast Metropolitan College	UK	100.0%	2016
Northwin (Belfast) Limited	Belfast Metropolitan College	UK	100.0%	2016
Folera TH Holdings Limited	Poplar Affordable Housing & Recreational Centres	Jersey	100.0%	2021
Folera Limited	Poplar Affordable Housing & Recreational Centres	Jersey	100.0%	2021
Woodland View Holdings Co Limited	Ayrshire and Arran Hospital	UK	100.0%	2021
Woodland View Intermediate Co Limited	Ayrshire and Arran Hospital	UK	100.0%	2021
Woodland View Project Co Limited	Ayrshire and Arran Hospital	UK	99.0%	2021
Fire and Rescue NW Holdings Limited	North West Fire and Rescue	UK	100.0%	2021
Fire and Rescue NW Intermediate Limited	North West Fire and Rescue	UK	100.0%	2021

Fire and Rescue NW Limited	North West Fire and Rescue	UK	100.0%	2021
BBGI East End Holdings Inc.	Ohio River Bridges	US	100.0%	2014
East End Crossings Partners, LLC	Ohio River Bridges	US	66.67%	2014 and 2019

20. 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 total fees of £220,000 for the year ended 31 December 2021 (2020: £209,000).

Directors' shareholding in the Company

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

Remuneration of the Management Board

Under the current remuneration programme, 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 and a long-term incentive plan. Compensation under their contracts is reviewed annually by the Remuneration Committee.

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

In thousands of Pounds Sterling	Year ended 31 December 2021	Year ended 31 December 2020
Short-term benefits	**2,769**	2,717
Share-based payment	**1,224**	953
	3,993	3,670

Share-based compensation

Each of the members of the Management Board received award letters ('2020 Award', '2019 Award', and '2018 Award', respectively) under the Group's long-term incentive plan. These awards are to be settled by MHC in the Company's own shares. The awards granted vests by reference to one or a combination of performance measures linked to the Company's Total Shareholder Return ('TSR condition') and/or on the increase in the Company's Investment Basis NAV per share ('NAV condition') over the Return Periods. Further details are as follows:

	2020 Award	2019 Award	2018 Award
Return Period	**December 2020- December 2023**	December 2019- December 2022	December 2018- December 2021
Vesting period (by reference to performance measure - 100% NAV condition for 2020 Award and 50% NAV and 50% TSR condition for 2019 and 2018 Award)	**36 mos. Ending 31/12/2023**	36 mos. Ending 31/12/2022	36 mos. Ending 31/12/2021
Maximum number of shares which will vest	**1,456,759**	757,893	820,189

For 2021 awards, 90 per cent. of the performance target will be subject to stretching Net Asset Value ('NAV') Total Return targets. NAV Total Return reflects both capital returns generated and dividends returned to shareholders.

10 per cent. of the award will be subject to a reduction in corporate GHG emissions (Scope 1, 2 & 3) (against a 2019 baseline), a key climate related ESG metric linked to BBGI's Net Zero Plan.

The fair value of the equity instruments awarded to the Management Board was determined using the following key parameters:

	2020 Award	2019 Award	2018 Award
Share price at grant date	£ 1.700	£ 1.675	£ 1.565
Maturity	3 years	3 years	3 years
Annual target dividend (2023)	£0.0733	-	-
Annual target dividend (2020)	-	£0.0718	-
Annual target dividends (2021 to 2022)	£0.0733	£0.0733	-
Annual target dividends (2019 to 2021)	-	-	£0.0700

Volatility	n/a	11%	11%
Risk free rate	Between -0.11% and -0.05%	Between 0.53% and 0.60%	Between 0.75% and 0.79%

The expected volatility under the 2019 and 2018 awards reflects the assumption that the historical volatility over a period similar to the life of the plan is indicative of future trends, which may not necessarily be the actual outcome.

The Group has issued restricted share awards to selected employees. The restricted share award entitles the employee to a right to receive shares in the Company upon meeting a service condition.

The fair value of the awards and amounts recognised as additional paid in capital in the Group's consolidated statement of financial position are as follows:

In thousands of Pounds Sterling	31 December 2021	31 December 2020
2020 Award	**345**	-
2019 Award	**297**	148
2018 Award	**472**	315
2017 Award	**-**	402
Deferred STIP	**616**	627
Staff Award Plan	**103**	25
Amount recognised in additional paid-in capital	**1,833**	1,517

During the year ended 31 December 2021, the Company settled the outstanding obligation under the 2017 Award through (a) issuance of 730,785 shares at 167.8 pence per share. The total accrued amount under the 2017 Award as at 31 December 2020 was £402,000. This amount was transferred from Additional paid in capital to Share capital at the settlement date plus an adjustment of £25,000 for the non-market based performance condition.

The share-based compensation expenses amount recognised as part of 'administrative expenses' in the Group's consolidated income statement are as follows:

In thousands of Pounds Sterling	Year ended 31 December 2021	Year ended 31 December 2020
2020 Award	**345**	-
2019 Award	**148**	148
2018 Award	**157**	157
2017 Award	**25**	134
2016 Award	**-**	(114)
Deferred STIP	**607**	627
Staff Award Plan	**79**	25
Amount recognised in administrative expenses	**1,361**	977

In December 2021, each of the members of the Management Board received an award letter ('2021 Award'). The maximum number of shares that could be issued under this award was determined by using the closing price of the Company's share price on 23 December 2021, as ascertained from the Official List, which was 176.00 pence per share. Subject to the achievement of the performance conditions, the awards will vest after 21 December 2024.

Deferred STIP

Commencing in 2020, the Company introduced a bonus deferral under the STIP with one-third of any bonus earned being deferred into shares for three year holding period. The deferral component of the STIP differs from the Company's share-based compensation in that there are no further vesting conditions on this earned bonus.

The Deferred STIP is valued at 33.3% of the outcome of the annual bonus plan for the Management Board. The total value of the Deferred STIP as at 31 December 2021 was £616,000 (31 December 2020: £627,000).

Trade and other receivables

As at 31 December 2021, trade and other receivables include short-term receivables from non-consolidated subsidiaries amounting to £1,024,000 (2020: £1,631,000).

21. Commitments and contingencies

The Group has engaged, in the ordinary course of business, the services of certain entities to provide legal, custodian, audit, tax and other services to the Company. The expenses incurred in relation to such are treated as legal and professional fees under the administrative expenses grouping in the consolidated income statement.

As at 31 December 2021, the Group had utilised £1.2 million (31 December 2020: £1.2 million) of the £230 million RCF to cover letters of credit. Refer to Note 15 for further details on the RCF.

MHC leases its current office under a cancellable operating lease agreement. The expenses incurred in relation to such are recognised as office and other expenses under administrative expenses (see Note 6).

22. Service Concession Agreements

As at 31 December 2021, the Group has a portfolio of 54 assets (see also Note 9), with a weighted average remaining concession length of 20.3 years. The Group has a diverse asset mix from which the service concession receivables are derived. All assets are availability-based. The rights of both the concession provider and concession operator are stated within the specific asset agreement.

