Annual Report 2020

Low-risk investment
Long-term returns

BBGi

INVESTING IN GLOBAL INFRASTRUCTURE

www.bb-gi.com

About BBGI

BBGI Global Infrastructure S.A. (BBGI, the 'Company', and together with its subsidiaries, the 'Group') is a global infrastructure investment company helping to provide the responsible capital required to build and maintain critical social infrastructure[1] in the countries where we do business.

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

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

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

Contents

Front cover:
South Liverpool NHS Treatment Centre

Inside cover:
Solar panels on top of South Liverpool NHS Treatment Centre, Church Road in Garston, Liverpool

Why Invest in BBGI

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

In return for long-term investment in and active ownership of essential social infrastructure investments such as, schools, healthcare, blue light[2] and justice facilities, and transport procured using availability-based investment models, BBGI receives stable, predictable and contracted cash flows. These are underpinned by government or government-backed counterparties.

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

1 Low-risk[3]

The Company is committed to an availability-based social infrastructure investment platform. This commitment to an availability-based investment strategy generates stable, predictable cash flows backed by secure, contracted public sector revenues. This is the Management Board's area of expertise, avoiding 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 UK, North America, Australia and Continental Europe.

3 Strong ESG approach

By aligning our value-driven active asset management approach to relevant UN Sustainable Development Goals ('SDGs'), ESG principles are integrated into the Company's investment cycle to strengthen the non-financial returns the portfolio generates for all stakeholders. This enables the Company to deliver, monitor and report social impact effectively, and incentivise strong ESG performance by directly linking results to executive compensation.

4 Internally managed

The Company's in-house management team is focused on delivering shareholder value, incentivised by shareholder returns and growth in Net Asset Value ('NAV') per share. This means that no NAV-based management or acquisition fees are charged, and the internal management team's interests are fully aligned with those of the shareholders, resulting in full 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.[4]

2 Fire and police stations.
3 References to 'low-risk' throughout this Annual Report are made in comparison to investments in other infrastructure asset classes.
4 In comparison to the latest publicly available information for all closed-ended, LSE-listed equity infrastructure investment companies.

Cautionary Statement

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

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

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

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

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

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

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

Year in Numbers

Financial highlights

Investment Basis NAV
up 6.7% as at 31 December 2020
(31 December 2019: £858.6 million)[1]

£916.0m

NAV per Share
up 1.2% as at 31 December 2020
(31 December 2019: 136.2pps)[2]

137.8pps

Total Shareholder Return ('TSR')
since IPO[3]

157.5%

Annualised Total Shareholder Return
since IPO[4]

11.0%

2020 Dividend Distribution per Share

7.18pps

2021 Target Dividend[5]

7.33pps

2022 Target Dividend[5]

7.48pps

Cash Dividend Cover[6]

1.27x

Ongoing Charges[7]
2019: 0.88%

0.86%

1 Please refer to the Pro Forma Balance Sheet in the Financial Section for further detail on Investment Basis NAV.
2 'Pence per share.'
3 The TSR combines share price appreciation and dividends paid since IPO in December 2011 to show the total return to the shareholder expressed as a percentage. Based on share price at 31 December 2020 and after adding back dividends paid or declared since listing.
4 On a compounded annual growth rate basis. This represents the steady state annual growth rate based on share price at 31 December 2020 and after adding back dividends paid or declared since listing.
5 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.
6 Calculated as: (Distributions received from investments at fair value through profit or loss less net cash flows from operating activities) / (Cash Dividends paid). Please refer to the Pro Forma Balance Sheet in the Financial Section for further details.
7 Please refer to the Ongoing Charges in the Financial Section for further details.

Portfolio highlights

A1/A6 Roadway in the Netherlands

- Globally diversified portfolio of 50 availability-based Public-Private Partnership (PPP) infrastructure investments with a strong social impact.
- Portfolio performance and cash receipts ahead of business plan, underpinning BBGI's progressive dividend policy.
- Consistently high level of asset availability at over 99.8 per cent with no material lock-ups or defaults reported over the period.
- The Company did not experience any material Covid-19 related operational or financial impacts.
- A combined £59.2 million of new cash investments in six new and follow-on acquisitions in lower-risk availability-based healthcare, as well as road and bridge investments.
- Strong support for the Company's investment case demonstrated by oversubscribed equity issue in November 2020 which raised gross proceeds of £55 million.
- As at 31 December 2020, the Group had a net cash position of £20.5 million with no cash borrowings outstanding under the Revolving Credit Facility ('RCF').
- The Company has an attractive pipeline of availability-based investments in highly-rated investment grade countries across Europe and North America.

Portfolio at a Glance

The fundamentals

Based on portfolio value at 31 December 2020

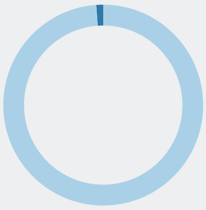
Investment type

100% availability-based revenue stream.

- Availability-based revenue assets **100%**
- Regulated Assets **–**
- Demand-Based Assets **–**

Investment status

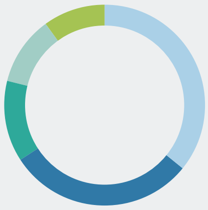
Low-risk operational portfolio.



- Operational **>99%**
- Construction **<1%**

Geographical split

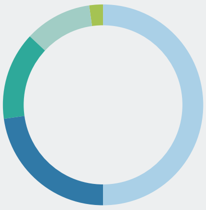
Geographically diversified in stable developed countries.



- Canada **38%**
- UK **30%**
- Australia **13%**
- Cont. Europe **10%**
- USA **9%**

Sector split

Social impact portfolio with well diversified sector exposure.

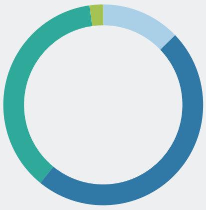


- Transport **51%**
- Health[1] **23%**
- Blue Light and Justice **14%**
- Education **10%**
- Other **2%**

1 *Less than 1% exposure to UK acute health (by NAV).*

Investment life

Long investment life with 58% of portfolio by value with a duration of greater than 20 years; weighted average life of 20.4 years. Average portfolio debt maturity of 17.2 years.



- ≥ 25 years **14%**
- ≥ 20 years and < 25 years **44%**
- ≥ 10 years and < 20 years **40%**
- < 10 years **2%**

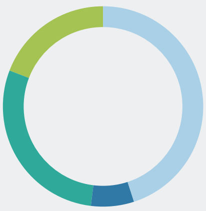
Top five investments

Well-diversified portfolio with no major single asset exposure.

- Golden Ears Bridge **9%**
- Ohio River Bridges **9%**
- Northern Territory Secure Facilities **7%**
- McGill University Health Centre **5%**
- A1/A6 Diemen – Almere motorway **5%**
- Next five largest investments **19%**
- Remaining investments **46%**

Investment ownership

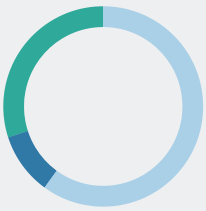
80% of assets by value in the portfolio are 50% owned or more.



- 100% **47%**
- ≥ 75% < 100% **6%**
- ≥ 50% < 75% **27%**
- < 50% **20%**

Country rating

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



- AAA **61%**
- AA+ **9%**
- AA **30%**

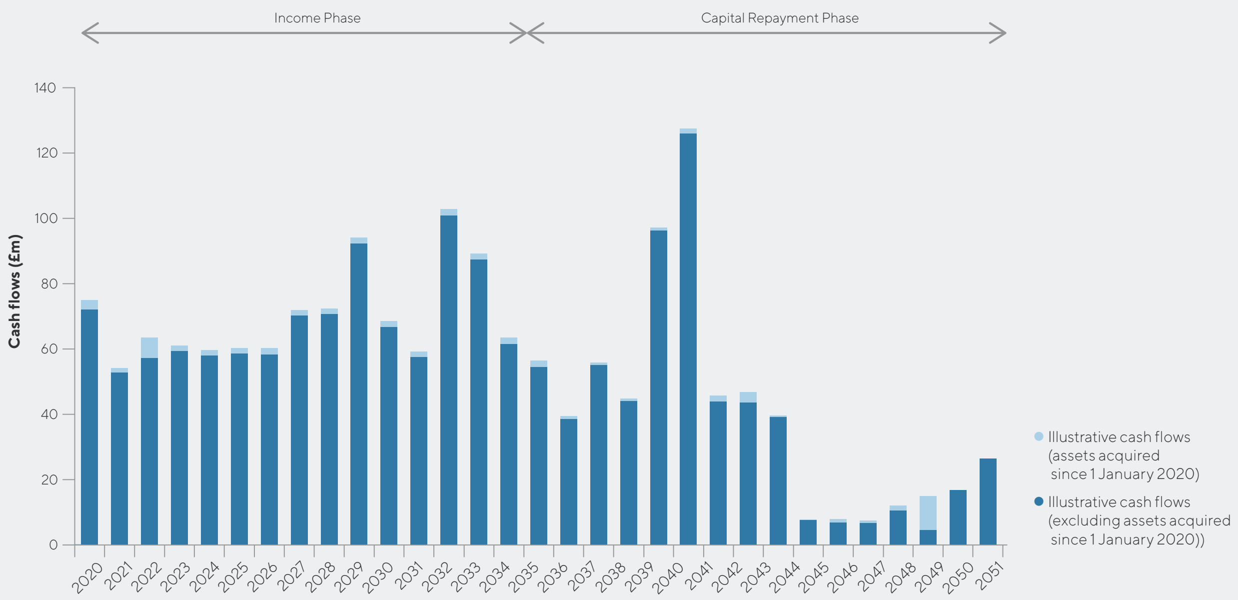
Projected portfolio cash flow

The chart below based on the portfolio at 31 December 2020 demonstrates a steady stream of portfolio cash flows deriving from the Company's underlying assets until 2051[1]. The cash flows are stable and long-term, with their predictability enhanced by government or government-backed counterparties as well as their contracted nature.

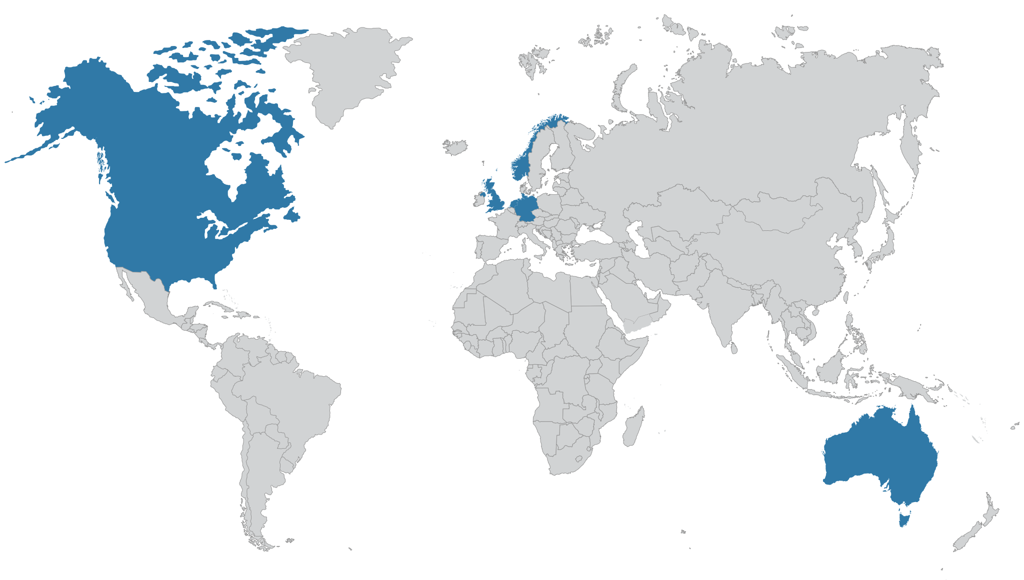
The index-linked provisions provide a positive link to inflation of approximately 0.45 per cent.

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

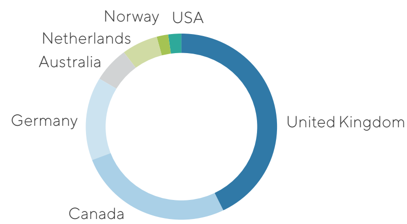
As at 31 December 2020, BBGI has a weighted average portfolio life of 20.4 years, a decrease of 0.3 years compared with 31 December 2019.



1 This illustrative chart is a target only, as at 31 December 2020, and is not a profit forecast. There can be no assurance that this target will be met. The hypothetical target cash flows do not take into account any unforeseen costs, expenses or other factors which may affect the portfolio investments and therefore the impact on the cash flows to the Company. As such, the graph above should not, in any way, be construed as forecasting the actual cash flows or actual returns from the portfolio.



Total 50 assets



United Kingdom
21 assets

Netherlands
3 assets

Canada
15 assets

Norway
1 asset

Germany
6 assets

USA
1 asset

Australia
3 assets

Chairman's Statement

Dear Shareholders,

As I reflect on my first period as your Chairman, I am proud of the way the Company – which was renamed BBGI Global Infrastructure S.A. in November 2020 – has performed.

At a time when we are all searching for certainty and predictability, the portfolio has generated financial results ahead of our expectations.

This has reaffirmed the value of the 50 availability-based investments we manage, all of which continue to deliver well-maintained global infrastructure to local communities and end-users, and robust, long-term, stable income to shareholders. This performance, in a difficult year for many because of the Covid-19 pandemic, would not have been possible without the dedication of the Company's employees who have worked tirelessly to support all of our stakeholders.

We provide the responsible capital required to build and maintain the developed world's social infrastructure. Our purpose is now more relevant than ever, and the significant progress we have made over the period on embedding ESG factors into our investment and asset management activities is reflected in the Our Approach To ESG section of this Annual Report, and the Company's inaugural Environmental, Social and Governance Report ('ESG Report') which can be viewed via our website www.bb-gi.com.

Portfolio performance

Over the year, our priority was to preserve the value of the Company's portfolio and continue providing essential infrastructure services to our public sector clients by maintaining a high level of asset availability of 99.8 per cent. We are pleased to report that the Company did not experience any material Covid-19 related operational or financial impacts. This strong performance was again underpinned by the Company's proven business model of investing in low-risk, availability-based infrastructure in highly-rated investment grade countries. In practice, our value-driven active asset management

Dividend target 2021

7.33pps

↑ 2.1%

Dividend target 2022

7.48pps

↑ 2.0%

approach enabled safe and secure working, learning and health environments, and fully functioning transport infrastructure and other facilities across the UK, North America, Australia and Continental Europe.

This contributed to an increase in the Company's NAV from 136.2 pence per share to 137.8 pence per share, representing an increase of 1.2 per cent. In the challenging circumstances of 2020 this demonstrates the resilience of our investment proposition.

Cash receipts during the year were ahead of business plan and none of our investments recorded a material lock-up or default. Any deductions over the period were either borne by third-party facility managers and road operators, or as part of planned lifecycle budgets.

Long-term sustainable shareholder returns and progressive dividends

The Company has delivered a Total Shareholder Return since IPO of 157.5 per cent, or 11 per cent on a compounded annual basis, while the high cash flow visibility we receive from creditworthy government counterparties enabled the Company to achieve dividend cover of 1.27x.

Accordingly, the Company has met our full year dividend target of 7.18pps for 2020, and we continue to deliver a progressive dividend. I am pleased to reaffirm the dividend target of 7.33pps for 2021 and provide a new dividend target of 7.48pps for 2022.

Delivering value for money for shareholders remains a fundamental component of our investment case and we have maintained the lowest comparative ongoing charge in our sector at 0.86 per cent[1].

Selective acquisition strategy

The Management Board has effectively mobilised its network and tracked a number of primary and secondary opportunities over the period. As with previous years, the Company assessed considerably more investments than it committed to. This has enabled us to gauge pricing and competitive trends to ensure the investments the Company makes accurately reflect our conservative investment criteria.

Using existing cash resources and our RCF, the Company made six acquisitions – these are detailed in the Portfolio Review. We increased the Company's allocation to lower-risk roads and bridges with investments into Canada's Highway 104 and Samuel De Champlain Bridge Corridor, as well as a follow-on acquisition in the Dutch N18 motorway.

We also increased our exposure to healthcare assets in Canada with the completion of two follow-on acquisitions in Stanton Territorial Hospital and Kelowna and Vernon Hospitals, respectively. These transactions were sourced using our strong existing client and industry relationships and increased the Company's respective interests to 100 per cent.

Prudent financial management

In pursuing a selective acquisition strategy, the Company invests responsibly using a tried and tested financing method, typically drawing on our £180 million RCF before raising capital to fund debt repayments. This limits cash drag on our balance sheet and enables both existing and new shareholders to invest in our portfolio with certainty over where proceeds are allocated. We are grateful to our shareholders' support for the oversubscribed issue in November 2020 which raised gross proceeds of £55 million.

The Company continues to manage the risk of currency volatility as part of our globally diversified investment portfolio via a hedging strategy which limits foreign exchange sensitivity. We explain this in more detail in the Valuation section of this Annual Report.

Corporate governance and ESG

As an investment fiduciary, the Company is committed to good corporate governance. During the year, and in accordance with the AIC Code of Corporate Governance, the Company proactively engaged an independent and externally facilitated evaluation of the Supervisory Board. This evaluation was undertaken in the spirit of The Chartered Governance Institute's ('ICSA') recently published principles of good

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

practice for FTSE-listed companies using external board reviewers. I am pleased to report that the Company received a very encouraging assessment with the review finding the Board to be well constituted, highly effective and well-run.