The following table summarises the main information about the Group's outstanding service concession agreements, which are all classified as availability-based social infrastructure:

Asset Name	% Equity Owned	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase)	
				Start Date	End Date
Kicking Horse Canyon	50.0%	Design, build, finance and operate a 26-km stretch of the Trans-Canada Highway, a vital gateway to British Columbia.	Operational	September 2007	October 2030
Golden Ears Bridge	100.0%	Design, build, finance and operate the Golden Ears Bridge that spans the Fraser River and connects Maple Ridge and Pitt Meadows to Langley and Surrey, near Vancouver, British Columbia.	Operational	June 2009	June 2041
Northwest Anthony Henday Drive	50.0%	Partly design, build, finance and operate a major transport infrastructure asset in Canada, a ring road through Edmonton, capital of the province of Alberta.	Operational	November 2011	October 2041
M80 Motorway	50.0%	Design, build, finance and operate 18 km of dual two/three lane motorway with associated slip roads and infrastructure from Stepps in North Lanarkshire to Haggs in Falkirk (Scotland).	Operational	July 2011	September 2041
E18 Motorway	100.0%	Design, build, finance, operate and maintain a 38 km dual carriageway in Norway, including 75 bridges and structures and 75 km of secondary roads, carving through a rugged and beautiful landscape between Grimstad and Kristiansand.	Operational	August 2009	August 2034
Northeast Stoney Trail	100.0%	Design, build, finance, operate and maintain a 21 km section of highway, forming part of a larger ring road developed in Calgary, Alberta, Canada.	Operational	November 2009	October 2039
Ohio River Bridges	66.67%	Design, build, finance, operate and maintain East End Bridge asset which includes a cable-stay bridge, a tunnel and the connecting highway with a total length of 8 miles crossing the Ohio river in the greater Louisville-Southern Indiana region.	Operational	December 2016	December 2051
Mersey Gateway Bridge	37.5%	Design, build, finance, operate and maintain a new circa 1-km long six-lane toll cable-stay bridge (three towers) over the Mersey river to relieve the congested and ageing Silver Jubilee Bridge and upgrading works for 9.5 km of existing roads and associated structures.	Operational	October 2017	March 2044
M1 Westlink	100.0%	Design, build, finance, operate and maintain with significant amount of construction work completed in 2009 to upgrade key sections of approx. 60 km of motorway through Belfast and its vicinity, including O&M of the complete motorway.	Operational	February 2006	October 2036
North Commuter Parkway	50.0%	Design, build, finance, operate and maintain two new arterial roadways and a new river crossing located in the north area of Saskatoon, Saskatchewan, Canada, and design, construct, finance, operate and maintain a replacement river crossing located in Saskatoon's downtown core.	Operational	October 2018	September 2048
Canada Line	26.7%	Design, build, finance, operate and maintain a 19km rapid transit line connecting the cities of Vancouver and Richmond with Vancouver International Airport in British Columbia, Canada.	Operational	August 2009	July 2040
Southeast Stoney Trail	40.0%	Design, build, finance, operate and maintain a 25km section of highway, forming part of a larger ring road developed in Calgary, Alberta, Canada.	Operational	November 2013	September 2043
William R. Bennett Bridge	80.0%	Design, build, finance, operate and maintain a 1.1km long floating bridge in Kelowna, British Columbia, Canada.	Operational	May 2008	June 2035
A1/A6 Motorway	37.14%	Design, build finance operate and maintain the enlargement of the A1/A6 in the Netherlands, which involves the reconstruction and widening of this 2x5 lanes motorway plus 2 reversible direction lanes. The asset involves some 90 engineering structures.	Operational	July 2017	June 2042
N18 Motorway	52.0%	Design, build, finance operate and maintain the extension of the N18 motorway between Varsseveld and Enschede in the eastern part of the Netherlands. It comprises of 15 km of existing and 27km of a new 2x2-lane motorway with more than 30 ecological passages, aiming	Operational	April 2018	April 2043

		at a reduction in traffic in certain villages and safety improvement.			
Highway 104	50%	Design, build, finance, operate and maintain PPP following completion of construction. The project consists of the construction of a four-lane divided highway corridor beginning at the end of the existing divided highway east of New Glasgow near Exit 27 at Sutherlands River and running for a distance of approximately 38km to the existing divided highway just west of the Addington Fork Interchange (Exit 31) at Antigonish.	Construction	May 2020	August 2043
Champlain Bridge	25%	Design, construction, financing, operation, maintenance and rehabilitation of a new bridge spanning the St. Lawrence River between Montreal and Brossard, Quebec.	Operational	December 2020	October 2049
Victoria Correctional Facilities	100.0%	Design, build, finance, operate, and maintain for a period of 25 years, two new correctional facilities for the State of Victoria, Australia (MCC and MRC).	Operational	March 2006 (MRC)/February 2006 (MCC)	May 2031
Burg Correctional Facility	90.0%	Design, build, finance, operate, and maintain for a concession period of 25 years, a new correctional facility for the state of Saxony-Anhalt, Germany.	Operational	May 2009	April 2034
Avon and Somerset Police HQ	100.0%	Design, build, finance, operate and maintain four new build police and custody facilities in the Avon and Somerset region (UK).	Operational	July 2014/July 2015	March 2039
Northern Territory Secure Facilities	100.0%	Design, build, finance, operate and maintain a new correctional facility, located near Darwin, including three separate centres of the 1,048 bed multi-classification men's and women's correctional centre and 24-bed Complex Behaviour Unit.	Operational	November 2014	June 2044
Bedford Schools	100.0%	Design, build, finance, operate and maintain the redevelopment of two secondary schools in the County of Bedfordshire.	Operational	June 2006	December 2035
Coventry Schools	100.0%	Design, build, finance, operate and maintain one new school and community facilities for the Coventry City Council.	Operational	In stages from March 2006 to June 2009	December 2034
Kent Schools	50.0%	Design, build, finance, operate and maintain the redevelopment, which included the construction of new build elements for each academy as well as extensive reconfiguration and refurbishment of six academies.	Operational	June 2007	September 2035
Scottish Borders Schools	100.0%	Design, build, finance, operate and maintain three new secondary schools for Scottish Borders Council.	Operational	July 2009	November 2038
Clackmannanshire Schools	100.0%	Design, build, finance, operate and maintain the redevelopment of three secondary schools in Clackmannanshire, Scotland.	Operational	In stages from January to May 2009	March 2039
East Down Colleges	100.0%	Design, build, finance, operate and maintain the three East Down Colleges campuses in Northern Ireland	Operational	June 2009	May 2036
Lisburn College	100.0%	Design, build, finance, operate and maintain Lisburn College in Northern Ireland.	Operational	April 2010	May 2036
Tor Bank School	100.0%	Design, build, finance, operate and maintain a new school for pupils with special education needs in Northern Ireland.	Operational	October 2012	October 2037
Lagan College	100.0%	Design, build, finance operate and maintain the redevelopment of Lagan College in Northern Ireland.	Operational	October 2013	June 2038
Cologne Schools	50.0%	Design, build, finance operate and maintain the redevelopment of five schools in Cologne.	Operational	April 2005	December 2029
Rodenkirchen Schools	50.0%	Design, build, finance operate and maintain a school for approx. 1200 pupils in Cologne.	Operational	November 2007	November 2034
Frankfurt Schools	50.0%	Design, build, finance operate and maintain the redevelopment of four schools in Frankfurt.	Operational	August 2007	July 2029
North West Regional College	100.0%	Design, build, finance, operate and maintain the North West Regional College educational campus in Northern Ireland	Operational	February 2001	January 2026
Belfast Metropolitan College	100.0%	Design, build, finance, operate and maintain the Belfast Metropolitan educational campus in Northern Ireland	Operational	September 2002	August 2027
Westland Town Hall	100.0%	Design, build, finance, operate and maintain Westland Town Hall, a PPP accommodation asset consisting of a new approximately 11,000m^2 town hall for the Dutch Municipality of Westland.	Operational	August 2017	August 2042
Gloucester Royal Hospital	50.0%	Design, build, finance, operate and maintain a hospital scheme in Gloucester, UK.	Operational	April 2005	February 2034
Liverpool and Sefton Clinics (LIFT)	60.0%	Design, build, finance, operate and maintain the primary healthcare facilities in Liverpool and Sefton, UK.	Operational	In 7 tranches starting April 2005 and ending February 2013	In 7 tranches starting April 2033 and ending February 2043
North London Estates Partnership (LIFT)	60.0%	Design, build, finance, operate and maintain the primary healthcare facilities of the Barnet, Enfield and Haringey LIFT programme, UK.	Operational	In 4 tranches starting February 2006 and ending June 2013	In 4 tranches starting October 2030 and ending June 2043
Barking Dagenham Havering (LIFT)	60.0%	Design, build, finance, operate and maintain 10 facilities/clinics in East London, UK with	Operational	In 3 tranches starting October 2005 and	In 3 tranches starting

		asset construction completions between 2005 and 2009.		ending October 2008	September 2030 and ending September 2033
Royal Women's Hospital	100.0%	Design, build, finance, operate and maintain a new nine-storey Royal Women's Hospital in Melbourne.	Operational	June 2008	June 2033
Mersey Care Hospital (part of Liverpool Sefton Clinics (LIFT) above)	79.6%	Design, build, finance, operate and maintain a new mental health in-patient facility on the former Walton hospital site in Liverpool, UK.	Operational	December 2014	December 2044
Kelowna and Vernon Hospital	100.0%	Design, build, finance, operate and maintain a new Patient Care Tower, a new University of British Columbia Okanagan Clinical Academic Campus and car park at Kelowna General Hospital, and a new Patient Care Tower at Vernon Jubilee Hospital.	Operational	January 2012	August 2042
Women's College Hospital	100.0%	Design, build, finance, operate and maintain the new Women's College Hospital in Toronto, Ontario, Canada.	Operational	May 2013 (Phase 1), September 2015 (Phase 2), March 2016 (final completion).	May 2043
Restigouche Hospital Centre	80.0%	Design, build, finance, operate and maintain the new Psychiatric Care Centre in Restigouche, New Brunswick, Canada.	Operational	June 2015	October 2044
McGill University Health Centre	40.0%	Design, build, finance, operate and maintain the new McGill University Health Centre, Montreal, Canada.	Operational	October 2014	September 2044
Stanton Territorial Hospital	100.0%	Design, build, finance, operate and maintain the new Stanton Territorial Hospital, Yellowknife, Northwest Territories, Canada.	Operational	December 2018	October 2048
Stoke & Staffs Rescue Service	85.0%	Design, build, finance, operate and maintain 10 new community fire stations in Stoke-on-Trent and Staffordshire, UK.	Operational	November 2011	October 2036
Unna Administrative Centre	90.0%	Design, build, finance, operate and maintain the administration building of the Unna District in Rhine-Westphalia, Germany.	Operational	July 2006	July 2031
Fürst Wrede Military Base	50.0%	Design, build, finance, operate and maintain the refurbishment and new construction of a 32 hectare army barracks in Munich, Germany.	Operational	March 2008	March 2028
Poplar Affordable Housing & Recreational Centres	100.0%	Design, construction, financing, operation, maintenance and rehabilitation of separate buildings.	Operational	October 2015	July 2051
Aberdeen Western Peripheral Route	33.3%	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.	Operational	May 2018	November 2047
Ayrshire and Arran Hospital	100.0%	Design, construction, financing and maintenance of a 206-bed acute mental health facility and community hospital in Irvine, North Ayrshire, Scotland.	Operational	March 2016	March 2041
North West Fire and Rescue	100.0%	Design, construction, financing, maintenance and rehabilitation of 16 new community fire stations in the North West of England.	Operational	June 2013	July 2038

23. Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these consolidated financial statements. The Group intends to adopt these new and amended standards, if applicable, when they become effective.

The adoption of the below new standards, which are of relevance to the Company, are not expected to have a significant impact on the Group's consolidated financial statements.

Reference to the Conceptual Framework - Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

IFRS 9 Financial Instruments - Fees in the '10 per cent.' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to

IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

24. Events after the end of the reporting period

New Acquisition

John Hart Generating Station Replacement Project (Canada): In February 2022, BBGI completed the acquisition of an investment in InPower BC General Partnership, the entity responsible for delivering the John Hart Generating Station Replacement Project ('John Hart Generating Station'), an investment delivered through the existing strategic partnership between the Company and SNC-Lavalin Group Inc. The PPP consisted of the design, construction, financing, maintenance and rehabilitation of a new three-turbine, 132-MW hydroelectric power generation station on the Campbell River, British Columbia, including a 3 generating unit underground powerhouse, 2.1 kilometres of water passage tunnels and a water bypass system to protect downstream fish habitat. The acquisition price was approximately £24 million.

Service commencement was achieved in 2019 and the concession runs until 2033. The asset is classified as availability-based under the investment policy of the Company. The investment is not subject to demand or power price risk. Availability payments are received from the British Columbia Hydro & Power Authority (rated AA / Aaa by DBRS Morningstar and Moody's respectively) a Crown corporation wholly owned by the Government of British Columbia.

Dividend declaration

In February 2022, the Company declared a 2nd interim dividend of 3.665 pence per share with scrip alternative for qualifying shareholders for the period 1 July - 31 December 2021. The dividend is expected to be paid in April 2022.

AUDIT OPINION

To the Shareholders of

BBGI Global Infrastructure S.A. 6E, route de Trèves

L-2633 Senningerberg Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial

statements Opinion

We have audited the financial statements of BBGI Global Infrastructure S.A. (the "Company"), which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs").

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the « Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of investment in subsidiary and loans receivable from subsidiaries

a) Why the matter was considered to be one of most significance in our audit of the financial statements of the current period?

We refer to the accounting policy for "Impairment testing for investments" and to Note 13 and 14 in the financial statements. 97% of the Company's total assets are investment in subsidiary and loans receivable from subsidiaries subject to an impairment assessment at each reporting date.

The conclusion whether there is objective evidence of impairment on investment in subsidiary and loans receivable from subsidiaries is a significant judgement area resulting from a number of assumptions in the financial models. The valuation is inherently subjective due to the absence of a liquid market for these investments, and the fact that their fair value is determined using the fair value of the underlying infrastructure investments which, in turn, is determined using a discounted cash flow methodology applied by the Management Board. The complexity of this methodology as well as assumptions taken in the financial models mean that there is a risk that the fair value of these investments may not be appropriate. The key assumptions used by the Management Board are in respect of discount rates and components of budgets used being part of long term forecast cash flows. In addition, the Management Board also used key macroeconomic assumptions such as inflation, deposit interest and tax rates that have an impact on the long term forecast cash flows.