During the year, the Supervisory Board formally constituted separate committees for Nomination and Remuneration to further strengthen the independence and objectivity of our decision-making. The Remuneration Committee, with the support of an independent adviser, undertook a comprehensive review of the existing remuneration for the Management Board and the Company's executives, including peer and wider FTSE 250 benchmarking to ensure that the approach is competitive and aligned with our business strategy. Further detail is provided in the Remuneration Report.

The Nomination Committee assessed, amongst other things, the renewal of Management Board members' appointments, the development of a distinct policy concerning Group diversity and equality and succession planning. Following an extensive search, the Company is also delighted to announce the appointment of Chris Waples to the Supervisory Board, subject to shareholder approval at the 2021 AGM. Chris has 35 years' global experience of managing the acquisition, construction and divestment of infrastructure projects and has extensive asset management experience.

The Company also established an ESG Committee during the year to oversee the management of material ESG activities, including climate-related issues. We understand the value of maintaining a disciplined focus and strive to integrate ESG factors into our business strategy, operations and investment processes. Crucially, while much of the focus in 2020 has been responding effectively to the global pandemic, we have not lost sight of managing short, medium and long-term risks posed by ESG issues relevant to the Company and our portfolio. We continue to align our investment portfolio to contribute to five of the SDGs, recognising the important role that investors can play in helping to meet global sustainable development priorities.

During the year, we formalised our approach to managing climate risks and the impacts they have on our Company and our portfolio. This included the development of a climate resilient infrastructure screening tool to better monitor and predict how our assets are impacted as the environment around us changes. This year, we began to report our progress against the Task Force on Climate-related Financial Disclosures ('TCFD') recommendations. Whilst we recognise that we have further work to do to improve our understanding of the finance-related risks on the Company and our portfolio of transitioning to a low carbon economy, and of the physical risks of climate change, this is a significant step forward for our Company.

Post period end, the Company made disclosures relating to specific Articles of the EU Sustainable Finance Disclosure Regulation ('SFDR'). This is a regulation requiring EU based companies to make certain disclosures on the subject of sustainability risk and on the manner in which sustainability factors are integrated into investment decisions, and it allows companies that meet certain sustainability criteria to self-classify if they promote environmental or social characteristics. The Company takes the view that it falls within the scope of Article 8 and meets the criteria for socially positive investment.

We are proud to have been awarded an 'A' in our inaugural assessment by the UN's Principles for Responsible Investment ('PRI'), more about which is detailed in the Company's ESG Report. We are committed to continuously reviewing and improving our approach to Responsible Investment, collaborating with our stakeholders and the wider industry to ensure we remain responsible custodians.

Risk monitoring and management

Over the period, we implemented the Company's business continuity plan ('BCP') globally. With most staff working remotely, IT security and an additional management focus on introducing workplace mental healthcare programmes for our employees were critical in ensuring the Company was effective in the transition.

The Company has continued its focus on monitoring the potential concentration and failure risk of operational and maintenance contractors who provide counterparty services to the Company's investments. We have not identified any significant risk exposure and the Management and Supervisory Boards remain comfortable with the current contractors. Despite the pandemic, the contractors have performed in line with expectations. The Company benefits from a diversified contractor base and supply chain with no concentrated exposure,

Total acquisitions (new and follow-on)

59.2m

Asset availability

99.8 m

combined with rigorous supply chain monitoring and contingency planning.

The direct knock-on effects on the Company from the UK's departure from the EU were largely technical in nature and were dealt with by the Management Board over the course of the year to ensure a seamless continuity of listing post-completion of the Brexit transition period.

Our outlook

The Management and Supervisory Boards have been reassured by the resilience of our portfolio and the positive response to the global pandemic by governments of the countries in which we invest. We continue to believe in the power of private finance to deliver essential public infrastructure, and the Portfolio Snapshot in our Strategic Report is testament to the quality of the services our investments provide.

The fiscal commitment to infrastructure spending is likely to generate a medium-term pipeline of opportunities and further affirms the inherent attractiveness of our asset class and the benefits of infrastructure investment allocation through the economic cycle.

We have confidence in our ability to continue sourcing attractive acquisition opportunities thanks to the strength of the Company's relationships, our proven track record in value-driven active asset management, and the dedication of our people and partners.

We are therefore confident in our ability to maintain a robust long-term, predictable and stable income derived from our diversified global portfolio of infrastructure investments.

Sarah Whitney
Chairman
24 March, 2021

Co-CEO Q&A

The Company's co-CEOs, Frank Schramm and Duncan Ball (pictured below), share their thinking for the year in review and look ahead to the positive outlook for global infrastructure investment.

Q: What was the focus in 2020?
A: If you asked us for our 2020 predictions last year, many of them would have been wrong. It's been a challenging period for all, but one thing has remained the same as before: our ability to deliver long-term, stable and predictable returns to our shareholders. We believe this is because of the way we responsibly build and manage our portfolio, and the strength of our industry relationships.

Indeed, the services delivered by our investments have never been more important than in this global health and economic crisis. Active management of our 50 investments has been vital to ensuring that healthcare, educational, blue light, judicial and transport facilities are able to stay open and serve people and local communities in a secure way.

We remain nimble, and our BCP – which we have tested every year since IPO – has proven robust as the pandemic has evolved. Even though elements of our daily working life have changed, the fundamentals of our business have not. While investor meetings, client visits, partnering sessions and staff reviews, all of which are usually done in person, were replaced with video conferences, stakeholder engagement has remained a principal focus for the Company's senior leadership. Communication became even more important as we prioritised checking-in on our people, our public sector clients, our investors and our partners.

We have remained prudent in our financial management. This has enabled us to preserve value and continue to receive predictable cash flows which underpin the delivery of stable and reliable income to our shareholders. During 2020, approximately two thirds of London Stock Exchange ('LSE') listed companies cancelled, cut or suspended their dividends[1]. We are very proud of the fact that we delivered our target dividend and stand behind our guidance for a further dividend increase in 2021. We are also very proud that we were able to honour all of our hiring commitments without having to lay-off or furlough any of our people or accept grants or revenue support from any source.

Q: How has the portfolio performed and what changes have you made to it?
A: As the portfolio continued to perform above expectations, 2020 has again proven the resilience of all our investments and the sectors in which we invest. This performance amidst unpredictable market volatility, disruption to global supply chains and changes to consumer behaviour has reinforced why we stay true to our founding principles of investing in low-risk, availability-based investments.

The pandemic has in fact strengthened the structural demand for our facilities across UK, North America, Australia and Continental Europe. Patients still need high-quality healthcare facilities, pupils and teachers must have safe, secure buildings in which to teach and learn; road-users still expect well-maintained highways and bridges; and local governments need blue light[2] and other public buildings to uphold their commitment to local communities. We are proud to enable the delivery of all these services at a time when society arguably needs them more than ever.

1 Link Group, UK Dividend Monitor (Q4 2020); analyses all the dividends paid out on the ordinary shares of companies listed on the UK Main Market.
2 Fire and police stations.

We have seen a greater bifurcation in pricing as the financial profile of many demand-based asset classes have been adversely impacted by the pandemic and now more accurately reflects the inherent risks associated with demand versus availability-based investments. None of our investments have been materially impacted, either operationally or financially, by the pandemic, the associated lockdowns or the economic slowdown, and we are pleased to report another period of high asset availability.

We anticipate a continued trend of construction companies accelerating their plans to sell availability-based investments to realise value, and our network of vendors has continued to open up otherwise hard-to-access investment opportunities over the period.

The six acquisitions we made over the year that are detailed in the Portfolio Review combine new investments and follow-on interests, increasing our exposure to lower-risk social infrastructure projects in highly-rated investment grade countries.

Q: How has your approach to Responsible Investment evolved?

A: As long-term responsible investors in social infrastructure, we take our stewardship role very seriously. The landscape for responsible investment is shifting, and we welcome the heightened expectation from all our stakeholders to pursue, deliver and report non-financial returns and any adverse sustainability impacts across our portfolio. This is manifested in our 'A' rating for the Company's inaugural assessment by the PRI, more about which can be found in the Our Approach to ESG section and in our standalone ESG Report.

Over the period, we further refined and formalised our governance systems and processes to enable us to better meet these expectations. This included establishing a dedicated ESG Committee to further integrate ESG priorities into all parts of our business including our business strategy, operations and investment processes. Key developments included linking remuneration to our ESG goals, running dedicated sustainability training for all staff, improved ESG related disclosure in this report and on our website, and overseeing the production of BBGI's inaugural stand-alone ESG report.

During the period, we also became signatories to the UN Global Compact, further demonstrating our commitment to being responsible stewards. We use the SDG framework to guide our investment strategy; and we have identified five SDGs where our investments can make a positive contribution to our public sector clients in meeting the goals by 2030. See the 'Our Approach To ESG' section for more detail.

These top-down changes were complemented by bottom-up action where we strengthened our focus on climate change mitigation, specifically with the development of a climate resilient infrastructure screening tool, which will support us in measuring and managing our climate impact going forward.

On reporting, we fully endorse the need for greater clarity and integration of disclosure requirements and standards. During the period, we communicated our support for the TCFD recommendations, demonstrating our commitment to enhanced transparency and positive action on climate change. We also welcome the standardisation of reporting on other ESG topics through the introduction of the Sustainable Finance Disclosure Regulations ('SFDR'), ensuring that our shareholders have the information they need to understand the positive and adverse sustainability impacts of our investment portfolio. We have updated our policies to meet the first phase of requirements (available on our website), and our first standalone ESG Report for the year 2020 is also a significant step forward.

Q: What is your outlook for BBGI and for global infrastructure investment?

A: We are confident that the resilience of the Company's financial and operational performance will continue.

On a macro level, the future for global infrastructure investment also looks strong. Ongoing low interest rates and a substantial premium over risk free rates continue to drive demand from investors that are looking for yield and to increase their exposure to long-duration investments, and this has provided a boost to infrastructure investment valuations. We believe there is further room for valuation uplifts in the future. BBGI also continues to believe that it is well placed to source attractive investment opportunities.

What's more, the type of much-needed public infrastructure we provide is universally supported in all the markets in which we operate, and this remains a bipartisan issue for all governments. This focus on infrastructure as a fiscal stimulus tool to back national economies has only been bolstered this year, with more infrastructure spending committed to by governments in order to stimulate the economic recovery.

As a long-term custodian and trusted partner to the public sector, we believe BBGI is well placed to benefit from this renewed interest as economies rebuild, and we look forward to playing a critical role in that.

Q: How is BBGI addressing the global threat of climate change?

A: As responsible stewards of global infrastructure, BBGI fully acknowledges the existential threat to humanity from the physical impacts of climate change. We remain optimistic that by working collaboratively, governments, society and the investment sector can make the necessary and timely transition to a low carbon economy that will minimise the impacts of future climate change by keeping the global temperature rise below two degrees Celsius. We take our role in this transition to a low carbon economy and preparing our assets to adapt to future climate change very seriously, and we are taking steps to understand how this period of change translates into investment risk.

In 2020, we have made progress by integrating climate-related risk into our governance and risk management processes. These top-down changes were complemented by bottom-up action where we strengthened our focus on climate change mitigation specifically, with the development of a climate resilient infrastructure screening tool, which will support us in measuring and managing our climate impact going forward. But we know that we have more to do to get better visibility of the granularity of our climate risks, how this translates to financial risk and how we can mitigate these risks through our stewardship and management of our assets.

In 2021, our next step is to measure our direct carbon footprint and identify what we need to put in place to meet carbon reduction targets for the emissions that we control. More importantly, as an investor in global infrastructure, we have a pivotal role in influencing the management and operation of our assets and to increase the disclosure of carbon-related risks. And by the end of 2021, we expect to have a full picture of the impact our investment decisions have on the sustainability factors such as the environment and climate risk.

Investment Proposition

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

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

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

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

Strategic Pillars	Investment Strategy	Consistent Delivery of Objectives
1 Low-risk[1]	— Availability-based investment strategy — Secure public sector-backed contracted revenues — Stable and predictable cash flows with progressive long-term dividend growth	Robust total shareholder returns
2 Globally diversified	— Focus on highly-rated investment grade countries — Stable, well-developed operating environments — A global portfolio serving society through supporting local communities	Progressive long-term dividend growth
3 Strong ESG approach	— ESG integration in investment cycle — Focus on delivering social impact — Executive compensation linked to ESG performance	
4 Internally managed	— Alignment of interests — Shareholder value first, portfolio growth second — Lowest comparative ongoing charges[2]	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.

Avoiding style drift

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

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

While this disciplined approach may at times result in periods of lower portfolio growth, we believe the benefits of this continued specialisation and focus on a low-risk, availability-based investment model result in dependable and consistent income and returns with low volatility. By staying focused on the availability sector and by remaining within our sphere of expertise, we believe we offer a less complex business proposition, and consequently, 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 greater than 99 per cent operational. Consequently, the portfolio performance has been strong and there has been no material impact on our distributions due to Covid-19.

Strategic investment partnerships

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

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

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

- We have extensive asset credentials and a strong track record that can assist with the shortlisting process for new projects.
- Having a financial partner is a pre-requisite for some construction companies so they can avoid consolidating the Portfolio Company debt onto the balance sheet of the Parent Company.
- Our cost of capital is typically lower than construction companies, so involving BBGI can make the bid more competitive.
- We are a long-term investor which is attractive to government and government-backed counterparties.
- We are considered a reliable source of liquidity should a construction partner decide to sell in the future.

Operating Model

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

We ensure stable operational performance through an active asset management approach, where we actively seek to preserve value and where possible 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 enhance 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-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 consider acquisitions that have inflation-protection characteristics which supports the portfolio's inflation linkage.

Value-driven active asset management

We pursue a standardised approach across all investments in the portfolio to help derive operational and value enhancements and preserve value, including:

- Preserving value and where possible identifying and delivering value enhancements to improve customer experience and financial performance.
- Focused management at the asset level to ensure distributions are on time, and on or above budget.
- Applying a high-quality corporate governance framework.
- ESG KPI tracking tool introduced in 2018 to evaluate non-financial performance of each investment.
- Climate resilience questionnaire introduced in 2020 considers climate risks and opportunities within the portfolio.
- Comprehensive monitoring to ensure fulfilment of contractual and legal obligations, which additionally serves to maintain high availability levels and prevent deductions.
- Strong client relationship management, including regular meetings to uphold client satisfaction and monitor ESG performance.
- Focused and active asset management including site visits to all significant investments annually and proactive management of issues.[16]
- Focused cost management and portfolio-wide cost-saving initiatives leveraging economies of scale (e.g. portfolio insurance and standardised management contracts for project companies).
- Identifying and continuing initiatives at the individual asset level to outperform base case (e.g. lifecycle reviews).
- 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:

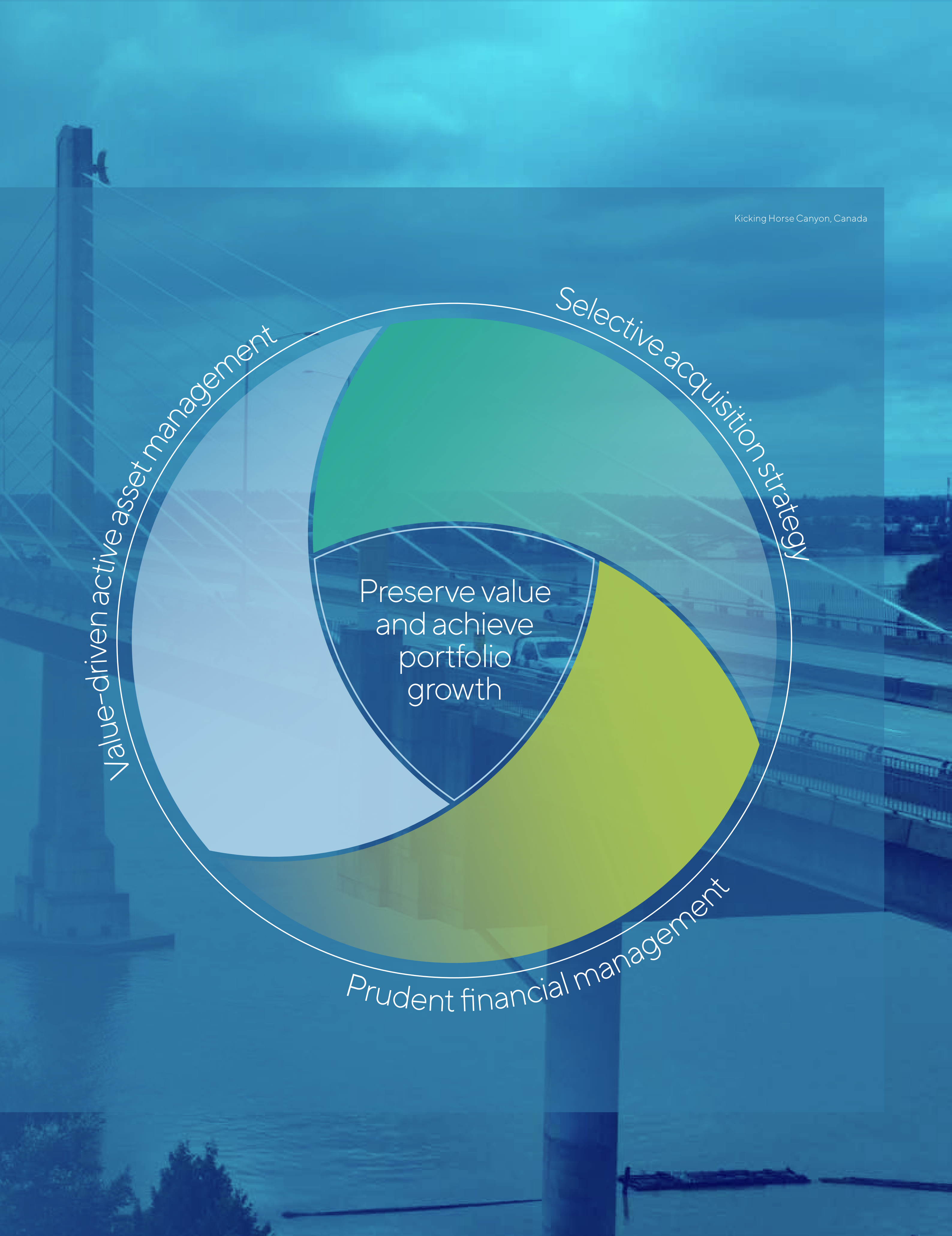
- Maintaining modest cash balances to limit cash drag.
- The portfolio's geographical diversification by necessity involves exposure to multiple currencies. We actively seek to manage and mitigate foreign exchange risk through our hedging strategy.
- Maintaining a low ongoing charge through an efficient 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.