As for the loans receivable from subsidiaries, valuation of the underlying investments is an important consideration in the determination of expected credit losses (ECL). The significance of the estimates and judgements involved, coupled with the fact that a small percentage difference in the key assumptions used in the valuation of loans receivables from subsidiaries and in the impairment assessment of loans receivable from subsidiaries, when aggregated, could result in a material misstatement on the statement of comprehensive income and statement of financial position, warrants specific audit focus in this area.

b) How the matter was addressed in our audit

Our audit procedures to determine if there is any impairment of investment in subsidiary and loans receivable from subsidiaries consist of the analysis of the valuation of the underlying infrastructure assets that have been developed predominantly under PPP/PFI or similar procurements models ("Infrastructure Investments") and of ECL, as appropriate, which included, but were not limited to the following:

- We tested the design and implementation of the management review controls over the valuation process;

- We involved KPMG valuation specialists and their market knowledge to perform the following procedures:

  - We considered and commented the approach and methodology documented by Management Board used in Company's Valuation Report against International Private Equity and Venture Capital Valuation Guidelines;

  - We obtained market benchmarks for discount rates from public and private sources. We considered the discount rates applied in Company's Valuation Report against market benchmarks in the light of market, project, sector and country issues;

  - We performed research on key assumptions and commented and compared those against the assumptions applied in Company's Valuation Report;

  - We reviewed the results of the sensitivity analysis on key assumptions taken by Management;

  - We challenged and determined the appropriateness of the Management Board's assumptions used for the valuation of a sample of Infrastructure Investments applying following procedures:

    - We considered if the methodology for assessing fair value has been applied consistently across the assets;

    - We read the latest board minutes, board packages and other supporting documents and information in respect of the sampled investments and raised Q&A comments to challenge the inputs in the valuation;

- We determined the appropriateness of the changes in the cash-flows inputs (such as dividends, subordinated debt interest and principal repayment and director's fees) used for the valuation of Infrastructure Investments;

- We reviewed the Valuation Report prepared by the Management Board and assessed whether the valuation inputs and results are consistent with our other audit procedures performed as part of our audit of the consolidated financial statements;

- We obtained and reviewed the valuation review opinion issued by the independent third party valuation expert engaged by the Company, in connection with the appropriateness of the portfolio value prepared by the Management Board;

- We gained an understanding of the process and controls that management has established to identify, account for and disclose loans from subsidiaries and to authorize and approve significant transactions and arrangements with related parties.

- We verified whether the Company's investment in subsidiary and loans receivables from subsidiaries are carried at more than their recoverable amount (fair value determined) and assessed that there are no external or internal indicators of impairment.

- We obtained the management impairment analysis by the Management Board on the impairment of investment in subsidiary and loans receivable from subsidiaries and performed the following procedures:

  - We challenged the criteria and inputs used in the impairment analysis;

  - We performed an overall assessment of the assumptions and models used to calculate the ECL; and

  - We performed impairment testing of non-financial assets (investment in subsidiary).

Other information

The Management Board is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Management Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the réviseur d'entreprises agréé for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.

- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the Shareholders on 30 April 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is eleven years.

The management report is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

Luxembourg, 30 March 2022

KPMG Luxembourg
Société anonyme Cabinet
de révision agréé

Joseph de Souza

Company Statement of Comprehensive Income
for the year ended 31 December 2021

In thousands of Pounds Sterling	Notes	2021	2020
Administrative expenses	5	**(9,498)**	(9,001)
Other operating expenses	6	**(12,611)**	(2,721)
Other operating income	7	**-**	5,181
Results from operating activities		**(22,109)**	(6,541)
Net finance result	8	**20,118**	18,773
Profit (loss) before tax		**(1,991)**	12,232
Tax expense	9	**(459)**	(427)
Profit (loss) from continuing operations		**(2,450)**	11,805
Profit (loss) from continuing operations attributable to owners of the Company		**(2,450)**	11,805
Other comprehensive income for the year		**-**	-
Total comprehensive income (loss) for the year attributable to owners of the Company		**(2,450)**	11,805

The accompanying notes form an integral part of the Company's financial statements

Company Statement of Financial Position
as at 31 December 2021

In thousands of Pounds Sterling	Notes	2021	2020
Assets			
Property and equipment		**7**	-
Loans receivable from subsidiaries	13	**243,638**	217,182
Investment in subsidiary	14	**350,453**	333,048
Non-current assets		**594,098**	550,230
Loans receivable from subsidiaries	13	**91,968**	94,784
Interest and other receivables from subsidiaries	13	**8,760**	14,325
Other current assets		**325**	256
Cash and cash equivalents	10	**11,311**	5,636
Current assets		**112,364**	115,001
Total assets		**706,462**	665,231
Equity			
Share capital	11	**850,355**	772,640
Retained earnings		**(161,124)**	(108,743)
Equity attributable to owners of the Company		**689,231**	663,897
Liabilities			
Trade and other payables		**1,125**	1,232
Advances from subsidiary	13	**15,990**	-
Current tax liabilities	9	**116**	102
Current liabilities		**17,231**	1,334
Total liabilities		**17,231**	1,334
Total equity and liabilities		**706,462**	665,231
Net asset value attributable to the owners of the Company	11	**689,231**	663,897
Net asset value per ordinary share (pence)	11	**96.78**	99.88

The accompanying notes form an integral part of the Company's financial statements.

Company Statement of Changes in Equity
for the year ended 31 December 2021

In thousands of Pounds Sterling	Notes	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2020		715,406	(75,832)	639,574
Total comprehensive income for the year attributable to the owners of the Company		-	11,805	11,805
Transactions with the owners of the Company, recognised directly in equity				
Issuance of shares from placing of ordinary shares net of issue cost	11	54,169	-	54,169
Cash dividends	11	-	(42,648)	(42,648)
Scrip dividends	11	2,068	(2,068)	-
Shares issued on behalf of a subsidiary	11	997	-	997
Balance at 31 December 2020		772,640	(108,743)	663,897
Total comprehensive loss for the year attributable to the owners of the Company		**-**	**(2,450)**	**(2,450)**
Transactions with the owners of the Company, recognised directly in equity				
Issuance of shares from placing of ordinary shares net of issue cost	11	**73,893**	**-**	**73,893**
Cash dividends	11	**-**	**(47,953)**	**(47,953)**
Scrip dividends	11	**1,978**	**(1,978)**	**-**
Shares issued on behalf of a subsidiary	11	**1,844**	**-**	**1,844**
Balance at 31 December 2021		**850,355**	**(161,124)**	**689,231**

The accompanying notes form an integral part of the Company's financial statements.