16 Covid-19 constraints prevented physical visits in many cases in 2020.



Kicking Horse Canyon, Canada

Our Approach to ESG

Responsible stewardship, strong corporate citizenship and sustainable growth guide our business decisions.

To accompany this Annual Report, we have published our inaugural ESG Report, which provides a more detailed explanation of our performance, case studies and our forward-looking plans. Here, we provide a summary of our approach to responsible investment and our ESG activities.

As well as ensuring that through our investment portfolio we are influencing our partners to reduce adverse sustainability impacts, we are also integrating ESG principles and approaches into how we run our Company. In 2020, we implemented a number of initiatives at our portfolio companies to reduce our greenhouse gas emissions. In 2021, we will measure our own carbon footprint and set reduction targets. We will continue to work with our staff and our portfolio companies which employ staff to ensure the promotion of a diverse and inclusive culture, and support our people to stay healthy and safe.

Investment Strategy

Our investment strategy embodies the Company's purpose to provide responsible capital required to build and maintain the developed world's social infrastructure. To demonstrate how we deliver social value, we have aligned our investment strategy with the UN's SDGs. Specifically, our investment strategy helps to deliver Target 9.1 *by developing quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being, with a focus on affordable and equitable access for all*. All of our capital investments in our portfolio enable our public sector clients to deliver quality services and contribute to the following SDGs:

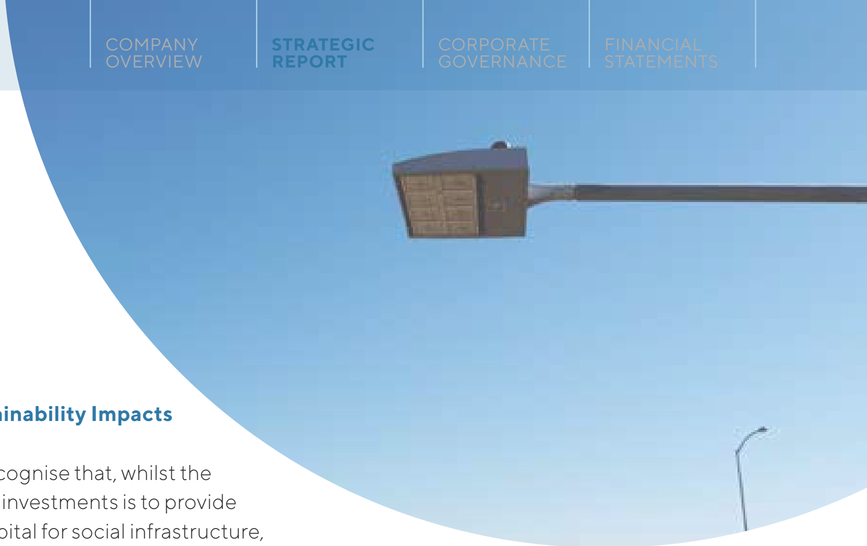
SDG3:
Ensure healthy lives and promote wellbeing for all at all ages (we provide capital for 41 hospitals and health care facilities).

SDG4:
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (capital investment in 34 schools and colleges).

SDG9:
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation (a central tenet of the BBGI portfolio of social infrastructure investments).

SDG11:
Making cities and human settlements inclusive, safe, resilient and sustainable (17 transportation infrastructure investments).

SDG16:
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (10 fire stations, four police facilities and three modern correctional facilities).



To further develop the maturity of our approach to responsible investment, we are identifying a set of social value indicators which will improve the transparency of how we are fulfilling our social purpose.

Our approach to Responsible Investment

BBGI became signatories to the PRI, and in our first reporting cycle, we received an 'A' rating for our strategy, governance and infrastructure. We are using the six principles as a framework to integrate ESG into the Company's whole investment process and lifecycle of the asset.

- We have implemented a robust framework to integrate ESG into all aspects of our investment lifecycle, from initial screening through to end of investment life. ESG outcomes also affect discretionary performance related remuneration for staff.
- Our approach to active management, at both a corporate level and the portfolio company level is aligned with and guided by the SDGs, as explained above.
- In 2018 we implemented a standardised ESG KPI tracking tool across our portfolio of assets, and we publish on our website an updated individual ESG information sheet for each of our investments.
- We engage with our co-investors and sponsors on the rationale for responsible investment, and we communicate ESG expectations to investment service providers.
- We participate in ESG and RI industry initiatives, and we participated in the IMP+ACT Alliance in 2020, undertaking its SDG screening tool.
- We report regularly on our responsible investment activities each year, submitting a Public Signatory Report to the PRI, and publishing our first ESG Report.

Adverse Sustainability Impacts Disclosures

At BBGI, we recognise that, whilst the purpose of our investments is to provide responsible capital for social infrastructure, the construction, operation and decommissioning of such assets can have adverse sustainability impacts. We take a stewardship approach towards our investments, and we continue to invest in the assets throughout the investment lifecycle and take an active management role in order to mitigate risks and minimise their impacts. We are committed to the 'do no significant harm' principle, and we are working to develop a set of sustainability indicators, aligned to the SFDR, which will allow us to monitor and disclose our performance over time, demonstrating how we are meeting this principle. For a qualitative review of our performance to the end of 2020 on our key sustainability issues, please refer to our ESG Report.

Climate Related Financial Disclosures

This is our first year reporting against TCFD recommendations, and we will continue to refine and develop our approach as we progress our understanding of the financial risks and opportunities of climate change to our business in order to meet the recommendations in full.

- **Governance:** In the Corporate Governance section of the 2020 Annual Report, we describe how the Supervisory Board and the Management Board maintain oversight of the Company's climate-related risks and opportunities. Specifically, in 2020, we established an ESG Committee as a sub-committee of the Management Board which governs the Company's approach to climate-related risks and opportunities. In 2021, we also hired an ESG Director in order to further strengthen our commitment to sustainability.

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

- **Risk:** In the Risk section of the 2020 Annual Report, we describe the Company's processes for identifying, assessing and managing climate-related risks. We have a comprehensive risk management framework which integrates the assessment and management of climate risk as a subset of the wider risks which include economic and market risk, taxation risk, political risk, financial risk, operational risk and strategic risk.

- All new investments are screened for climate risk, and we are systematically reviewing existing investments for climate change considerations. We have a target that all 50 investments will be individually screened against our climate change questionnaire by mid-2021. When analysing climate risks, we consider the short (one year), medium (five year) and long-term (10-year+) impacts.

- **Metrics:** We take our environmental impact and responsibilities seriously and recognise the value of measurement, target setting and reporting in driving our emissions down. We are currently working with a specialist external consultancy to collect the necessary data in 2021 that will allow us to voluntarily report our Scope 1, 2 and 3 emissions in next year's Annual Report. We will then look at setting reduction targets. In addition, we use our proprietary ESG KPI tracking tool to drive enhanced ESG performance in our investment portfolio. Further information on this is included in our 2020 ESG Report.

Our Purpose and our Stakeholders

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 job seriously. While the importance of considering our stakeholders is not new, we are taking the opportunity this year to explain in more detail how the Supervisory Board and the Management Board engage with stakeholders. Further detail is also provided in our inaugural ESG Report which is available on the Company's website.

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. While, as a Luxembourg-based company, BBGI is not obliged to comply with the UK Companies Act, 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.

Effective engagement with stakeholders is crucial to the Company's success and to fulfilling BBGI's purpose of providing responsible capital required to build and maintain the developed world's social infrastructure.

The stakeholder voice is heard by the Management Board throughout the year by direct engagement with various stakeholders.

During 2020, the impact of the pandemic on the mental health of our people remained an important concern of the Management Board. To address this, mental health was added to the agenda of all employee semi-annual reviews and continually prioritised on a one-to-one basis. We solicited feedback from our people and took steps to support them as they worked remotely for much of the year.

Typically, members of the Management Board routinely visit our infrastructure investments over the course of the year and receive direct feedback from public sector clients, partners and employees. This is a great way for our Directors to experience BBGI from a customer and community perspective and receive information directly from people working on site at those assets. While Covid-19 restrictions have prevented these physical visits in 2020, we continued to engage but did so predominantly via virtual meetings.

Members of the Management Board conduct two roadshows per annum after the Annual and Interim Reports, respectively. During these two roadshows, they usually meet with more than 75% of the share register (by shareholding) over the course of the year to discuss the Company's performance and hear any concerns the shareholders may have.

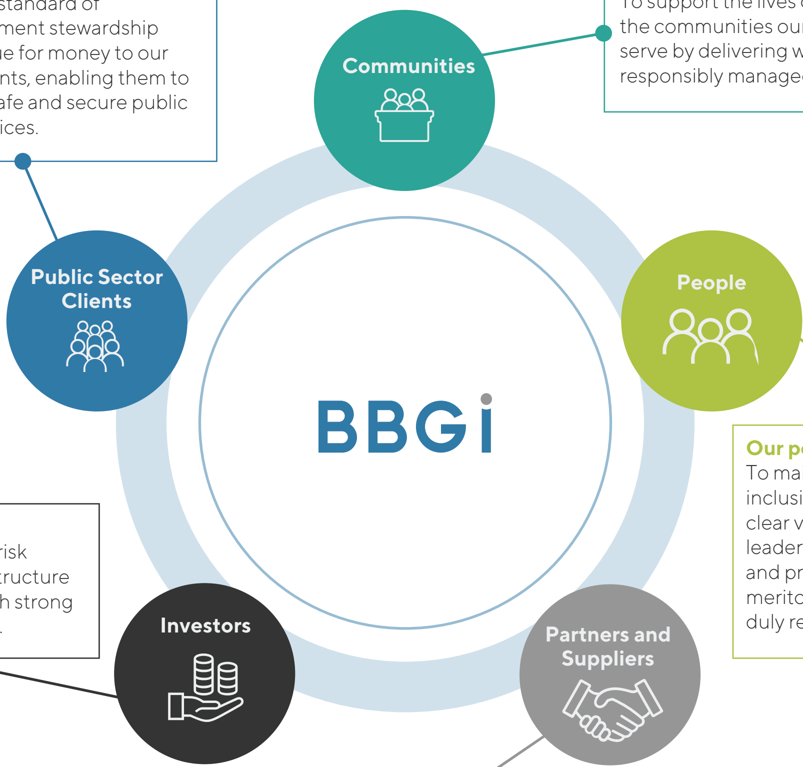
Throughout the year, shareholders are also able to contact the Chairman or members of the Board via email, telephone or through the website. Again, in 2020, these meetings continued unabated, but were done virtually.

To best understand BBGI's purpose, one can look at the various stakeholders we serve and our aspirations towards these groups via a multi-pronged mission statement.

While BBGI has consistently engaged with our stakeholders through a variety of channels over the years, the Company plans to undertake a formal materiality assessment in 2021. BBGI plans to reach out to stakeholders and solicit their views on which ESG matters are most important and will prioritise based on stakeholder expectations and feedback.

Our public sector clients:
To deliver a high standard of long-term investment stewardship by delivering value for money to our public sector clients, enabling them to provide robust, safe and secure public facilities and services.

Our communities:
To support the lives of the people in the communities our investments serve by delivering well maintained, responsibly managed infrastructure.



Our people:
To maintain BBGI as a diverse and inclusive place of work by having a clear vision; providing honest leadership, open communication, and promoting a collaborative meritocracy where performance is duly recognised and rewarded.

Our investors:
To be the preferred low-risk responsible global infrastructure investment company with strong sustainability credentials.

Our partners and suppliers:
To create a productive and fair working relationship through collaboration and shared values which puts high-quality client service to the public sector as our mutual objective.

Portfolio Review

Portfolio Summary

The Company's investments at 31 December 2020 consist of interests in 50 availability-based social infrastructure investments. The portfolio has no exposure to demand-based or regulatory risk investments, and is well diversified across sectors in education, health[1], blue light and justice, and transport.

All portfolio companies in the portfolio are in the stable, well-developed and highly-rated investment grade countries of Europe, North America and Australia.

Portfolio Breakdown[2]

No	Asset	Country	Legal holding %
	Transportation Infrastructure Projects		
1	A1/A6 Motorway	Netherlands	37.1
2	Canada Line	Canada	26.7
3	E18 Motorway	Norway	100
4	Golden Ears Bridge	Canada	100
5	Highway 104	Canada	50
6	Kicking Horse Canyon	Canada	50
7	M1 Westlink	UK	100
8	M80 Motorway	UK	50
9	Mersey Gateway Bridge	UK	37.5
10	N18 Motorway	Netherlands	25.5
11	North Commuter Parkway	Canada	50
12	North East Stoney Trail	Canada	100
13	Northwest Anthony Henday Drive	Canada	50
14	Ohio River Bridges	US	66.7
15	Samuel De Champlain Bridge Corridor	Canada	25
16	South East Stoney Trail	Canada	40
17	William R. Bennett Bridge	Canada	80
	Social Infrastructure Projects		
18	Avon & Somerset Police HQ	UK	100
19	Barking Dagenham & Havering (LIFT)	UK	60
20	Bedford Schools	UK	100
21	Belfast Metropolitan College	UK	100
22	Burg Correctional Facility	Germany	90
23	Clackmannanshire Schools	UK	100
24	Cologne Schools	Germany	50
25	Coventry Schools	UK	100
26	East Down Colleges	UK	100

No	Asset	Country	Legal holding %
	Social Infrastructure Projects continued		
27	Frankfurt Schools	Germany	50
28	Fürst Wrede Military Base	Germany	50
29	Gloucester Royal Hospital	UK	50
30	Kelowna and Vernon Hospital	Canada	100
31	Kent Schools	UK	50
32	Lagan College	UK	100
33	Lisburn College	UK	100
34	Liverpool & Sefton Clinics (LIFT)	UK	60
35	McGill University Health Centre	Canada	40
36	Mersey Care Hospital	UK	79.6
37	North London Estates Partnership (LIFT)	UK	60
38	North West Regional College	UK	100
39	Northern Territory Secure Facilities	Australia	100
40	Restigouche Hospital Centre	Canada	80
41	Rodenkirchen Schools	Germany	50
42	Royal Women's Hospital	Australia	100
43	Scottish Borders Schools	UK	100
44	Stanton Territorial Hospital	Canada	25
45	Stoke & Staffs Rescue Service	UK	85
46	Tor Bank School	UK	100
47	Unna Administrative Centre	Germany	90
48	Victoria Correctional Facilities	Australia	100
49	Westland Town Hall	Netherlands	100
50	Women's College Hospital	Canada	100

For portfolio statistics, refer to Portfolio at a Glance on page 4.

1 Includes a limited exposure to UK acute healthcare of less than one per cent of NAV.
2 In alphabetical order per section.

Operating Model in Action

Active asset management and value preservation

The Management Board's continued focus on active asset management and preserving investment value resulted in modest NAV growth through operational and value accretive enhancements.

The Company's portfolio of over 99 per cent operational investment proved resilient during the reporting period thanks to its low-risk composition, with cash receipts ahead of business plan and a high level of asset availability, recorded at approximately 99.8 per cent.

There were no material lock-ups or events of default reported, and deductions were either borne by third-party facility management companies and road operators or were part of planned lifecycle expenditures.

We evolved our active asset management approach over the period, working in even closer collaboration with our public sector clients as they responded and adapted to the impacts of the Covid-19 pandemic. This has proven the adaptability and value of our operating model, particularly in times of prolonged stress and uncertainty for our public sector clients.

At the asset level, we provided enhanced support in particular to the healthcare facilities operating through 11 of our investments. We worked with these public sector clients throughout the year, helping to reconfigure facilities, setting up Covid-19 testing sites, providing pro-bono financial contributions, and even arranging pre-packed lunches from local merchants to support the surrounding communities.

Through our active and hands-on asset management approach, we also achieved a net value enhancement amount of £11.6 million. The activities included, inter alia, managing change orders and earning a fee for this service, tax optimisation, cost savings due to lower fees on management service agreements, cash optimisations and further de-risking of selected investments.

Where appropriate, we have also made use of reduced occupancy at some of our assets to accelerate maintenance or improvement works. For example, on one of our roads we were able to take advantage of the low oil price to accelerate re-pavement works which resulted in an overall lifecycle saving.

Prudent financial management

Robust portfolio performance and prudent financial management has supported the Company's established progressive dividend policy in this challenging market environment and allowed us to again meet our full-year dividend target of 7.18pps and reconfirm the 7.33pps target for 2021. Furthermore, the Company is targeting a dividend of 7.48pps for 2022.

BBGI has an RCF of £180 million in place which matures in 2022, with the potential to increase the total size to £250 million by the exercise of an accordion provision. This enables the Company to be a trusted and repeat partner in its key markets and supports the Management Board's ability to efficiently execute portfolio acquisitions.

During the course of the year, the Company managed its borrowings responsibly and drew down on the RCF to make acquisitions. As at 31 December 2020, there were no cash borrowings outstanding under the RCF. £1.2 million continued to be utilised to cover letters of credit and BBGI had a net cash position of £20.5 million.

In November, the Company raised gross proceeds of £55 million through an oversubscribed issue of new ordinary shares, the proceeds of which were used to repay existing debt, maintaining a modest cash balance, and providing additional balance sheet flexibility.

The Company has no requirement to raise equity in the immediate future. All debt financing at the portfolio company level is issued on a non-recourse basis. Only the Northern Territory Secure Facility portfolio company is subject to refinancing risk when a portion of the debt matures in 2025.

The Company's hedging strategy aims to limit a 10 per cent adverse foreign exchange sensitivity to approximately 3 per cent of NAV movement. We also hedge 100 per cent of anticipated portfolio distributions on a four-year rolling basis (excluding EUR and GBP), which provides additional comfort as it shields the Company's forecasted dividend payment from adverse foreign exchange movements, de-risking the portfolio[3].

Selective acquisition strategy

The Company continued to pursue a selective acquisition strategy over the year in line with its proven operating model, with the Management Board consciously working to avoid style drift.

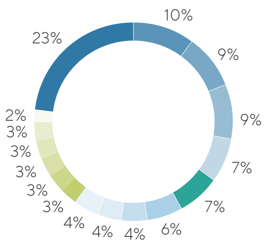
Over the last year, the Management Board sourced attractive investment opportunities and grew the portfolio – but only where it made sense to do so. Here, the Company continues to demonstrate the selectiveness of our approach, the strength of our industry networks, and the effectiveness of our operating model.

Over the period, the Company made six new and follow-on acquisitions with a total aggregate value of £59.2 million. These included:

- **Highway 104 (Canada):** In May, the Company acquired a 50 per cent stake in Highway 104, an availability-based motorway investment in Nova Scotia. Preparations to start construction work began in May 2020, with an estimated completion date of the end of 2023. The concession will run until 2043 and availability payments will be received from the Government of Nova Scotia, which is rated Aa2 by Moody's and AA- by Standard & Poor's ('S&P'). Despite initial delays in receiving certain environmental permits for in-water works, the construction remains on schedule with no material impact resulting from Covid-19.
- **N18 Motorway (Netherlands):** In April, the Company completed a follow-on acquisition in the N18 Motorway, bringing BBGI's total equity interest in the investment to 52 per cent. The concession runs until 2043 and availability payments are received from the State of the Netherlands, which is rated Aaa by the credit rating agency Moody's.
- **Stanton Territorial Hospital (Canada):** During the period, the Company completed two follow-on acquisitions in Stanton Territorial Hospital, increasing

3 Please refer to the Valuation Section for more details on the Company's hedging strategy.

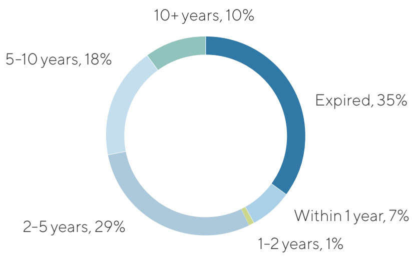
Facility Manager/O&M Contractor



O&M Contractors:

SNC-Lavalin O&M Inc	10%
Capilano Highway Services	9%
Portfolio Company inhouse	9%
Honeywell	7%
Black & McDonald	7%
Cushman and Wakefield	6%
Integral FM	4%
Carmacks Maintenance Services	4%
BEAR Scotland	4%
Graham AM	3%
Amey Community Ltd	3%
Intertoll Ltd	3%
Galliford Try FM	3%
ENGIE FM Limited	3%
Johnson Controls LP	2%
Remaining contractors	23%

Latent Defects Limitations / Warranty Period Remaining



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

BBGI's interest in the investment from 25 per cent to 100 per cent. Stanton is an operational 27,000m^2 hospital with 100 patient rooms located in Yellowknife, Northwest Territories. The concession runs until 2048 and availability payments are received from the Government of Northwest Territories, which is rated Aa1 by the credit rating agency Moody's.

- **Kelowna and Vernon Hospitals (Canada):** In August, the Company completed a follow-on acquisition for the remaining 50 per cent interest in Kelowna and Vernon Hospitals. The concession runs until 2042 and availability payments are received from the Interior Health Authority, funded by the Province of British Columbia which is rated Aaa by Moody's and AAA by S&P. BBGI's equity interest in the investment is now 100 per cent.
- **Samuel De Champlain Bridge Corridor (Canada):** In December, BBGI completed the acquisition of a 25 per cent equity interest in Signature on the Saint-Lawrence Group, the concessionaire of the Samuel De Champlain Bridge Corridor in Montreal. The investment consists of the design, construction, financing, operation, maintenance and rehabilitation of a new bridge spanning the St. Lawrence River between Montreal and Brossard, Quebec. Availability payments are received from the Government of Canada, which is rated AAA by both Moody's and S&P credit rating agencies. The bridge opened to traffic in summer 2019 and the concession runs until 2049.

As availability-style assets, these acquisitions further strengthened the global footprint of the Company's portfolio of investments in AAA/AA rated countries.

Monitoring the supply chain

The Management Board continually reviews the potential concentration and/or failure risk of operational and maintenance ('O&M') contractors that provide counterparty services to the Company's assets. The table below illustrates the level of O&M contractor exposure as a percentage of portfolio value[1].

The Management Board has not identified any material risk exposure and remains comfortable with the current level of contractor exposure. Our immediate response, in the wake of the Covid-19 pandemic, was to request all Facility Managers ('FM') and O&M contractors (together the 'Subcontractors') to conduct an immediate review of their respective BCPs under severely stressed scenarios. These BCPs continue to perform in line with expectations.

The Company benefits from a diversified Subcontractor supply chain with no concentrated exposure, combined with rigorous monitoring and contingency planning. 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 failures.

As an active asset manager, the Company continues to be in close dialogue with its Subcontractors. This is to ensure that where the Company can take mitigating actions to support the health and well-being of its stakeholders, it will. Despite the unprecedented strain on some operating companies resulting from the pandemic, we have not recorded any material adverse Subcontractor issues during the reporting period, and we believe we are well positioned to handle any service quality issues should they arise.

Construction defects

The Company routinely monitors the quality of its assets to identify any potential construction defects early on and to implement the appropriate remediation measures before they impact user accessibility and experience.

A key component of our effective counterparty risk management approach is that the responsibility for, and cost of remediation falls to the relevant construction subcontractor on each asset, subject to statutory limitation periods.

Latent defects risk was mitigated over the reporting period with 65 per cent of portfolio value covered by either limitation or warranty periods and there were no material defects on any of the Company's portfolio assets reported or if there were any issues, they are in the process of being resolved with no material impact on the NAV.

Portfolio Snapshot

Our five largest assets

1 Golden Ears Bridge:

Building Canadian roads & bridges at unprecedented scale

- **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 near Vancouver, which is a 1km, six-lane cable-stayed bridge that spans the Fraser River and connects the cities of Maple Ridge and Pitt Meadows to the cities of Langley and Surrey. The road opened in June 2009 and includes more than 3.5km of ramps, viaducts, small bridges and underpasses, and more than 13km of mainline roadway; a large part of which has been landscaped.

The investment 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 lighting, which is expected to deliver C$72K in annual savings to the operator and to reduce consumption by 450,000 kWh per annum.

2 Ohio River Bridges:

Breaking down barriers to US transport P3

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

One of the largest transportation assets ever undertaken in the US, this asset is at the cutting-edge of public partnerships currently in operation in the US PPP market and reached commercial close just ten months after final tender documents were issued. It was the first US PPP transport deal not to use the Transportation Infrastructure Finance and Innovation Act ('TIFIA') in its capital structure, demonstrating to other US states how even the most complex of transactions can be structured without reliance on federal funding. Instead, the scheme uses a private activity bond issue[2] – the first of its kind for a US PPP highway availability-based asset.

The investment 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 investment addresses cross-river mobility challenges in the Louisville Metropolitan Area, by improving safety, alleviating traffic congestion, and better integrating existing highways. This supports the economic development of the Louisville Southern Indiana region such that the project achieved the Platinum award from the Institute of Sustainable Infrastructure in 2016.

2 US tax exempt bonds.

3 Northern Territory Secure Facilities:

A modern detention and rehabilitation centre to serve the people of Northern Territories

- **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 investment involves the design, build, financing, operation and maintenance of three separate centres. This includes 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, which is designed to support the government's goals of enhanced rehabilitation, education and reduced reoffending rates in the Territory. NTSF is also designed to accommodate an on-site Learning System, which allows inmates to participate in online learning tutorials to improve key skills and ensure better integration into the community following release.

The asset is one of the largest social infrastructure investments in the Territory. 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):

Financing Canada's first truly sustainable health campus

- **Type:** Availability-based
- **Status:** Operational
- **Equity Holding (%) BBGI:** 40%
- **Total Investment Volume (Debt & Equity):** C$2 billion
- **Financial Close/Operational:** July 2010/October 2014
- **Concession Period:** 34 years ending in 2044

The investment 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.

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 investment achieved a Gold certification for Leadership in Energy and Environmental Design ('LEED') in 2016 – the first hospital in Quebec to do so.

5

A1/A6 Diemen Almere Motorway:

Connecting more communities via Dutch roads

- **Type:** Availability-based
- **Status:** Operational
- **Equity Holding (%) BBGI:** 37.14%
- **Total Investment Volume (Debt & Equity):** €727 million
- **Financial Close/Operational:** February 2013 /July 2017
- **Concession Period:** 25 years (post construction) ending in 2042

The A1/A6 investment is the largest of the five sub-projects for the Dutch Road Directorate (Rijkswaterstaat), part of the upgrading of the road network linking Schiphol Airport via Amsterdam to Almere in the Netherlands.

The enlargement of the A1/A6 involves the reconstruction and widening of this section of the SAA motorway and the subsequent long-term maintenance. The A1 and the A6 motorway sections were transformed into a road with 2x5 lanes and partly 4x2 lanes, while reversible lanes were also built, allowing two lanes to change direction twice a day. It facilitates road traffic from the east into Amsterdam during the morning rush hour, and then in the opposite direction in the afternoon.

After construction, completion was achieved well in time in 2017, and SAAOne is now responsible for maintaining the infrastructure for a 25-year period.

During the year, the high-pressure sodium SON-T lighting was completely replaced by an energy efficient LED lighting system. This is projected to reduce the future CO_2 emissions from lighting by 53 per cent and reduce the CO_2 footprint of the project by approximately 350 tons per year.

Our Response to Covid-19

We are pleased to report that, despite the challenging back drop, there has been no material impact on the performance of our investment portfolio over the reporting period. The Management Board maintained its focus on value preservation of our diversified portfolio of 50 infrastructure assets. Combined with our focused approach of investing in low-risk, availability-based infrastructure[1], the Company did not experience any interruption to the expected cash flows received from a globally diversified group of creditworthy government counterparties. During 2020, our investment availability level remained very high at 99.8 per cent and we continued to operate without any material interruptions.

Our People

- The Company provided support and guidance to staff to aid working from home including early identification and sourcing of equipment, increased cyber security initiatives and all staff receiving additional cyber security training.
- Mental and physical health were prioritised with risk assessment and regular contact to support wellbeing, and increased communication to combat isolation and boost morale.
- No staff employed directly by the Group were furloughed.
- Outstanding hiring commitments were honoured and new staff were successfully on-boarded.
- The Company initiated its BCP with all staff working remotely for much of the year and always in compliance with the latest public health guidance.
- We oversaw a seamless transition to remote working.
- Business travel was cancelled.
- BBGI has senior staff located in jurisdictions where we invest which enabled BBGI to lead and respond in real-time to any project level issues that were encountered.
- The BCP in place proved to be robust and appropriate to ensure uninterrupted delivery of services by BBGI as an investment manager.

Our Clients

- All of BBGI's assets continued to be available for our public sector clients, communities and end-users.
- Availability-based transportation assets make up 51 per cent of the portfolio by value. These assets have been largely unaffected by Covid-19.
- The Company has 11 healthcare investments which account for 23 per cent of the portfolio value. Our 11 healthcare investments consist of 42 different healthcare buildings which include clinics, ambulatory care facilities and traditional hospitals. In total, this represents over 2,000 hospital beds. We worked closely with the various health authorities and supported them, often reconfiguring key facilities to help them navigate the changing environment. Much of our focus during the pandemic was targeted towards helping healthcare workers and the communities they serve.
- For much of the year, the schools in our portfolio, representing 10 per cent by portfolio value, either closed or operated at reduced capacity for children of those providing essential services in the Covid-19 effort. Nonetheless, the availability fee continued to be paid.

Our Suppliers

- The Management Board remained in active dialogue with all facilities managers and operators of our assets.
- We worked closely with our suppliers, supporting them to prioritise the health of their teams and to apply best practice guidance.
- The Company prioritised prompt payment of invoices to aid supplier cash flow.
- No material service delivery issues occurred, and no material disruptions were reported.
- The Company increased sub-contractor monitoring to ensure integrity of its supply chain. We will continue to rigorously monitor performance and supply chain exposure.
- BBGI has a diversified supply chain in place and a geographically-diversified portfolio which helps mitigate this exposure. Furthermore, our supply chain partners have BCPs in place and to date performance continues to be strong.

Our Communities

BBGI, through its investment companies, contributed over £33,000 to various Covid-19 relief funds and initiatives. Additional detail is available in our ESG report. Total charitable donations made through our investment companies in the year exceeded £132,000.

Our Investors

- Our resilient business model delivering essential infrastructure to governments and government-backed entities performed as expected with no impact on dividends for 2020 or expected dividends for 2021 and 2022.
- Despite not being able to travel, the Company participated in over 70 virtual meetings with investors to provide updates on performance.

While the rollout of several successful vaccines is encouraging, significant uncertainty surrounding Covid-19 still remains, and all the consequences and potential disruptions are difficult to foresee. While we believe our resilient business model can continue to withstand this challenging market environment over the long-term, we will remain vigilant and ready to adapt as needed. Further detail of the Company's risk mitigation can be found in the Risk section of this Annual Report.

1 The Group does not have any demand-based assets and the portfolio is greater than 99 per cent operational. The Group's financial performance was not materially affected due to the reliance on 100 per cent availability-based revenues.

Market Trends and Pipeline

2021 and beyond

The pandemic impacted the global economy and caused widespread unemployment. Interest rates are either at or close to historic lows, as many central banks undertook further monetary easing. In this environment of low rates and uncertainty, the stability 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. In all of 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.

At the same time, the financial challenges of the pandemic have stressed many construction companies' balance sheets and encouraged them to consider the divestments of availability-based infrastructure investments that they may hold. As a result of this trend, BBGI undertook considerable acquisition activity in 2020 and we continue to see significant scope to make further investments during the course of 2021.

Investment activity in 2021 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 five more assets with an expected value in excess of C$250 million;
- 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. A total of 291 assets across Canada are procured under the PPP model, with those already in operation or under construction valued at C$139.4 billion – including hospitals, schools, courthouses, and transportation assets.

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. Under a new 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 will ensure that projects can get underway as soon as possible.

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, BBGI is well positioned to participate in an attractive primary pipeline and is considered a very credible purchaser for and manager of secondary assets. In 2020, there was a well-defined pipeline of availability-based transactions and the Company completed one primary investment and four secondary investments in Canada.

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

The Canadian secondary market is expected to be active in 2021 and beyond, as assets developed over the last several years come into operation and may come to market.

UK

The UK availability-based infrastructure market has been impacted by both positive and negative influences. The decisive parliamentary victory for the Conservative Party in December 2019 has significantly reduced the threat of the Labour Party nationalising certain PFI assets.

Whilst Brexit has dominated Britain's political agenda, it is difficult to say how the UK's decision to leave the EU will affect private investment in infrastructure in the longer-term. The UK is now at a crossroads, with the Conservative Government having made the decision to abolish the PF2 model in October 2018 but also having made an ambitious £100 billion infrastructure pledge. The sentiment among many in the public and private sectors is that some type of public-private partnership is inevitable, but the exact form it will take remains in question.

The Government has promised to use infrastructure spending as a means to kick-start the economy post-Brexit and 'level up' regions within the UK. 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 plans 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.

The 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 it remains open to new ideas from the market. The Government will not reintroduce the private finance initiative model (PFI/PF2) but we remain optimistic that there will continue to be a role for private capital, particularly where it demonstrates good value for money.

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 Mutual Investment Model in Wales is a good example of how there continue to be attractive investment opportunities in the UK which are very similar to P3s and include a long-term availability income stream from creditworthy counterparties.

The UK market continues to be a source of secondary market transactions. However, the reduction in secondary market PPP 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.

The Company's appetite for the selective acquisition of quality availability-based assets has not diminished. We will continue to pursue mainly secondary availability-based opportunities in the UK.

US

2020 saw an increase in greenfield P3s in the US. In the first half of the year, ten transactions reached financial close with a total value of $10 billion.

While the PPP delivery method can be instrumental in getting projects operational, US municipalities and states have historically been much more reluctant to adopt PPPs than their Canadian counterparts. Since 2010, 59 greenfield PPP deals reached financial close in the US for $42.2 billion compared to 151 greenfield P3 deals in Canada for C$58.8 billion.