Company Statement of Cash Flows
for the year ended 31 December 2021

In thousands of Pounds Sterling	Notes	2021	2020
Operating activities			
Profit (loss) from continuing operations		**(2,450)**	11,805
Adjustments for:			
Net finance result	8	**(20,118)**	(18,773)
Foreign currency exchange loss (gain) - net	6,7	**5,063**	(5,173)
Tax expense	9	**459**	427
Working capital adjustments:			
Advances/other receivables from subsidiary		**30,279**	(11,448)
Other current assets		**(69)**	(108)
Trade and other payables and current tax liabilities		**(119)**	(429)
Cash from (used) in operating activities		**13,045**	(23,699)
Taxes paid		**(445)**	(432)
Net cash flows from/(used) in operating activities		**12,600**	(24,131)

Investing activities			
Loan repayment from subsidiaries		**29,449**	34,741
Loans provided to subsidiaries		**(57,971)**	(15,802)
Investment in subsidiaries	14	**(17,405)**	(39,745)
Interest received		**12,925**	17,949
Net cash flows used in investing activities		**(33,002)**	(2,857)
Financing activities			
Proceeds from issuance of ordinary shares-net	11	**73,893**	54,169
Dividends paid	11	**(47,953)**	(42,648)
Net cash flows from financing activities		**25,940**	11,521
Net increase (decrease) in cash and cash equivalents		**5,538**	(15,467)
Impact of foreign exchange gain on cash and cash equivalents		**137**	185
Cash and cash equivalents at 1 January	10	**5,636**	20,918
Cash and cash equivalents at 31 December	10	**11,311**	5,636

The accompanying notes form an integral part of the Company's financial statements

Notes to the Company Financial Statement
For the year ended 31 December 2021

1. Corporate information

BBGI Global Infrastructure S.A., formerly BBGI SICAV S.A., ('BBGI', or the 'Company') is an investment company incorporated in Luxembourg in the form of a public limited 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 fund) 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, does not apply to the Company.

The Company's registered office is EBBC, 6E, route de Treves, L-2633 Senningerberg, Luxembourg. On 27 October 2020, the Company changed its registered name from BBGI SICAV S.A. to the current BBGI Global Infrastructure S.A.

The Company is a closed-ended investment company that invests, through its subsidiaries, principally in a diversified portfolio of operational Public-Private Partnership ('PPP')/Private Finance Initiative ('PFI') infrastructure assets or similar style assets. At 31 December 2021, the Company has one indirectly held investment that is under construction (31 December 2020: one).

The Company had no employees as of 31 December 2021 and 2020, respectively.

Reporting period

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

The amounts presented as 'non-current' in the Company´s statement of financial position are those expected to be recovered or settled after more than one year. The amounts presented as 'current' are expected to be recovered settled within one year. These financial statements were approved by the Management Board on 30 March 2022.

2. Basis of preparation

Statement of compliance

The separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU'), and applying IAS 27 - *Separate Financial Statements*, recognition and measurement requirements, in accounting for its investment in subsidiary. Please refer to Note 3 d) for the accounting policy for the investment in subsidiary.

The Company also prepares consolidated financial statements in accordance with IFRS as adopted by the EU.

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

The separate financial statements have been prepared using the going concern principle under the historical cost basis.

In the Company Statement of Comprehensive Income, certain amounts in respect to 'administrative expenses' and 'other operating expenses' for the year ended 31 December 2020 were reclassified in order to ensure comparability with the current year presentation. This reclassification had no effect on the reported net results nor the net asset value as at 31 December 2020.

Functional and presentation currency
These 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.

Impairment testing for investments
Investment in subsidiary and loans receivable from subsidiaries are measured at cost less accumulated impairment losses. The impairment losses are based on expected credit loss ('ECL') on such receivables. The loans and receivables of the Company from its subsidiaries are directly linked to the PPP/PFI assets financed by these subsidiaries either through loans and/or equity investments. The ECL, if any, of the Company from its loans and receivables from subsidiaries has a direct link with the fair value of the Group´s portfolio of investments ('PPP/PFI investments'). The Company performs a fair valuation of the underlying PPP/PFI investment portfolio every six months and considers any ECL on the loans and receivables, among others based on the results of the valuation. The fair valuation of the underlying PPP/PFI investments is done by calculating the net present value of the cash flows from these assets, based on internally generated models. The net present value of each asset is determined using future cash flows, applying certain macroeconomic assumptions for the cash flows which include indexation rates, deposit interest rates, corporate tax rates and foreign currency exchange rates. The cash flows are discounted at the applicable discount rate for companies involved in service concession assets. A material change in the macroeconomic assumptions and discount rates used for such valuation could have a significant impact on the net present value of the cash flows. The determined fair value will be considered as the recoverable amount to be compared to the carrying amount of investment in subsidiary to determine possible impairment. Excess of the carrying amount of the investment in subsidiary over the recoverable amount is recognised as impairment loss. As of 31 December 2021, the Company identified no ECL to be recorded on its loans and receivables from subsidiaries (2020: nil) nor impairment on its investment in subsidiary.

3. Summary of significant accounting policies
a) Foreign currency transactions
Transactions in foreign currencies are translated into Pounds Sterling at the exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Pounds Sterling at the exchange rate on that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into Pounds Sterling at the exchange rate on the date that the fair value was determined. Foreign currency differences arising on translation are recognised in the statement of comprehensive income as a gain or loss on currency translation.

b) Foreign currency translations
The assets and liabilities of foreign operations are translated to Pounds Sterling at the exchange rates on the reporting date. The income and expenses of foreign operations are translated to Pounds Sterling at the average exchange rates during the year, if such does not significantly deviate from the exchange rates at the date on which the transaction is entered into. If significant deviations arise, then the exchange rate at the date of the transaction is used.

c) Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Financial assets are classified at initial recognition at either: (i) amortised cost; (ii) fair value through other comprehensive income - debt instruments; (iii) fair value through other comprehensive income - equity instruments; or (iv) fair value through profit or loss.

In general, the Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate financial asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

At the date of the statement of financial position, all financial assets of the Company have been classified as financial assets at amortised cost. Financial assets of the Company consist of investment in subsidiary, loans receivables from subsidiaries, interest and other receivables from subsidiaries and cash and cash equivalents.

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of income when the asset is derecognised, modified or impaired.

Financial liabilities
The Company classifies financial liabilities at amortised cost. Such financial liabilities are recognised initially at fair value less any direct attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the EIR method.

The Company derecognises a financial liability (or part of a financial liability) from the statement of financial position when, and only when, it is extinguished or when the obligation specified in the contract or agreement is discharged or cancelled or has expired. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is considered in the statement of comprehensive income.

d) Investments in subsidiary
The investment in subsidiary is held at cost less any impairment.

e) Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to a liability. The unwinding of such discount is recognised as a finance cost.

f) Cash and cash equivalents
Cash and cash equivalents comprise of cash of balances and term deposits with maturities of three months or less from the date when the deposits were made and that are subject to an insignificant risk of change in their fair value, and are used by the Company in the management of its short-term commitments.

g) Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares, or which are associated with the establishment of the Company, that would otherwise have been avoided are recognised as a deduction from equity, net of any tax effects.

h) Finance income and finance costs

Interest income and expenses are recognised in statement of comprehensive income using the EIR method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, where appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Interest received or receivable and interest paid or payable are recognised in statement of comprehensive income as finance income and finance costs, respectively.

i) Tax

According to the Luxembourg regulations regarding SICAV companies, the Company itself, as an undertaking for collective investment, is exempt from paying income and/or capital gains taxes in Luxembourg. It is, however, liable to annual subscription tax of 0.05 per cent. on its consolidated net asset value ('NAV') payable quarterly and assessed on the last day of each quarter.

j) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

4. Significant accounting judgements, estimates and assumptions

The preparation of 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 Company´s accounting policies, the Management Board has made the following judgements that would have the most significant effect on the amounts recognised in the Company's financial statements.