With an increasing number of state legislatures taking steps to make P3s more acceptable for stakeholders, the number of US projects adopting PPPs increased from 7 per cent of closed greenfield deals in 2017 to 8.7 per cent of greenfield deals in 2019. PPP made up 11.5 per cent of all greenfield deals in the first half of 2020.

While some states such as Maryland, Virginia and Texas have a state procurement agency, projects in the US are being procured at all levels – municipal, county and state. This means there can be multiple procurement agencies in one state which makes it more difficult for projects to move forward.

Despite these challenges, the US P3 market remains one of great potential. President Joe Biden has explained his 'Build Back Better' plan will serve as a way to make historic investments in infrastructure. This 'Build Back Better' proposal of about $2 trillion is expected to focus on addressing climate change concerns, the adoption of autonomous vehicles, expanding rural access to broadband, guaranteeing safe drinking water, and modernising highways, bridges and tunnels.

We are currently tracking several transactions and are in active discussions regarding upcoming social infrastructure opportunities. Going forward, we expect that the success of the Ohio River Bridges/East End Crossing asset, which opened on time and on budget, will create opportunities for BBGI.

Continental Europe

47 European PPPs reached financial close during 2020, which is just over half the number of deals in 2019. 19 of these were projects over €100 million. While some countries in Europe have slowed down their PPP programmes, there are others which are pushing ahead. Primary and secondary opportunities remain in the Netherlands, Germany and Belgium, and there are also expectations of opportunities arising in France and Poland. 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.

Scandinavia

Norway has a €1 billion road and bridge PPP tender ongoing, and more projects are in the making on a smaller scale elsewhere in the Nordics.

Netherlands
Over the past decade, the Netherlands has built up a reputation for stable, predictable infrastructure deal flow. While no greenfield transport transactions reached financial close during 2020, we are expecting some meaningful secondary opportunities in the Netherlands. Following our investment in three assets in the Netherlands in 2018, we are actively investigating further investment opportunities in this market.

Belgium
BBGI is part of a consortium which successfully pre-qualified for the R4 Ghent project. The project is a 30-year availability-based PPP project involving the upgrade of the R4 West and East in Ghent to primary roads, removing intersections and creating new cycle highways.

Germany
13 PPP transactions closed in Germany in 2020, compared to an average of just three deals per year since 2017, although the majority of those closed in 2020 did not require any equity investment. Germany alone accounted for a third of the overall European greenfield PPP market by deal volumes with €5 billion of investment; a ten-fold increase compared to an average of just over €500 million in the past three years. The expectation is that the road PPP schemes will continue. With six existing assets in Germany, strong credentials and German language skills amongst our senior executive and asset management team, BBGI is well positioned to consider these upcoming opportunities.

Southern Europe
Countries including Spain, Italy, Portugal and Greece have P3 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 unattractive to the Company. Consequently, BBGI has not focused on these opportunities.

Australia
Australia presents 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 presents a strong pipeline of PPP projects since the establishment of the National PPP Policy Framework in 2008.

The P3 model seems to retain attractiveness to government authorities in Australia – Victoria in particular seems set to continue to use this model not only for social infrastructure but also for large scale infrastructure transport projects. Other states such as New South Wales have indicated a continuing interest in using the model where appropriate. New South Wales and Victoria, the two biggest states, are each spending AUD$90 billion over four years on major projects.

BBGI has three large operational assets in Australia and will continue to monitor the market. The Company is hopeful that some select opportunities may emerge in 2021.

Pipeline assets:

Asset	Sector	Estimated Asset Capital Value	Concession Length after construction completion
Confederation Line (Ottawa, ON)	Rail	C$3.2 billion	30 years
Eglinton Crosstown LRT (Toronto, ON)	Rail	C$9.1 billion	30 years
Highway 407 East Extension Phase I (Ontario)	Road	C$1.2 billion	30 years
John Hart Generating Station (Campbell River, BC)	Energy	C$1.1 billion	15 years
New Corridor for the Champlain Bridge (Montreal, QC)	Road & Bridge	C$3.2 billion	30 years

Expected potential equity investment opportunity of these pipeline assets is in excess of C$250 million.

Primary bidding opportunities:

Region	Sector	Estimated Asset Capital Value[1]	Expected Concession Length	Investment Status
North America	Road	£1 billion	35 years	Shortlisted bidder. Financial submission due in May 2021.
Continental Europe	Road	£750 million	30 years	Shortlisted as one of three bidders.

1 Includes both debt and equity.

Operating and Financial Review

The Management Board is very pleased to present the Operating and Financial Review for the year ended 31 December 2020.

Highlights and Key Performance Indicators

Please see Financial Highlights for a summary of the Year in Numbers for 2020. Certain key performance indicators ('KPIs') for the last four years are highlighted below:

KPI	Target	Dec-17	Dec-18	Dec-19	Dec-20	Commentary
Dividends (paid or declared)	Progressive long-term dividend growth in pence per share	6.50	6.75	7.00	7.18	Achieved: Second 2020 interim dividend of 3.59pps declared in February 2021
NAV per share	Positive NAV per share growth	3.0%	2.8%	2.0%	1.2%	Achieved
Compound annual Shareholder Return Since IPO[1]	7% to 8% on IPO issue price of £1 per share	10.5%	11.2%	11.3%	11.0%	Achieved
Ongoing Charge	Competitive cost position	0.99%	0.93%	0.88%	0.86%[2]	Achieved
Cash Dividend Cover	>1.0x	1.51x	1.50x	1.30x	1.27x	Achieved
Refinancing Risk (as a percentage of portfolio)	Minimise refinancing risk	9%	7%	6%	7%	Achieved: Northern Territory Secure Facilities is the only asset with refinancing risk
Asset availability	> 98% asset availability	✓	✓	✓	✓	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)	Achieved
Availability-based assets (as a percentage of portfolio)	Maximise availability-based assets	100%	100%	100%	100%	Achieved

Asset Management

Cash Performance

The Company's portfolio of 50 availability-based infrastructure investments continued to perform well during the year, with cash flows ahead of the expectations and the underlying financial models.

Construction Exposure

The Company's investment policy is to invest principally in assets that are operational and that have completed construction. Accordingly, investment in construction assets will be limited to 25 per cent of the portfolio value. The rationale for this approach is to be able 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 and its 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 2020, more than 99 per cent of the assets were operational with only one project in construction. On 5 March 2020, BBGI, together with its consortium partners, was named as the preferred bidder for a PPP motorway project in Canada that will twin Highway 104 between Sutherlands River and Antigonish in Nova Scotia. Financial close occurred in May 2020 and construction is progressing according to plan.

The Company is currently pursuing two primary investment opportunities which, if successful, will add some construction exposure over the course of 2021.

1 On a compounded annual growth rate basis. This represents the steady state annual growth rate based on share price at 31 December 2020 and after adding back dividends paid or declared since the Company's IPO.
2 Refer to the Ongoing Charges of the Financial Results section of this report for further detail on how the Ongoing Charge is calculated.

Investment Performance

Returns track record

The Company's share price maintained a strong premium to NAV through the majority of the reporting period although there was a 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, likely due to investors realising 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. Against the FTSE All-Share, the Company has shown a low five-year correlation of 27.3 per cent and a beta of 0.24[3].

Save for the brief period in March 2020, the Company's share price has performed well and has maintained a strong premium to NAV during the reporting period. This was against the backdrop of economic uncertainty which saw two thirds[4] of companies listed on the London Stock Exchange cut, suspend or cancel dividends during 2020 due to the effects of the pandemic.

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 economic factors that may cause market volatility in other sectors.

BBGI Share Price Performance

The share price closed the year at 174pps, an increase of 4.5 per cent (excluding dividends) in 2020 and representing a 26.3 per cent premium to the NAV per share at the year-end.

TSR in the calendar year 2020 was 9.0 per cent whilst TSR since IPO to 31 December 2020 was 157.5 per cent or 11 per cent on a compounded annual basis.

The total accounting return per share in the calendar year 2020 was 6.38 per cent[5], with a dividend yield of 4.1 per cent.

Distribution policy

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

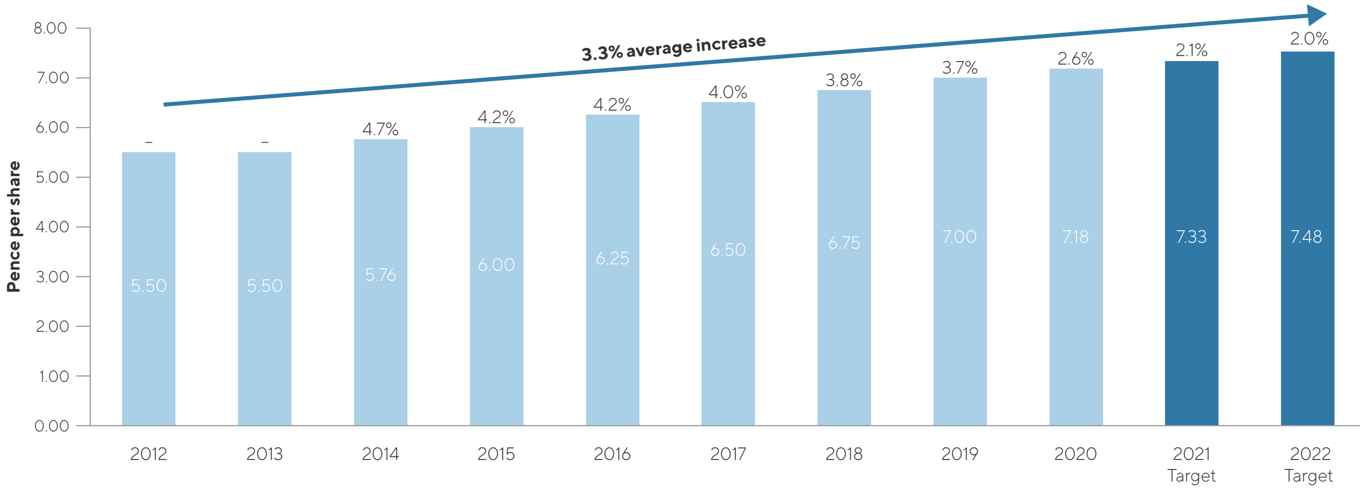
3 The FTSE All-Share, five-year data represents the five years preceding 31 December 2020.
4 Link Group, UK Dividend Monitor (Q4 2020); analyses all the dividends paid out on the ordinary shares of companies listed on the UK Main Market.
5 The sum of the change in NAV per share plus the dividends paid per share in the year, taken as a percentage of the NAV per share at 31 December 2019.

Dividends

On 2 April 2020, the Company paid a second interim dividend of 3.50pps for the period 1 July 2019 to 31 December 2019. The 2020 interim dividend of 3.59pps was paid on 22 October 2020. In February 2021, subsequent to the year-end, the Company declared a second interim dividend of 3.59pps in respect of the six-month period ended 31 December 2020; resulting in a total dividend of 7.18pps for the year ended 31 December 2020.

As previously reported, the Company is targeting an increase in the 2021 dividend to 7.33pps, which represents a further increase of 2.1 per cent for the year and a progressive long-term dividend growth averaging 3.3 per cent since IPO. Furthermore, the Company is targeting a dividend of 7.48pps for 2022.

Proven Progressive Dividend Policy



- Average dividend increase of 3.3 per cent from 2012 to 2021
- FY 2021 target dividend of 7.33pps[1], up 2.1 per cent
- FY 2022 target dividend of 7.48pps[1]

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 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 and Financial Statements. 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 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 intend to continue to be 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 on the final page of the Annual Report or on the Company's website at www.bb-gi.com.

1 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.

While shareholder engagement is typically conducted by the Co-CEOs, it should be noted that the Chairman also makes herself available throughout the year to understand the views of shareholders on governance and performance against the Company's investment objectives and investment policy. Given this level of engagement with shareholders, the Management and Supervisory Boards consider that they meet the requirements of AIC Code Principle 5D.

Share Capital

The issued share capital of the Company is 664,691,283 ordinary shares of no-par value. All of the ordinary shares issued rank pari passu. During the year ended 31 December 2020, the Company issued 34,478,057 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 2020. 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 2020. This authority expires on the date of the next Annual General Meeting ('AGM') to be held on 30 April 2021, at which point the Company will propose that its authority to buy back shares be renewed.

Continuation Vote

The Company's Articles of Association ('Articles') require the Boards to offer a continuation vote to the Company's shareholders at the AGM to allow the Company to continue in its current form, with a further vote every two years. On 30 April 2019, 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 in 30 April 2021.

Valuation

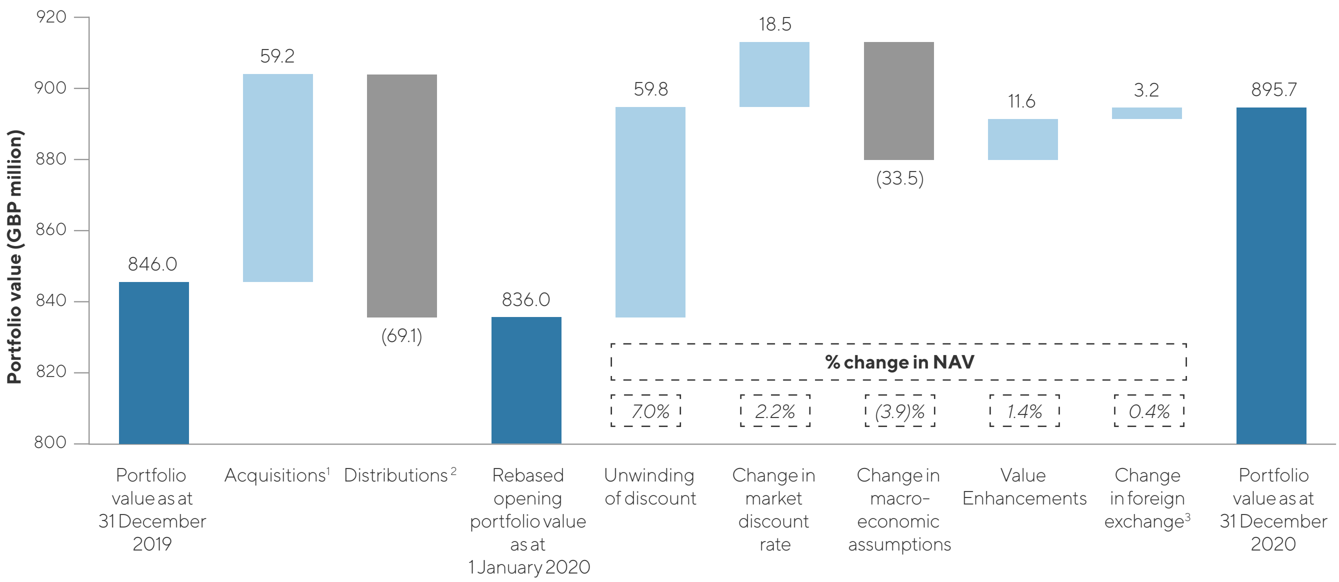
The Management Board is responsible for carrying out the fair market valuation of the Company's investments, which it then presents to the Supervisory Board for their consideration and, if appropriate, approval of this Report. The valuation is carried out on a six-monthly basis as at 30 June and 31 December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

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

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

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

Portfolio Movement 31 December 2019 to 31 December 2020



1 Refer to the Portfolio Review for further details on the acquisitions during the period.
2 While distributions from investments reduce the portfolio value, there is no impact on the Company's NAV as the effect of the reduction in the portfolio value (investments at fair value through profit or loss) is offset by the receipt of cash at the consolidated Group level. Distributions are shown net of withholding tax.
3 The result from balance sheet hedging is recorded at the consolidated Group level, and while inversely correlated, does not directly impact portfolio value. The net foreign exchange loss on hedging over the period, recorded at the consolidated Group level, was £1.5 million.

The Company's portfolio value at 31 December 2020 was £895.7 million (31 December 2019: £846.0 million), representing an increase of 5.9 per cent.

NAV movement 31 December 2019 to 31 December 2020	£ million
NAV at 31 December 2019	858.6
Deduct: other net assets at 31 December 2019[1]	(12.6)
Portfolio value at 31 December 2019	**846.0**
Acquisitions	59.2
Distributions from assets	(69.1)
Rebased opening portfolio value at 1 January 2020	836.0
Unwinding of discount	59.8
Change in market discount rate	18.5
Change in macro-economic assumptions	(33.5)
Value enhancements	11.6
Foreign exchange gain	3.2
Portfolio value at 31 December 2020	**895.7**
Other net assets at 31 December 2020[1]	20.3
NAV at 31 December 2020	916.0

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.

Key drivers for NAV change

The rebased opening portfolio value after considering acquisitions in the reporting period of £59.2 million and cash distributions from investments of £69.1 million was £836.0 million.

Unwinding the discount and value enhancements:

During the period, the Company recognised £71.4 million, or an 8.3 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 7.0 per cent change in NAV.

The remaining £11.6 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. This includes amongst others the net valuation effect of enhanced operational performance through our active and hands on asset management approach. The activities involved inter alia managing change orders and earning a fee for this service, tax optimisation, cost savings due to lower fees on management service agreements and cash optimisations. Where appropriate, we have also made use of reduced occupancy at some of our assets to accelerate maintenance or improvement works. For example, we were able to take advantage of the low oil price to accelerate re-pavement works on one of our roads which resulted in an overall lifecycle saving. Other positive effects derived from adjusting risk premiums reflected in specific investment discount rates as well as reducing premiums for investments moving towards the stable operational phase.