4.1 Impairment testing for investments

Refer to Note 2 for the discussion of this topic.

4.2 Going concern basis of accounting

The Management Board has examined significant areas of possible financial risk including cash and cash requirements. It has not identified any material uncertainties which would cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from the date of approval of the Company's financial statements. The Management Board has satisfied itself that the Company has adequate resources to continue in operational existence for the foreseeable future. As part of its assessment, the Management Board has considered the risk posed by the COVID-19 pandemic. The Management Board has satisfied itself that the Company has adequate resources to continue in operational existence for the foreseeable future. After due consideration, the Management Board believes it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

5. Administrative expenses

In thousands of Pounds Sterling	Year ended 31 December 2021	Year ended 31 December 2020
Support agreement fees (see Note 13)	**6,982**	6,637
Legal and professional fees	**2,090**	1,956
Supervisory Board fees and expenses	**225**	231
Others	**201**	177
	9,498	9,001

Included in the legal and professional fees expensed during the year are those amounts charged by the Company's external auditor which include audit fees of £157,000 (2020: £159,000) and audit related fees of £64,000 (2020: £66,000). No non-audit related fees were charged by the Company's external auditors during the year (2020: nil). These administrative expenses also include depositary and custodian related charges which amounted to £460,000 (2020: £347,000).

6. Other operating expenses

Year ended 31 December	Year ended 31 December

In thousands of Pounds Sterling	2021	2020
Foreign exchange indemnity agreement expense (see Note 13)	**6,965**	1,891
Foreign currency exchange loss - net	**5,063**	-
Acquisition-related and unsuccessful bid costs	**583**	830
	12,611	2,721

7. Other operating income

In thousands of Pounds Sterling	Year ended 31 December 2021	Year ended 31 December 2020
Foreign currency exchange gain -net	**-**	5,173
Others	**-**	8
	-	5,181

8. Net finance result

In thousands of Pounds Sterling	Year ended 31 December 2021	Year ended 31 December 2020
Finance income from multi-currency facility (see Note 13)	**20,149**	18,768
Interest income from deposits	**-**	5
Other finance costs	**(31)**	-
	20,118	18,773

9. Tax expense

Current tax payable in 2021 amounting to £116,000 relates to subscription tax due (2020: £102,000).

A reconciliation of the tax expense and the tax at applicable tax rate is as follows:

In thousands of Pounds Sterling	Year ended 31 December 2021	Year ended 31 December 2020
Profit (loss) before tax	**(1,991)**	12,232
Income tax using the Luxembourg domestic tax rate of 24.94%	**(497)**	3,051
Effect of tax-exempt deductions/(income)	**497**	(3,051)
Subscription tax expense	**459**	427
Tax charge for the year	**459**	427

The Company, as an undertaking for collective investment, pays an annual subscription tax of 0.05 per cent. on its consolidated NAV. For the year ended 31 December 2021, the Company incurred a subscription tax charge of £459,000 (2020: £427,000). All direct and indirect subsidiaries of the Company are subject to corporation tax at the applicable rate in their respective jurisdictions.

10. Cash and cash equivalents

Cash and cash equivalents relates to bank deposits amounting to £11,311,000 (2020: £5,636,000).

11. Share capital

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

In thousands of Pounds Sterling	31 December 2021	31 December 2020
Share capital as at 1 January	**772,640**	715,406
Issuance of ordinary shares through placing	**75,000**	55,000
Shares issuance cost on placing	**(1,107)**	(831)
Share capital issued through scrip dividends	**1,978**	2,068
Shares issued as share based compensation	**1,844**	997
	850,355	772,640

In July 2021, the Company raised gross proceeds of £75,000,000 through a placing of 45,180,722 new ordinary shares of no-par value ('Placing'). The Placing price was set at 166.0 pence per Placing share. The related share issuance cost amounted to £1,107,000.

BBGI Management HoldCo S.à r.l. ('MHC'), a wholly owned subsidiary of the Company, provides share-based compensation to senior executives whereby it will issue a certain number of shares of the Company to entitled executives calculated based on the conditions of the Long-Term Incentive Plan ('LTIP') rules and the respective LTIP Award letters. During the year, in accordance with the LTIP agreement, the Company issued 1,099,229 shares, in connection with the LTIP, at 167.8 pence per share for a total amount of £1,844,000 (2020: £997,000). The amount of £1,844,000 was recorded as an advance made by the Company to MHC during the year (2020: £997,000).

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

In thousands of shares	31 December 2021	31 December 2020
In issue at beginning of the year	**664,691**	630,213
Shares issued through placing of ordinary shares	**45,181**	32,544
Shares issued through scrip dividends	**1,155**	1,244
Shares issued as share based compensation	**1,099**	690
	712,126	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.

Dividends

The dividends declared and paid by the Company during the year ended 31 December 2021 are as follows:

In thousands of Pounds Sterling except as otherwise stated	31 December 2021
2020 2nd interim dividend of 3.59 pence per qualifying ordinary share - for the period 1 July 2020 to 31 December 2020	**23,863**
2021 1st interim dividend of 3.665 pence per qualifying ordinary share- for the period 1 January 2021 to 30 June 2021	**26,068**
Total dividends declared and paid during the year	**49,931**

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.

The 30 June 2021 1st interim dividend was paid in October 2021. The value of the scrip election was £1,464,000 with the remaining amount of £24,604,000 paid in cash to those investors that elected for a cash dividend.

The dividends declared and paid by the Company during the year ended 31 December 2020 are as follows:

In thousands of Pounds Sterling except as otherwise stated	31 December 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
2020 1st interim dividend of 3.59 pence per qualifying ordinary share - for the period 1 January 2020 to 30 June 2020	22,659
Total dividends declared and paid during the year	44,716

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.

The 30 June 2020 1st interim dividend was paid in October 2020. The value of the scrip election was £1,639,000 with the remaining amount of £21,020,000 paid in cash to those investors that elected for a cash dividend.

Net asset value

The Company net asset value and net asset value per share as of 31 December 2021, 2020 and 2019 are as follows:

In thousands of Pounds Sterling/pence	2021	2020	2019
Net asset value attributable to the owners of the Company	**689,231**	663,897	639,574
Net asset value per ordinary share (pence)	**96.78**	99.88	101.49

12. Financial risk and capital risk management

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. This note also presents the result of the review performed by management on the above-mentioned risk areas.

Risk management framework
The Management Board has overall responsibility for the establishment and control of the Company's risk management framework.

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 Company, 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.

A significant part of receivables of the Company are receivables from subsidiaries. These subsidiaries have the ability to pay based on the projected cash flows to be received by such subsidiaries from its investments.