Change in discount rate:

The market for availability-based transactions continues to be very competitive and discount rates are compressing further. This is a result of a continued low interest environment and a high investment demand in the availability-based social infrastructure sector, while the supply of new greenfield infrastructure investments is not keeping pace. Based on data from transactional activity, benchmark analysis with comparable companies and sectors, discussions with advisers in the relevant markets, and publicly available information, BBGI has reduced its weighted average discount rate to approximately 6.77 per cent (31 December 2019: 7.07 per cent), representing a reduction of 30 bps from 31 December 2019.

Change in Macro-Economic Assumptions:

During the period, the Company recognised a reduction in the portfolio value due to changes in the macro-economic assumptions: changes in corporate tax rates in the UK, Netherlands and Province of Alberta resulting in a portfolio value decrease of £4.1 million; a change in the forecasted deposit rates; replacing the retail price index ('RPI') with the consumer price index including owner occupiers' housing ('CPIH') beginning 1 January 2031 in the UK[1]; and the actual indexation against the previously modelled indexation resulting in a further portfolio value decrease of £29.4 million.

In total, the Company recognised a reduction of £33.5 million, or a 3.9 per cent decrease in NAV, from changes in these assumptions.

The net effect of inflation, against the 31 December 2019 modelled macro-economic assumptions, on the portfolio value has been negative, and is included in the value above.

Foreign Exchange:

The forecasted distributions from investments are converted to 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 Sterling. The Company maintains its accounts, prepares the valuation and pays dividends in Sterling. Accordingly, fluctuations in exchange rates between Sterling and the relevant local currencies will affect the value of the Company's underlying investments.

During the year ended 31 December 2020, the depreciation of Sterling against the Australian Dollar and the Euro, and the appreciation of Sterling against the Canadian Dollar, the US Dollar and the Norwegian Krone accounted for a net increase in the portfolio value of £3.2 million. Since listing in December 2011, the net cumulative effect of foreign exchange movements on the portfolio value, after considering the effect of balance sheet hedging, has been a decrease of £7.8 million which is less than 0.9 per cent of the 31 December 2020 NAV.

The table below shows those closing rates, which were used to convert unhedged future cash flows into the reporting currency at 31 December 2020.

GBP/	Valuation impact	FX rates as of 31 December 2020	FX rates as of 31 December 2019	FX rate change
AUD		1.771	1.880	5.80%
CAD		1.739	1.716	(1.34%)
EUR		1.113	1.176	5.36%
NOK		11.670	11.595	(0.65%)
USD		1.365	1.319	(3.49%)

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

The Group uses forward currency swaps to (i) hedge 100 per cent of forecasted cash flows over the next four years on an annual rolling basis and (ii) to implement balance sheet hedging in order to limit the decrease in the NAV to approximately 3 per cent for a 10 per cent adverse movement in foreign exchange rates[2]. This is achieved by hedging a portion of the non-Sterling and non-Euro portfolio value. The benefit of the Company's hedging strategy can also be expressed as a theoretical or implicit portfolio allocation to Sterling exposure. In other words, on an unhedged basis, the portfolio allocation to Sterling exposure would need to be approximately 72 per cent to obtain the same NAV sensitivity to a 10 per cent adverse change in foreign exchange rates as shown below.

1 On the 25 November 2020, the UK Chancellor of the Exchequer announced that the retail price index ('RPI') will be discontinued in 2030 and replaced with the consumer price index including housing costs ('CPIH'). Given this announcement, the Company has replaced RPI at 2.75% with CPIH at 2.0% across the UK portfolio of the portfolio beginning 1 January 2031.

2 Based on the portfolio composition on the date the balance sheet hedge contracts are entered into.

Covid-19

The portfolio continued its strong performance over the reporting period with no material adverse effect on valuation resulting from Covid-19. This strong performance is primarily as a result of the Company holding a low-risk, 100 per cent availability-based portfolio, coupled with strong stakeholder collaboration during the reporting period. There continues to be uncertainty surrounding Covid-19 with the consequences and potential disruptions difficult to foresee, but currently our portfolio remains resilient in this challenging market environment. We will continue to work very 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 6.20 per cent and 8.75 per cent. The weighted average rate is approximately 6.77 per cent (31 December 2019: 7.07 per cent), representing a reduction of 30 bps from 31 December 2019, which management believes to be towards the conservative end of the range for a portfolio of availability-based social infrastructure investments. This methodology calculates the weighted average based on the value of each investment in proportion to the total portfolio value i.e. based on the net present value of their respective future cash flows.

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

BBGI applies a risk premium for investments in construction to reflect the higher-risk inherent in the construction phase of any investment's lifecycle. Currently, the portfolio has one investment in construction, Highway 104, which represents 0.5 per cent of the overall portfolio value. BBGI has also applied a risk premium to a limited number of other investments to reflect the individual situations. For example, adjustments have been applied to acute hospitals in the UK where a risk premium of 50bps continues to be applied. This 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. The only UK acute hospital in the portfolio is Gloucester Royal Hospital, which represents less than one per cent of the overall NAV.

General Market Activity

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

On the other hand, availability-based investments passed the stress test and proved to be very robust as the sector has not experienced any material negative impact. This, coupled with the historically low interest rate environment, has further contributed to increased competition for PPP investments. The deal volume in 2020 shows that demand for stable yielding investments is strong even with continued uncertainty surrounding Covid-19, and market intelligence suggests discount rates in the secondary market remain very competitive and likely to decrease further in the future.

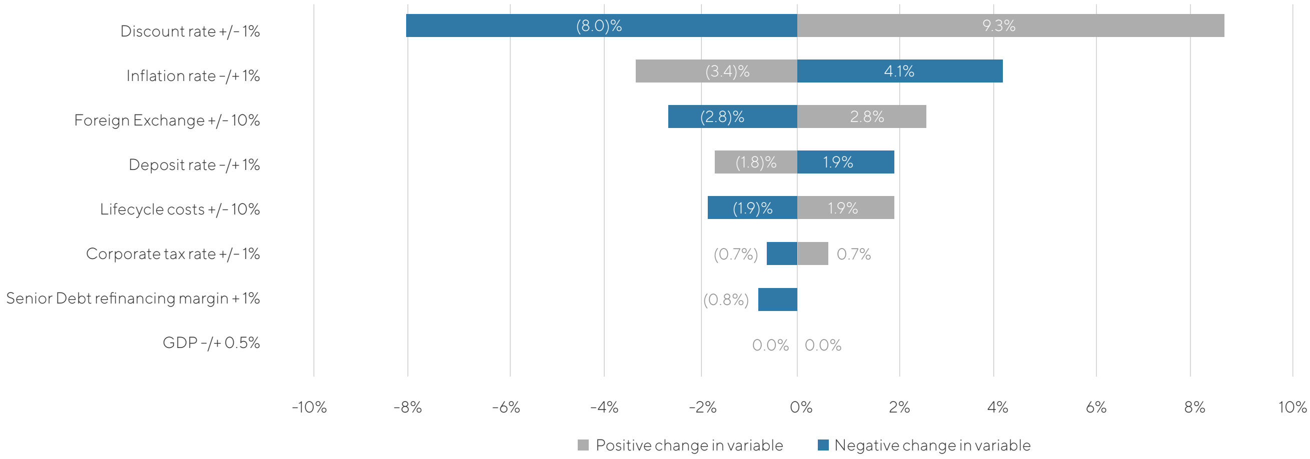
Macro-Economic Assumptions

Apart from the discount rates, the Company uses the following assumptions for the cash flows:

		31 December 2020	31 December 2019
Indexation	UK[1] RPI/CPIH	2.75%/2.00%	2.75%
	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%
	USA[3]	2.50%	2.50%
Deposit rates (p.a.)	UK	0.25% to Q4 2023, then 1.00%	1.00% to Q4 2023, then 2.50%
	Canada	0.75% to Q4 2023, then 1.50%	1.00% to Q4 2023, then 2.50%
	Australia	0.50% to Q4 2023, then 2.00%	2.00% to Q4 2023, then 3.00% – 4.00% (medium term)
	Germany	0.00% to Q4 2023, then 0.50%	1.00% to Q4 2023, then 2.50%
	Netherlands	0.00% to Q4 2023, then 0.50%	1.00% to Q4 2023, then 2.50%
	Norway	0.25% to Q4 2023, then 2.00%	1.80% to Q4 2023, then 3.00%
	USA	0.25% to Q4 2023, then 1.50%	1.00% to Q4 2023, then 2.50%
Corporate tax rates (p.a.)	UK	19%	19% to 2019, then 17%
	Canada[4]	23.0%/26.5%/27%/29%	26.5%/27%/29%
	Australia	30%	30%
	Germany[5]	15.8% (incl. solidarity charge)	15.8% (incl. solidarity charge)
	Netherlands[6]	25%	25% to 2020, then 21.7%
	Norway	22%	22%
	USA	21%	21%

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, these non-CPI indices are not considered.
3 80 per cent of ORB indexation factor for revenue is contractual and is not tied to CPI.
4 Individual tax rates vary among Canadian Provinces.
5 Individual local trade tax rates are considered in addition to the tax rate above.
6 In September 2020, the Dutch Government confirmed that the planned reduction of the headline corporate income tax rate (CIT) to 21.7 per cent will not be introduced in 2021.

Sensitivities



Discount Rate Sensitivity

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

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

Discount Rate Sensitivity	Change in NAV 31 December 2020
Increase by 1% to 7.77%[1]	(£73.6) million, i.e. (8.0)%
Decrease by 1% to 5.77%[1]	£85.1 million, i.e. 9.3%

1 Based on the weighted average discount rate of 6.77 per cent.

Inflation Sensitivity

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

The 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 2020
Inflation +1%	£37.8 million, i.e. 4.1%
Inflation –1%	(£31.0) million, i.e. (3.4)%

Foreign Exchange Sensitivity

As described above, a significant proportion of the Company's underlying investments are denominated in currencies other than Sterling.

The following table shows the sensitivity of the NAV to a change in foreign exchange rates:

Foreign Exchange Sensitivity	Change in NAV 31 December 2020
Increase by 10%[1]	(£25.5) million, i.e. (2.8)%
Decrease by 10%[1]	£25.4 million, i.e. 2.8%

1 Sensitivity in comparison to the spot foreign exchange rates at 31 December 2020 and considering the contractual and natural hedges in place, derived by applying a 10 per cent increase or decrease to the Sterling/foreign currency rate.

Deposit Rate Sensitivity

Project Companies typically have cash deposits which 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 2020
Deposit rate +1%	£17.1 million, i.e. 1.9%
Deposit rate –1%	(£16.6) million, i.e. (1.8)%

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 50 investments in the portfolio, 17 investments retain the lifecycle obligations. The remaining 33 investments have this obligation passed down to the subcontractor.

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

Lifecycle Costs Sensitivity	Change in NAV 31 December 2020
Increase by 10%[1]	(£17.6) million, i.e. (1.9)%
Decrease by 10%[1]	£17.4 million, i.e. 1.9%

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

Corporate Tax Rate Sensitivity

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

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

Corporate Tax Rate Sensitivity	Change in NAV 31 December 2020
Tax rate +1%	(£6.6) million, i.e. (0.7)%
Tax rate –1%	£6.6 million, i.e. 0.7%

On 3 March, 2021, the UK Chancellor of the Exchequer announced a plan to increase the UK Corporate Tax rate to 25 per cent from April 2023. Whilst this increase is not currently enacted and is still to be approved by the UK Parliament, the Company recognises that any change in the UK Corporate Tax rate will have an effect on the portfolio valuation. It is the Company's policy to value those tax rates that have been enacted into law at the reporting period date. Notwithstanding this, and to aid transparency, we have calculated that this increase of the UK Corporation Tax rate would result in a £8.9 million or 1.0 per cent reduction in NAV.

Senior Debt Refinancing Sensitivity

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

The table below shows the sensitivity of the NAV to a +100bps adjustment to the forecasted margins. The base rate for senior debt is either fixed or a long-term interest swap is available with the effect that none of our investments are subject to changes in base rates.

Senior Debt Refinancing Sensitivity	Change in NAV 31 December 2020
Margin +1%[1]	(£7.7) million, i.e. (0.8)%

1 The Northern Territory Secure Facilities investment is the only remaining investment in the BBGI Portfolio with refinancing risk.

GDP Sensitivity

The BBGI portfolio is not sensitive to GDP.

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

Key Portfolio Company and Portfolio Cash Flow Assumptions Underlying NAV Calculation include:

- Discount rates and the assumptions as set out above continue to be applicable.
- The updated financial models used for valuation accurately reflect the terms of all agreements relating to the Portfolio Companies and represent a fair and reasonable estimation of future cash flows accruing to the Portfolio Companies.
- Cash flows from and to the Portfolio Companies are received and made at the times anticipated.
- Non-UK Portfolio Companies are valued in local currency and their cash flows converted to 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.
- An assessment is made of construction defect remediation where the risk sits with the Portfolio Company.
- 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.
- There are no tax or regulatory changes in the future which negatively impact cash flow forecasts.

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

Financial Results

The Consolidated Financial Statements of the Group for the year ended 31 December 2020 are on pages 80 to 124.

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 fair value through profit or loss ('Investments at FVPL'). Certain subsidiaries that are not Investments at FVPL, but instead provide investment-related services or activities that relate to the investment activities of the Group, are consolidated. As an Investment Entity, the Company recognises distributions from investments at FVPL as a reduction in their carrying value. These distributions reduce the estimated future cash flows which are used to determine the fair value of the Investments at FVPL.

Income and Costs

Pro forma Income Statement

	Year ended 31 Dec 20 £ million	Year ended 31 Dec 19 £ million
Income from investments at fair value through profit and loss ('FVPL income')	**63.3**	69.8
Other operating income	**0.2**	–
Operating income	**63.5**	69.8
Administrative expenses	**(9.6)**	(8.5)
Other operating expenses	**(7.3)**	(7.3)
Net loss on balance sheet hedging and net finance result	**(2.3)**	–
Profit before tax	**44.3**	54.0
Tax expense	**(2.6)**	(3.0)
Profit from continuing operations	**41.7**	51.0
Basic earnings per share (pence)	**6.58**	8.43

During the year, the Group recognised FVPL income of £63.3 million (31 December 2019: £69.8 million). This FVPL income is made up of a combination of the positive effect of the unwinding of discount, changes in market discount rates, value enhancements, the net effect of foreign exchange on the underlying investment portfolio with a partial offset resulting from changes in macro-economic assumptions. A more detailed analysis of the movement in Investments at FVPL is outlined in the Valuation section of this Report.

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

The Group has implemented a policy of using forward currency swaps to hedge its anticipated non-Sterling and non-Euro denominated cash flows on a four-year rolling basis, referred to as cash flow hedging, and also uses 12-month forward currency swaps to hedge part of the non-Sterling, non-Euro denominated portfolio values, referred to as balance sheet hedging. During the year, the Company recognised a net loss £0.9 million on cash flow hedging (31 December 2019: £3.0 million net loss) and is reflected in 'Other operating expenses' in the table above.

During the year the Company recognised a net loss from balance sheet hedging of £0.6 million (31 December 2019: £2.1 million net gain).

Profit from continuing operations for the year ended 31 December 2020 decreased by 18.2 per cent to £41.7 million (31 December 2019: £51.0 million).

Group Level Corporate Cost Analysis

The table below is prepared on an accruals basis.

Corporate Costs	Year ended 31 Dec 20 £ million	Year ended 31 Dec 19 £ million
Net finance costs	**1.6**	2.0
Personnel costs	**6.2**	4.8
Legal and professional fees	**2.6**	2.4
Office and administration	**0.8**	1.3
Acquisition related costs	**1.6**	1.1
Taxes	**2.6**	3.0
Corporate costs	**15.4**	14.6

Net finance costs for the year were £1.6 million (31 December 2019: £2.0 million). The Company used the proceeds from distributions from its investments and the proceeds from its November 2020 placing to repay outstanding borrowings, resulting in a decrease in finance costs in the year. The cash flow analysis section of this report provides further information regarding utilisation and repayments under the RCF during the year.

Personnel costs for the year were £6.2 million (31 December 2019: £4.8 million) reflecting an increase in staff numbers as well as remuneration. Refer to the 'Remuneration Report' section of this report for further detail on Management Board and Supervisory Board remuneration.

During the year, the Company acquired a 50 per cent equity interest in the Highway 104 project and a 25 per cent equity interest in Champlain bridge, both projects are located in Canada. In addition, the Company acquired follow-on interests in the Stanton Territorial Hospital, the KVH Hospital in Canada and the N18 Motorway in the Netherlands. Acquisition related costs incurred during the year amounted to £1.6 million (31 December 2019: £1.1 million) and includes unsuccessful bid costs amounting to £0.8 million (31 December 2019: £0.7 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[1]. The percentage represents the annualised reduction or drag on shareholder returns as a result of recurring operational expenses incurred in managing the Group's consolidated entities, and provides an indication of the level of recurring costs likely to be incurred in managing the Group in the future.

Ongoing Charges Information	Year ended 31 Dec 20 £ million	Year ended 31 Dec 19 £ million
Ongoing Charges (using AIC recommended methodology)	**0.86%**	0.88%

In prior reporting periods, fees linked directly to investment performance were included in the reported OGC. It is however the view of the AIC that compensation schemes which are linked directly to investment performance could be viewed as analogous to performance fees paid by externally managed investment companies and should therefore be excluded from the principal OGC calculation. Therefore, the reported OGC for 31 December 2020 excludes such fees.

The Management Board will continue to follow this AIC recommended methodology in future reporting periods, thereby facilitating a direct comparison with externally managed investment companies which follow the AIC recommended methodology for calculating the Ongoing Charge.