Exposures to credit risks
The Company is exposed to credit risks on the following items in the Company's statement of financial position:

In thousands of Pounds Sterling	31 December 2021	31 December 2020
Loans and other receivable to subsidiaries (including accrued interest)	**344,366**	326,291
Cash and cash equivalents	**11,311**	5,636
	355,677	331,927

The maximum exposure to credit risk on receivables that are neither overdue nor impaired as of 31 December 2021, amounts to £344,366,000 (2020: £326,291,000).

Recoverable amounts of receivables and other current and non-current assets
The Company establishes when necessary an allowance for impairment, based on ECL specific to the asset. Currently there are no recorded allowances for impairment. All the Company's receivables are recoverable and no significant amounts are considered as overdue, impaired or subject to ECL.

Cash and cash equivalents
The cash and cash equivalents are maintained with reputable banks with ratings that are acceptable based on the established internal policy of the Company. Based on the assessment of the Management Board, there are no significant credit risks related to the cash and cash equivalents. The main counterparty banks of the Company have S&P/Moody's credit rating between A+/Aa3 and AA-/Aa2.

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

The Company'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 Company 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.

The Company has the possibility to raise capital through the issuance of shares in order to finance further acquisitions.

All external financial liabilities of the Company have maturities of less than one year. The Company has sufficient cash and cash equivalents and sufficient funding sources to pay and/or refinance currently maturing obligations.

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 Company'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.

UK departure from the European Union
As part of the UK's preparations for Brexit, the UK government established a temporary permissions regime ('TPR') enabling European Economic Area ('EEA') AIFs with EEA AIFMs passporting into the UK at the end of the transition period to continue to access the UK market in the same manner as before the transition period ended for a limited period of time.

During the year, the Company continued to access the UK market under the 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, the Company 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, the Group's portfolio cash flows are contracted and, unlike demand-based assets, are not sensitive to the performance of the wider economic environment.

The Company together with its Subsidiaries (collectively referred to as the 'Group'), in which the Company is the ultimate parent entity, maintains a pure-play PPP-style investment platform, fully committed to a strict investment strategy into availability-based assets. This generates stable, predictable cash flows backed by secure, highly visible contracted public sector revenues and significantly carry no exposure to demand or regulatory risk. While the Brexit outcome remains uncertain we can say that, regardless of the outcome, the Group's portfolio cash flows are contracted and, unlike demand-based assets, are not sensitive to the performance of the wider economic environment.

Currency Risk

The Company is exposed to currency risk as a result of its cash and cash equivalents being denominated in currencies other than Pounds Sterling. The currencies in which these items are primarily denominated are Australian Dollar (A$), Canadian Dollar (C$), Euro (€), Norwegian Krone (NOK) and US Dollar (US$).

In respect of other monetary assets and liabilities denominated in currencies other than Pounds Sterling, the Company's policy is to ensure that its net exposure is kept at an acceptable level. The management believes that there is no significant concentration of currency risk in the Company.

The summary of the quantitative data about the Company's exposure to foreign currency risk provided to the management is as follows:

31 December 2021 *In thousands of Pounds Sterling*	A$	C$	€	NOK	US$
Cash and cash equivalents	**12**	**8**	**331**	**2**	**1**
Trade and other payables	**-**	**-**	**(641)**	**-**	**-**
	12	**8**	**(310)**	**2**	**1**

31 December 2020 *In thousands of Pounds Sterling*	A$	C$	€	NOK	US$
Cash and cash equivalents	22	18	202	2	5
Trade and other payables	-	-	(1,031)	-	-
	22	18	(829)	2	5

The Company has loans and receivables from MHC denominated in foreign currency but the Company is not exposed to fluctuations in foreign exchange rates in relation to these receivables due to the foreign exchange indemnity agreement entered into between the Company and MHC (see Note 13).

The significant exchange rates applied during the year ended 31 December 2021 and 31 December 2020 are as follows:

	31 December 2021	
	Average £	Spot rate £
A$ 1	**0.546**	**0.537**
C$ 1	**0.580**	**0.583**
€ 1	**0.860**	**0.840**
NOK 1	**0.085**	**0.084**
US$ 1	**0.727**	**0.740**

	31 December 2020	
	Average £	Spot rate £
A$ 1	0.538	0.565
C$ 1	0.581	0.575
€ 1	0.889	0.899
NOK 1	0.083	0.086
US$ 1	0.780	0.733

The impact of a strengthening or weakening of Pounds Sterling against the A$, C$, NOK and U$, as applicable, by 10 per cent. at 31 December 2021 and 31 December 2020 would not have a significant impact on the Company's cash and cash equivalents or the statement of comprehensive income. This assumes that all other variables, in particular, interest rates, remain constant and ignores any impact of forecast revenues, hedging instruments and other related costs.

Fair values versus carrying amounts

The 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).

The carrying amounts of cash and cash equivalents, receivables and payables approximates their fair value due to their short-term nature with maturity of one year or less, or on demand.

The fair value of loans and other receivables from subsidiaries and investment in subsidiary, with a total carrying value of £681,167,000 (2020: £659,647,000), amounts to £976,249,000 (2020: £897,305,000). The fair value of these loans receivable and investment in subsidiary is determined by discounting the future cash flows to be received from such assets using applicable market rates (Level 3).

Capital risk management

The Company's objective when managing capital is to ensure the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for further stakeholders and to maintain an optimal capital structure. The Company views the share capital (see Note 11) as capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, avail of additional debt financing, pay down debt, or issue new shares.

The Company regularly reviews compliance with Luxembourg regulations regarding restrictions on minimum capital. During the year, the Company complied with all externally imposed capital requirements and made no changes in its approach to capital management.

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 underlying portfolio, coupled with strong stakeholder collaboration during the reporting period. We will continue to work very closely with all stakeholders to help mitigate the risks and effects of the global pandemic.

13. Related parties and key contracts

Supervisory Board fees

During the year 31 December 2021, the aggregate remuneration of the Directors of the Supervisory Board was £220,000 (2020: £209,000).

Loans and receivables from subsidiaries - multicurrency facility agreement

On 1 January 2017, the Company as a lender and MHC as a borrower, entered into a multicurrency facility agreement ('MCF'). Pursuant to this agreement the Company has and will continue to make available an interest-bearing loan to MHC for the purposes of funding its initial and subsequent acquisitions of interests in PPP/PFI and similar styled infrastructure assets. The maximum amount that can be withdrawn from the MCF is £680,000,000. The interest rate charged on the withdrawn amount shall be the interest rate on loans charged to the underlying projects less an appropriate margin.

Movements in the MCF during the year are as follows:

In thousands of Pounds Sterling	31 December 2021	31 December 2020
1 January	**217,182**	201,342
Additions	**36,398**	15,802
Capitalisation of interest under MCF	**83**	100
Principal payments received	**(5,060)**	(4,930)
Foreign exchange movements	**(4,965)**	4,868
	243,638	217,182

During the year, the finance income from the MCF amounted to £20,149,000 (2020: £18,768,000).