Fees directly linked to investment performance recorded in 2020 as a percentage of average NAV were 0.08 per cent. Combined therefore the aggregate of Ongoing Charges plus investment performance fees was 0.94% in the year.

For the year ended 31 December 2020, and in line with AIC recommendations, certain non-recurring costs were excluded from the Ongoing Charges, most notably acquisition-related advisory costs of £1.6 million, taxation of £2.6 million and net finance costs of £1.6 million.

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

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

	Year ended 31 Dec 20 £ million (except %)	Year ended 31 Dec 19 £ million (except %)
Administration expenses to 31 December	**9.6**	8.5
Less: Non-recurring costs as per AIC guidelines		
Non-recurring professional and external advisory costs	**(0.4)**	(0.3)
Personnel costs related to acquisition or non-recurring	**(0.4)**	(0.4)
Compensation linked to investment performance	**(0.8)**	–
Other non-recurring costs	**(0.3)**	(0.3)
Ongoing Charges	**7.7**	7.5
Divided by:		
Average undiluted Investment Basis NAV for 2020 (average of 31 December 2020: £916.0 million and 30 June 2020: £860.8 million)	**888.4**	858.3
Ongoing charges percentage[1]	**0.86%**	0.88%

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

During the year, in response to the UK's departure from the EU and a requirement from Euroclear UK and Ireland, the Company was required to interpose an EEA-based Central Securities Depository into the shareholding structure, in order to ensure uninterrupted trade settlement of the Company's non-certified shares on the LSE post the completion of the Brexit transition period on 31 December 2020. The non-recurring advisory and set up costs of this restructuring amounted to approximately £0.2 million and are reflected in the Non-recurring professional and external advisory costs in the table above.

Cash Flows

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

	Year ended 31 Dec 20 £ million	Year ended 31 Dec 19 £ million
Distributions from Investments at FVPL[1]	**72.8**	64.0
Net cashflows from operating activities	**(18.5)**	(10.9)
Additional Investments at FVPL	**(59.2)**	(62.9)
Net cashflows from financing activities	**(9.5)**	33.9
Impact of foreign exchange gain on cash and cash equivalents	**0.2**	0.3
Net cash (outflow) inflow	**(14.2)**	24.4

1 These distributions are shown gross of withholding tax and include the realisation of distributions in transit at 31 December 2019. The associated withholding tax outflow is included in 'Net cash flows from operating activities'.

The Group's portfolio of investments performed well during the year, with rebased cash flows ahead of business plan[1]. Distributions from Investments at FVPL, increased during the year by 13.8 per cent to £72.8 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 an additional amount of £41.0 million under the RCF during the year and also repaid a total of £62.0 million over the same period. There were no borrowings outstanding under the RCF at 31 December 2020. The net proceeds from the November 2020 capital raise were used to part finance the acquisition of the Champlain Bridge investment, acquired in December 2020, and also to repay those amounts borrowed under the RCF.

Cash dividends paid during the year ended 31 December 2020 amounted to £42.6 million, an increase of £1.8 million on the previous year.

The Consolidated Statement of Cash Flows provides further details of cash flows during the year ended 31 December 2020.

1 Cash flows rebased for investment acquisitions during the year.

For the year ended 31 December 2020, the Group has a cash dividend cover ratio[2] of 1.27x (year ended 31 December 2019: 1.30x) and is calculated as follows:

	31 Dec 20 £ million (except ratio)	31 Dec 19 £ million (except ratio)
Distributions received from Investments	**72.8**	64.0
Less: Net cash flows from operating activities under IFRS (consolidated)	**(18.5)**	(10.9)
Net distributions	**54.3**	53.1
Divided by: Cash dividends paid under IFRS (consolidated)	**42.6**	40.8
Cash Dividend Cover (ratio)	**1.27x**	1.30x

The strong cash dividend coverage in 2020 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 7.33pps for 2021 and is providing a new dividend target of 7.48pps for 2022.

Balance Sheet

Pro forma Balance Sheet

	31 December 2020			31 December 2019		
	Investment Basis[1] £ million	Adjust £ million	Consolidated IFRS £ million	Investment Basis £ million	Adjust £ million	Consolidated IFRS £ million
Investments at FVPL	**895.7**	**–**	**895.7**	846.0	–	846.0
Trade and other receivables	**1.6**	**–**	**1.6**	3.9	–	3.9
Other assets and liabilities (net)	**(1.9)**	**(0.1)**	**(2.0)**	(5.1)	0.9	(4.2)
Net cash	**20.5**	**–**	**20.5**	13.8	0.7	14.5
Derivative financial asset	**0.1**	**(0.1)**	**–**	–	1.4	1.4
NAV attributable to ordinary shares	**916.0**	**(0.2)**	**915.8**	858.6	3.0	861.6

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 2020, the Group has 50 availability-based Investments at FVPL (31 December 2019: 48). The main drivers of the net movement in Investments at FVPL are:

— + £59.2 million: from new portfolio acquisitions in Highway 104 and Champlain Bridge and additional equity interests in Stanton Territorial Hospital, KVH Hospital and N18 motorway.

— + £63.3 million: from the net effect of unwinding of discount, revised macro-economic assumptions on portfolio value, changes in market discount rates, value enhancements and the impact of net foreign exchange gains during the year.

— - £72.8 million: from net distributions from the Investments at FVPL during the year.

At 31 December 2020, the fair value of forward currency swaps used to hedge future portfolio distributions over the next four years was £0.1 million net liability position. This figure is excluded under the Investment Basis NAV as the related contracted forward rates are directly applied to hedged future distributions and therefore embedded in the Investments at FVPL. The unhedged distributions are converted at the 31 December 2020 closing rate.

As at 31 December 2020, cash and cash equivalents amounted to £20.5 million (£34.8 million as at 31 December 2019).

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

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

	31 Dec 20 £ million	31 Dec 19 £ million
Cash and cash equivalent under IFRS (consolidated)	**20.5**	34.8
Loans and borrowings under IFRS (consolidated)	**(0.2)**	(20.4)
Gross up: Unamortised debt issuance costs under IFRS (consolidated)[1]	**–**	(0.7)
Less: Interest payable under IFRS (consolidated)	**0.2**	0.1
Outstanding loan drawdowns	**–**	(21.0)
Net cash under Investment Basis NAV	**20.5**	13.8

1 During the year, unamortised debt issuance costs amounting to £0.4 million were reclassed from the 'loans and borrowings non-current liabilities' to 'other current assets'. Accordingly, no gross up was required for the 2020 reconciliation of net cash.

Three-year Comparative of Investment Basis NAV

	31 Dec 20	31 Dec 19	31 Dec 18
NAV (millions)	**916.0**	858.6	774.5
NAV per share (pence)	**137.8**	136.2	133.5

The Investment Basis NAV increased by 6.7 per cent to £916.0 million at 31 December 2020 (31 December 2019: £858.6 million). This equates to a growth in Investment Basis NAV per share of 1.2 per cent to 137.8p at 31 December 2020 (31 December 2019: 136.2p). 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 to the net assets of the Group.

Corporate Governance

Introduction

The Company is internally managed with a two-tier governance structure that comprises a Supervisory Board and a Management Board, with the responsibilities of each as indicated in this Report.

Primary responsibilities of the Supervisory Board include the supervision of the activities of the Management Board and the establishment and monitoring of compliance with the Company's investment policy. Notwithstanding this, the Directors on both the Management Board and the Supervisory Board are accountable under the Listing Rules as the Listing Rules do not make a distinction 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.

The Management Board's principal responsibility is the day-to-day management of the Company, including the discretionary investment management of the Company's investments and those of the rest of the Group. 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 otherwise 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.

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.

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 AIC and as such reports against the AIC Code of Corporate Governance (the 'AIC Code').

Both the Management Board and the Supervisory Board of 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. The Management and Supervisory Boards consider that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council ('FRC'), provides relevant information to shareholders.

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 requirement for most UK publicly listed companies to make a s172(1) CA2006 statement. Consideration of BBGI's stakeholders, and details of how the Company adopts the spirit of those provisions can be found on page 14 of the Our Approach To ESG section of this Annual Report, and also in the Company's inaugural standalone ESG Report, both of which detail the Company's commitment to generating positive non-financial returns for all our stakeholders.

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

- AIC Code Provision 10 (at least half the board excluding the chairman, should be non-executive directors which the board considers to be independent): 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): Board Tenure and Diversity;
- AIC Provision 17 (in relation to establishing separate Management Engagement Committee): Committees of the Supervisory Board;
- AIC Provision 23 (All directors should be subject to annual re-election by the shareholders): Management Board – General section;
- AIC Provision 29 (in relation to chairman as a member of the Audit Committee): Audit Committee Report.

AIFM

During 2020, the Company was required to interpose an EEA-based Central Securities Depository ('CSD') into the shareholding structure, in order to ensure uninterrupted trade settlement of the Company's non-certified shares on the LSE post the completion of the Brexit transition period on 31 December 2020. Refer to the Delegated Functions section of this report for an update on this and further functions delegated by the Company. There have been no other material changes in respect of Art. 20 Para. 2(d) of the AIFM Law that would warrant further disclosure to shareholders.

Sustainable Finance Disclosure Regulation

Post period end, the Company made disclosures relating to Articles 3, 4, 5, 6, 7(2), 8 and 10 of EU Regulation 2019/2088, known as the Sustainable Finance Disclosure Regulation or SFDR. SFDR requires EU based companies to make certain disclosures on the subject of sustainability risk, the manner in which sustainability factors are integrated into investment decision and allows companies that meet certain sustainability characteristics to self-classify if they promote environmental or social characteristics. The Company takes the view that it falls within the scope of Article 8 and meets the criteria for socially positive investment.

Supervisory Board and Management Board

As at 31 December 2020

Name	Function	Independence	Age	Original appointment	Next renewal date
Supervisory Board					
Sarah Whitney	Chairman of Supervisory Board	Independent	57	1 May 2019	30 April 2021
Howard Myles	Senior Independent Director	Independent	71	3 October 2011	30 April 2021
Jutta af Rosenborg	Chairman of Audit Committee	Independent	62	1 July 2018	30 April 2021
Management Board					
Duncan Ball	Member of the Management Board	Non-independent	55	5 October 2011	5 October 2021
Frank Schramm	Member of the Management Board	Non-independent	52	5 October 2011	5 October 2021
Michael Denny	Member of the Management Board	Non-independent	43	30 April 2013	30 April 2021

This table sets out the expiry dates of the current terms of the Directors' appointments. All appointments may be renewed in accordance with the provisions of the Company's Articles.

Biographies of Directors

Supervisory Board

Sarah Whitney
Chairman

Ms Whitney has extensive experience in the real estate and finance sectors. She was a corporate finance partner at PricewaterhouseCoopers. She set-up and led the Government & Infrastructure Team at CB Richard Ellis, and was Managing Director of the Consulting & Research business at DTZ Holdings plc (now Cushman & Wakefield).

For the last 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 Chairman with effect from 31 July 2020 following Mr Colin Maltby stepping down from his role as a Non-Executive Director of the Company. Ms Whitney was appointed Chairman of the Nomination Committee with effect from 29 June 2020.

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.

Howard Myles
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 Chairman 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, a Fellow of the Chartered Institute for Securities and Investment.

Mr Myles serves as a Non-Executive Director of three other listed investment companies.

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 Chairman 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 four other listed companies.

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 listing of BBGI in 2011 and the subsequent growth from 19 assets at IPO to 50 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 assets 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 listing of BBGI in 2011 and the subsequent growth from 19 assets at IPO to 50 assets at the end of the reporting period.

Mr Schramm has worked in the infrastructure sector, investment banking and advisory business for over 24 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 assets 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 consists of three Independent Non-Executive Directors. Ms Sarah Whitney became Chairman of the Supervisory Board on 31 July 2020 following Mr Colin Maltby stepping down from his role as Non-Executive director of the Company.

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.

Role and Responsibilities of the Supervisory Board

The Supervisory Board is responsible for establishing and monitoring compliance with the Company's investment policy, appointing and replacing the Management Board, supervising and monitoring the appointment of the Company's service providers and those of its subsidiaries, 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 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 their remit.

The Supervisory Board will continue to regularly consider the Company's strategy taking account of market conditions and feedback from the Management Board, the Company's joint corporate brokers and engagement with shareholders. The Company's strategy is considered regularly in conjunction with the Management Board.

In addition, the Supervisory Board is responsible for establishing and monitoring compliance with the Company's investment policy, providing general supervisory oversight to the operations of the Group as a whole; and supervising and monitoring the appointment and performance of the Company's third-party service providers (and those of its subsidiaries). In the case of the latter role, the Supervisory Board acts in its capacity as the Management Engagement Committee, further detailed below under Committees of the Supervisory Board.

Climate related risk and other material ESG issues are also reviewed at least quarterly by the Supervisory Board, ensuring that issues are appropriately addressed through the Company's strategy, Responsible Investment approach and other key processes such as risk management.

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.

During the year, a formally constituted Remuneration Committee was established, to which the Supervisory Board 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. In addition, a formally constituted Nomination Committee was established, to which the Supervisory Board delegated its responsibilities for appointing the members of the Management Board and the appointment of any further Supervisory Board members. Prior to these Committees being formally constituted, the Supervisory Board Directors would meet as a whole and carry out the respective roles of the Remuneration and Nomination Committees. 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.

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.

Annual Performance Evaluation

In accordance with AIC Code Provision 26, an externally facilitated evaluation of the Supervisory Board was conducted in 2020 by BoardAlpha Limited ('BoardAlpha'). BoardAlpha evaluated the performance of the Supervisory Board, its committees, the Chairman and individual directors. BoardAlpha was independent of the Company and there was no connection between the evaluator and the Company or any of its individual Directors.

Following the publication post-period end of a review undertaken by ICSA into the quality of independent board evaluation in the UK listed sector (commissioned by the UK's Department of Business, Energy and Industrial Strategy), the Supervisory Board believes BoardAlpha' s evaluation of the Company was done in the spirit of ICSA's principles of good practice.

Individual interviews were held with each of the four Supervisory Board members, including the Chairman at the time, Mr Colin Maltby. Additional meetings were also held with each member of the Management Board, the Company Secretary and a representative from the Company's Corporate Brokers. BoardAlpha was presented with Committee and Board packs from the Board meetings held in the preceding year and two BoardAlpha representatives were invited to attend and observe meetings held by the Supervisory Board and Audit Committee.

BoardAlpha found that the Supervisory Board as a whole and the Directors individually had a clear understanding of their role and discharged their governance duties with a high degree of vigilance, integrity and competence. The Supervisory Board as a whole held an appropriate spread of skills and experience with a high degree of collective knowledge of good corporate governance, and provided a good level of challenge to the Management Board. With its most recent appointments, the Supervisory Board had enhanced its gender diversity. The Supervisory Board was kept well informed both in terms of day-to-day operations and strategic overview, with comprehensive reporting received sufficiently in advance of any meetings. The report concluded in summary that the Supervisory Board appeared to be well constituted, highly effective and well run. Where findings of the evaluation were deemed relevant and in the interest of the Company and its stakeholders to implement, the Company has done so. These changes, although limited in nature, are highlighted in the corresponding parts of this Annual Report.

In presenting the results of its evaluation, BoardAlpha made recommendations, a number of which corresponded with actions the Company had independently determined to undertake prior to receiving the evaluation results. These are outlined below, including the principal outcomes and actions taken as a result of the BoardAlpha recommendations.

— Establishment of separate, formally constituted, Nomination and Remuneration Committees with Terms of Reference developed in line with good corporate governance practice and regulatory requirements. Each of the Committees (including the existing Audit Committee) are chaired by a different Director, to allow each of them to focus on their designated areas.

— Establishment of a clear, formal, and written Chairman's succession plan. Whilst succession planning has always remained high on the Supervisory Board's agenda, a formal policy documenting the succession plans for the Chairman was developed on recommendation from the external evaluation.

— Recruitment of a further Supervisory Board Director, which was already part of the Company's long-term director succession plans, was also recommended by the evaluation.

— Improving reporting of the Company's sustainability measures across the portfolio and ESG credentials, primarily through the introduction of BBGI's inaugural ESG report made available on the Company's website, an area which was very much on the Management Board's agenda prior to the Board evaluation.

— Introduction of a maintained register of any relevant training undertaken by the Directors, to ensure adequate training continued to be made available to the directors, whether through the Company or any of the Directors' externally held mandates. The Company has expanded upon this recommendation and, in addition to the Directors, also maintains a register of training undertaken by all key personnel.

— BoardAlpha's recommendation for the establishment of a formally structured induction process has been incorporated into the appointment process, retaining elements of the existing bespoke induction process in order to maximise the benefit of the induction process to each individual Director.

An externally-facilitated performance review of the Chairman, being Mr Maltby at the time of the evaluation, was also undertaken through BoardAlpha. BoardAlpha's report was initially considered by the Senior Independent Director before sharing and discussing it with the rest of the Supervisory Board. Mr Maltby was considered to have been an excellent Chairman and an asset to the dual Board structure of the Company and to shareholders. His pre-existing tenure length was noted and BoardAlpha's main recommendations were for greater interaction between the Chairman and the wider management team and a more proactive approach to shareholder engagement. With his retirement and as his successor, Ms Whitney noted the recommendations made for the role of Chairman.