Loans receivable from subsidiaries - interest free loan agreements

The Company has entered into various interest free loan agreements ('IFL') with MHC, an indirect 100 per cent. owned subsidiary. These IFLs have a term of one year with the possibility to extend and to introduce an arm's length interest rate. The details of the interest free loans receivable from MHC is as follows:

In thousands of Pounds Sterling	31 December 2021	31 December 2020
IFL receivable from MHC	**91,968**	94,784

Interest and other receivables from subsidiaries

The details of the interest and other receivables from subsidiaries are as follows:

In thousands of Pounds Sterling	31 December 2021	31 December 2020
Interest receivable from MCF	**8,760**	1,880
Other advances to MHC	**-**	12,445
	8,760	14,325

Foreign exchange indemnity agreement

The Company and MHC have entered into a foreign exchange indemnity agreement (Indemnity Agreement) whereby the Company will indemnify MHC for any net losses incurred by MHC in relation to foreign exchange movements, including losses incurred on foreign exchange forward contracts. The agreement also stipulates that where MHC makes a net gain on foreign transactions, then it shall pay an equivalent amount to the Company. As at 31 December 2021, the Company recorded Foreign Exchange Indemnity Agreement Expense amounting to £6,965,000 (2020: £1,891,000).

As of 31 December 2021, all obligations of the Company to MHC resulting from the Indemnity Agreement were settled.

Support agreement with MHC

The Company and MHC have entered into a support agreement (Support Agreement) whereby MHC provides support and assistance to the Company with respect to the day-to-day operations. As at 31 December 2021, the Company recorded Support Agreement expenses amounting to £6,982,000 (2020: £6,637,000).

As at 31 December 2021, the Company had £1,706,000 outstanding liabilities to MHC in relation to the above (2020: nil).

Advances from subsidiary

This account is non-interest bearing and relates to liabilities arising from the Foreign Exchange Indemnity Agreement and advances received from MHC that is usually settled in the next 12 months. Advances from subsidiary as at 31 December 2021 amounted to £15,990,000 (2020: nil).

14. Investment in subsidiary

MHC, the Company's wholly-owned direct subsidiary, is a Company incorporated and domiciled in Luxembourg. The Company's total equity investment in MHC amounted to £350,453,000 as of 31 December 2021 (2020: £333,048,000). The movements in the Company's investment in MHC are as follows:

In thousands of Pounds Sterling	31 December 2021	31 December 2020
1 January	**333,048**	293,303
Additional investment through capital contribution	**17,405**	39,745
	350,453	333,048

The Company's investments in PPP/PFI infrastructure assets, or similar assets, were made and will continue to be made through MHC.

15. Commitments and contingencies

The Company is an obligor under the Group RCF, and as a result has pledged all its current and future financial assets and shares in its investments in subsidiaries.

Based on the provisions of the RCF, where there is a continuing event of default by MHC as borrower, the lenders will, among other things, 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. There were no outstanding principal from the RCF as at the 31 December 2021.

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 Company has not early adopted any of the forthcoming new or amended standards in preparing these financial statements. The Company intends to adopt these new and amended standards, if applicable, when they become effective.

The adoption of the below new standards is not expected to have a significant impact on the Company's financial statements.

Reference to the Conceptual Framework - Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

IFRS 9 Financial Instruments - Fees in the '10 per cent.' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

17. Events after the reporting period.

Dividend declaration

In February 2022, the Company declared a 2nd interim dividend of 3.665 pence per share with scrip alternative for qualifying shareholders for the period 1 July - 31 December 2021. The dividend is expected to be paid in April 2022.

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

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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 Annual 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 a guarantee 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.

For further information, please contact:

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Frank Schramm - co-CEO	
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James Benjamin	BBGI-maitland@maitland.co.uk

NOTES

BBGI Global Infrastructure S.A. (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, whilst serving society by supporting local communities.

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

BBGI's investment portfolio is over 99% 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 low comparative ongoing charges to shareholders.

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.*

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[i] Social infrastructure include education, healthcare, blue light (fire and police), affordable housing, modern correctional 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.

[ii] Investments where payments received by the portfolio companies from the public sector client and hence the revenue streams from the investments do not generally depend on the level of use of the project asset, and as such are 'availability-based'.

[iii] References to 'low-risk' throughout this Annual Report are made in comparison to equity investments in other infrastructure asset classes.

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

[v] Pence per share ('pps')

[vi] Calculated using year end 31 December 2012 data, which was the Company's first full year of operations.

[vii] Based on data available for the years 2017 to 2021.

[viii] Refer to the Alternative Performance Measurement section of this Annual Report for further details.

[ix] Following the acquisition of the clean energy infrastructure asset in Canada in February 2022, the portfolio has increased to 55 high-quality, 100% availability-based infrastructure investments.

[x] As at 31 December 2021, excluding the cash required for the Canadian Healthcare and Canadian Clean Energy investments.

[xi] Source: Standard & Poor's credit ratings.

[xii] Calculated by running a 'plus 1%' inflation sensitivity on the portfolio cash flows and solving the portfolio discount rate to return the original portfolio valuation. The inflation-linked return is the increase above the portfolio weighted average discount rate.

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

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

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

[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] The FTSE All-Share, five-year data represents the five years preceding 31 December 2021.

[xix] Refer to the Alternative Performance Measurement section of this Annual Report for further details.

[xx] These are targets only and are 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.

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

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

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

[xxiv] The EU Sustainable Finance Disclosure Regulation (SFDR) is a new set of European Union rules that came into effect on 10 March 2021, providing a set of pre-defined metrics for assessing the ESG impacts of the investment process, referred to as Principal Adverse Sustainability Impact indicators.

[xxv] RCP: Representative Concentration Pathway. More details on climate scenario analysis can be found in the section 'TCFD Disclosures'.

[xxvi] Based on portfolio value as at 31 December 2021.

[xxvii] Baseline year: 31 December 2019; Methodology: Net Zero Asset Managers Initiative using Paris Aligned Investment Initiative Framework and Science-Based Targets initiative ('SBTi') target setting tool and guidance for Private Equity and SMEs.

[xxviii] GHG emissions that pertain to our business activities.

[xxix] GHG emissions of our portfolio companies.

[xxx] RCP: Representative Concentration Pathway. Climate scenarios based on 1986-2005 reference period. Data based on published scenarios from the Intergovernmental Panel for Climate Change ('IPCC'). Source: IPCC, 2014: Climate Change 2014. Synthesis Report. Available at: www.ipcc.ch/report/ar5/syr/

[xxxi] 'Paris-Aligned scenario (RCP2.6) as rapid global action occurs to limit mean temperature increase to ~+1°C.

[xxxii] 'High emissions' scenario (RCP8.5) as emissions continue to rise with likely mean temperature increase of ~+3.7°C.

[xxxiii] Our modelling quantifies physical impact severities for 2020, 2050 and 2100 under each climate scenario. However, our concession term does not extend further than 2051 for any asset. As a result, subsequent results in this Report are being reported up to 2050.

[xxxiv] Article 2(24), SFDR: this includes principal adverse impacts on sustainability factors, which means 'environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters'.

[xxxv] The Co-CEOs, Duncan Ball and Frank Schramm, are paid in Canadian Dollars and Euro, respectively. The CFO is paid in Euro.

[xxxvi] This minimum holding is calculated based on the Director's salary at 1 May 2020 and is fixed for a period of three years.

[xxxvii] The detail provided in the table above goes significantly beyond that which is required to be disclosed under the relevant Luxembourg law. This additional detail is provided on a voluntary basis commencing for the reporting period ended 31 December 2020.

END