In the intervening years between externally-facilitated performance evaluations, the Supervisory Board conducts formal self-evaluations of its performance, that of its Chairman, and considers the term and independence of each member on an annual basis. Such evaluation is normally conducted by way of questionnaire and is undertaken to ensure that the composition of the Supervisory Board and its Committees continue to reflect a suitable mix of skills, experience and knowledge; that each body is functioning effectively; and that the performance of each individual member continues to be effective. The Chairman's evaluation is also conducted by way of questionnaire, led by the Senior Independent Director, in accordance with Provision 14 of the AIC Code, and the results subsequently discussed with the Chairman and the remaining members as necessary.

Attendance at Supervisory Board Meetings during the financial year ended 31 December 2020

Name	Total meetings and attendance
Supervisory Board	12
Colin Maltby[1]	3
Howard Myles[2]	11
Jutta af Rosenborg	12
Sarah Whitney	12

1 Mr Maltby stepped down from his role on the Supervisory Board with effect from 31 July 2020. He did not attend any meetings at which his succession was discussed, and attended all other meetings held during his appointment.

2 Mr Myles was unable to attend one meeting due to illness.

Other listed company directorships

The members of the Supervisory Board held the following additional non-executive directorship mandates in publicly quoted companies as at 31 December 2020. Any mandates accepted subsequent to the balance sheet date are included below.

Sarah Whitney
St Modwen Properties plc
JPMorgan Global Growth & Income plc

Howard Myles
Baker Steel Resources Trust Limited
Aberdeen Latin America Income Fund Limited
Chelverton UK Dividend Trust plc

Jutta af Rosenborg
Standard Life Aberdeen PLC
JP Morgan European Investment Trust PLC
NKT A/S
Nilfisk Holding A/S

As part of the Supervisory Board's annual performance evaluation process, it was concluded that 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 their current directorship mandates.

Committees of the Supervisory Board

During the year, the Supervisory Board determined that it was now appropriate for the functions of the Nomination Committee and the Remuneration Committee to be separately conducted through the formal establishment of the relevant committees.

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 Chairman. 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.

Audit Committee

In accordance with provision 29 of the AIC Code and the Disclosure Guidance and Transparency Rules ('DTR') rule 7.1, the Supervisory Board has a formally constituted Audit Committee.

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 including all matters indicated by DTR 7.1 and the AIC Code. It comprises the three independent Non-Executive Directors who are also members of the Supervisory Board: Jutta af Rosenborg is Chairman of the Committee, and Sarah Whitney and Howard Myles are the other members. Colin Maltby stepped down as a member of the Committee on 31 July 2020.

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 Chairman 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 can be found in the Audit Committee report.

The Audit Committee Chairman 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

As described above, the Supervisory Board established a formally constituted Remuneration Committee during the year, in accordance with AIC Code provision 37.

It comprises the three independent Non-Executive Directors who are also members of the Supervisory Board: Howard Myles is Chairman of the Committee, Sarah Whitney and Jutta af Rosenborg are the other members.

During the year, the Remuneration Committee met four times (including meetings held by the Supervisory Board in its capacity as the Remuneration Committee) to review the levels and structure of the remuneration, compensation, and other benefits and entitlements of the Management Board of the Company. Further 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 Chairman 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 Chairman 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 are available on the Company's website and can also be requested directly from the Company Secretary.

Nomination Committee

As described above, during the year, the Supervisory Board established a formally constituted Nomination Committee, in accordance with AIC Code provision 22.

It comprises the three independent Non-Executive Directors who are also members of the Supervisory Board: Sarah Whitney is Chairman of the Committee, and Howard Myles and Jutta af Rosenborg are the other members.

During the year, the Nomination Committee met four times (including meetings held by the Supervisory Board in its capacity as the Nomination Committee) to consider the renewal of the appointments of the Management Board members (which appointments are renewable annually for one year only), the appointment of a new Supervisory Board member and to review the succession plans for both the Management and Supervisory Boards.

Given the significant growth of the Company since IPO and the size and complexity of its organisation and scope of Supervisory Board's responsibilities, an assessment of the Supervisory Board's size and composition was undertaken by the Nomination Committee during the year. In order to further strengthen the overall governance of the Company, the Nomination Committee has recommended that the size of the Supervisory Board and number of Non-Executive Directors increases to five members. As outlined in the Remuneration Report, the Remuneration Committee consider the Non-Executive Directors' fees annually within the approved maximum aggregate remuneration cap as approved by the Company's shareholders. These fees will remain unchanged for 2021. However, to accommodate the potential addition of a new Non-Executive Director to the Supervisory Board, it is proposed that an increase in the maximum aggregate remuneration cap from £300,000 to £400,000 will be put, by way of resolution, to the Company's shareholders at the 2021 AGM.

The Nomination Committee oversaw the re-appointment of Cornforth Consulting Limited, an external search consultancy firm, who had previously assisted in facilitating the appointments of Ms af Rosenborg and Ms Whitney. With their knowledge of investment companies and an understanding of the Company's requirements, Cornforth Consulting Limited was separately engaged to assist with the search for a replacement Supervisory Board member following Mr Maltby's resignation as Non-Executive Director in 2020.

Following a successful conclusion to this search, the Company will seek at the upcoming AGM approval from its shareholders to appoint Mr Chris Waples CDir FIoD as a new member of the Supervisory Board with effect from 1 May 2021. Mr Waples 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 John Laing Group plc where he held the position of Executive Director, Asset Management and led the management of an international portfolio of PPP assets across Europe, North America and Asia Pacific regions. Apart from this engagement, there was no other connection between Cornforth Consulting Ltd and the Company, or individual Directors.

As outlined in the Annual Performance Evaluation section, the Supervisory Board in its capacity as Nomination Committee further oversaw the appointment of BoardAlpha, an independent external specialist, to facilitate the Supervisory Board's inaugural external board performance evaluation, and the implementation of responses to BoardAlpha's recommendations.

During the year, the Nomination Committee implemented a formal, written policy documenting the succession plans for the Chairman of the Supervisory Board, as well as the development of a distinct Group Diversity and Equality Policy.

As stated under 'Management Board – Performance Evaluation and Reappointment', each member of the Management Board was reappointed for a further year. In respect of succession planning, the detailed plans developed for all senior positions were reviewed. These plans are regularly updated by the Management Board and reviewed with the Supervisory Board at least annually.

In accordance with AIC Code provision 22, the Chairman 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 Chairman 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.

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

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

Management Engagement Committee

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 Maltby, who stepped down on 31 July 2020, all 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 member.

Scheduled Meetings and Attendance During 2020

Name	Audit Committee (4 meetings)	Remuneration Committee (4 meetings)[1]	Nomination Committee (5 meetings)[1]
Colin Maltby[2]	2	3	3
Jutta af Rosenborg	4	4	5
Howard Myles[3]	3	3	4
Sarah Whitney	4	4	5

1 Remuneration and Nomination Committee meetings include meetings held through the Supervisory Board acting in its capacity as those committees prior to their formal constitution.

2 Mr Maltby stepped down from the Supervisory Board and Audit Committee with effect from 31 July 2020. He was not appointed to the formally constituted Remuneration and Nomination Committees and did not attend meetings at which his succession was discussed, but attended all other meetings held during his appointment, including where the Supervisory Board acted in its capacity as Remuneration and Nomination Committees.

3 Mr Myles was unable to attend one meeting for each Committee due to illness.

Management Board

General

The Management Board comprises three members, each contractually engaged by BBGI Management HoldCo S.à r.l., a direct consolidated 100% 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 primarily seek regular engagement with the Company's major shareholders in order to understand their views concerning significant matters. The Chairman 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.

Internal Controls

The Management Board has established an ongoing process and system of robust internal controls designed to meet the particular needs of the Company in managing the risks to which it is exposed. This process included establishing procedures 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 continued its work to further refine and reinforce its existing robust governance and internal controls frameworks in compliance with circular 18/698 from the CSSF, governing the authorisation and organisation of investment fund companies based in Luxembourg. To this end, the Luxembourg regulator, CSSF, provided formal approval of the appointment of a new Head of Compliance and Risk, with effect from January 2020. Internalising the appointment to a full-time dedicated employee has enabled BBGI to further reinforce its existing governance and risk controls frameworks, including oversight of delegated activities and the appointed delegates.

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, returns 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 annual Compliance report separately to meetings of both the Management Board and Supervisory Board.

In 2020, the Management Board established an ESG Committee to oversee the management of material ESG activities, including climate-related issues. The ESG Committee meets at least quarterly, and membership comprises the Co-CEOs, the CFO and the Company Secretary. Through the ESG Committee the Management Board remains informed about 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. In March 2021, BBGI has employed a full-time dedicated ESG Director who has also become a member of the ESG Committee.

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 April 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.

Performance Evaluation and Reappointment

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 2020, the Supervisory Board resolved to renew Mr Denny's appointment for a further term of one year with effect from 30 April 2020, and those of Mr Ball and Mr Schramm for a further term of one year with effect from 5 October 2020.

Attendance at Management Board Meetings during the financial year ended 31 December 2020

Name	Total meetings and attendance
Management Board	**37**
Frank Schramm	37
Duncan Ball	37
Michael Denny	37

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 has been appointed to the role of Internal Audit and was engaged for the full year ended 31 December 2020.

Internal Audit:	Grant Thornton Vectis

As previously reported, in recognition of the Company's continued growth and as a result of a market-wide increase in regulatory oversight and the complexity of compliance requirements, the decision was taken in 2019 to internalise the Compliance and Risk Management functions. In October 2019, the Company hired a new full-time employee as Head of Risk and Compliance. Formal approval of this appointment was received from the regulator with effect from 10 January 2020, prior to which the functions were delegated to the providers detailed below:

Risk Management:	IQ EQ Fund Management (Luxembourg) SA (to January 2020)
Compliance:	99 Advisory Luxembourg (to January 2020)

An orderly handover from these delegated functions to the new Head of Risk and Compliance commenced in 2019 and concluded in January 2020. The Head of Risk and Compliance performs the risk management and compliance functions and reports to the Supervisory Board independently of the Management Board, 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 are noted below:

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')
Information Technology:	G.I.T.S. PSF
Principal Agent:	Banque Internationale à Luxembourg S.A. ('BIL')
Central Securities Depository:	LuxCSD S.A. ('Lux CSD')

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. 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.

During the year, in response to the UK's departure from the EU and a requirement from Euroclear UK and Ireland, the Company was required to interpose an EEA-based CSD into the shareholding structure, in order to ensure uninterrupted trade settlement of the Company's non-certified shares on the LSE, post the completion of the Brexit transition period on 31 December 2020. The Company appointed LuxCSD as its EEA-based CSD. A Luxembourg principal agent, BIL, was appointed to act as a required intermediary between the Company and LuxCSD. Both LuxCSD and BIL are classified as delegates and as such will be subject to the appropriate level of delegate oversight in accordance with the Company's delegate oversight framework.

In accordance with the Luxembourg law of 6 April 2013, creating a new category of dematerialised securities, in addition to securities in bearer or registered form (the Dematerialisation Law), transfer of the shares to LuxCSD involved the shares being converted from their former issued registered form (recorded on the official register maintained by RBC) to a dematerialised form, held by LuxCSD on their Clearstream account, and further credited to Link.

Approval was sought by way of a general meeting of the shareholders held on 30 November 2020, with shareholders voting in favour of the proposals. Accordingly, those shares which were issued in registered form to the account of Link were converted to dematerialised form on 8 December 2020. Those shareholders who continue to hold their shares in issued registered form have, in accordance with the Dematerialisation Law, a period of up to two years from the 30 November 2020 general meeting 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.

Board members and otherinterests

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 Mr Ball, Mr Denny and Mr Schramm.

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

Ms Whitney, Mr Myles and Ms af Rosenborg 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 tenure and diversity.

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

Board tenure and diversity

The Nomination Committee and the Management Board regularly reviews the succession plans for the Company. As part of a structured succession plan, each of the original Non-Executive Directors planned 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. Three of the original four Non-Executive Directors have now retired, with Mr Myles expected to step down at the Company's 2022 shareholders' Annual General Meeting in accordance with internal succession planning and the managed rotation of the Supervisory Board members.

As at the date of the Company's next Annual General Meeting of shareholders, Mr Myles will have served a term in excess of nine years. The Supervisory Board acknowledge that, in accordance with Provision 13 of the AIC Code, a tenure of more than nine years is only one of a number of circumstances which could impair, or appear to impair, a Non-Executive Director's independence. Nonetheless, Mr Myles continues to demonstrate independent judgement and challenge to the Management Board and the Company does not consider his independence to be compromised or impaired. As the sole remaining Non-Executive Director to have been appointed at the time of the Company's IPO, Mr Myles holds significant legacy knowledge of the business. The succession plan for Mr Myles to step down in 2022 will therefore ensure there is a suitable transition period for his replacement to be recruited, inducted and become fully familiarised with BBGI.

The Management and Supervisory Boards of BBGI take into full consideration both the gender and ethnic diversity of their composition. They fully acknowledge 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 / currently stood at two thirds, exceeding the aim of the Hampton-Alexander Review of having at least one third representation of women on the Boards of FTSE 350 companies by the end of 2020. The Company prides itself on being one of the few FTSE 350 companies with both a female Chairman and Audit Committee Chairman. To further its commitment to the goals of both the Hampton Alexander Review and Parker Review, the Nomination Committee oversaw the development of a separate Group Diversity and Equality Policy which seeks to enhance BBGI's existing culture of diversity, equality and inclusion.

The Company recognises that the aims set by Hampton-Alexander extend down to the Management Board, as well as direct reports to them. With a relatively low turnover and small number of staff employed across the Group, the Management and Supervisory Boards are mindful of the limited opportunities that exist to promote greater diversity of gender and ethnicity to senior roles within the Company. As at 31 December 2020, 14 different nationalities were represented by the Group's employee base of 23 people.

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.

In accordance with Provision 24 of the AIC Code, the Company has a formal policy on the tenure of the Supervisory Board Chairman. 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 Chairman, 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 taken into account when considering succession of the role.

General Meetings

2020

The AGM was held on 30 April 2020. There were two further shareholder meetings held during the year:
27 October 2020 – to approve the change of name of the Company to BBGI Global Infrastructure S.A.
30 November 2020 – to approve the dematerialisation of the issued registered shares.

The notices for all of these meetings (and associated documents) as well as the results of the meetings can be found in the Investor Relations section of the Company's website. Under AIC Code Provision 4, no votes of 20 per cent or more were cast against the Board recommendation for a resolution.

2021

The next Company AGM will be held on Friday 30 April 2021. Given the extraordinary circumstances, and 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 2020, the Company had 664,691,283 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[2]	47,392,362	8.96%
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.

2 The Company was notified on 5 January 2021 that Schroders plc's holding stood at 56,340,964 shares, representing 8.48 per cent of total issued share capital

Remuneration

Annual Statement from Remuneration Committee Chairman

Dear Shareholders,

I am pleased to present the Remuneration Committee (the 'Committee') report for the financial year ended 31 December 2020 on behalf of the Supervisory Board. This is the first annual report of the Committee, which was formally constituted during the year.

Composition of the Committee

The Committee consists of a minimum of two members. The Committee and the Chairman thereof (who cannot be the Chairman of the Supervisory Board) are appointed by the Supervisory Board. Membership is confined to Independent Non-Executive Directors. Each of the three 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 Committee is responsible for establishing the general principles of the policy for Directors' remuneration and for setting remuneration for the Management 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 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 is subject to the relevant AIFMD regulations (see page 65).

Business context and external environment

Against a backdrop of global economic uncertainty, the Company has achieved another year of robust long-term, predictable and stable income derived from our diversified global portfolio of social infrastructure investments. During 2020, we closely monitored the impact of Covid-19, prioritising the health and safety of our employees and the continued provision of essential infrastructure services to our public sector clients by maintaining a high level of asset availability. We supported employees in adapting to the new ways of working resulting from the pandemic and remained committed to providing the responsible capital required to build and maintain some of the critical social infrastructure essential to the countries in which we operate.

A key theme during the year was one of preserving and where possible enhancing the value of the Company's portfolio. It is reassuring that despite the global disorder caused by the pandemic, the Company did not experience any material Covid-19 related operational or financial impacts. For further information refer to the section of the Annual Report titled 'Our Response to Covid-19'.

Our proven investment strategy of acquiring and managing low-risk, availability-based assets has supported a 6.7 per cent increase in NAV to £916.0 million and a 1.2 per cent increase in NAV per share during 2020. In turn, the Company has met its full-year dividend target of 7.18pps, an increase of 2.6 per cent compared to the prior year.

Key activities during the year

During the year, the Committee, with the support of Deloitte LLP as independent adviser, undertook a comprehensive review of the existing remuneration framework for the Management Board (comprising two Co-CEOs and the Chief Financial Officer) and other executives. This included appropriate benchmarking with FTSE 250 listed companies of similar size, and other relevant sector comparators to ensure that, on completion of the review, remuneration is competitive and aligned with our business strategy.

The last independent remuneration review of the remuneration of the Co-CEOs was conducted in 2014. Given the significant growth of the business since then and the market in which we compete for senior executive talent, a number of changes were recommended to more closely reflect the size and complexity of the organisation and the scope of Management Board responsibilities. In addition, changes were also made to improve governance through alignment of interests and to bring remuneration structures in line with UK FTSE 250 best practice. A summary of the revised remuneration framework is set out below:

- Salary levels from 1 May 2020 will be C$842,162 and €555,977 for the Co-CEOs, Duncan Ball and Frank Schramm respectively, and €356,097 for the CFO.
- Salaries remain in the lower quartile against companies in the FTSE 250 market and are based on Sterling amounts converted at the exchange rates on 1 May 2020.
- Increase in the maximum opportunity under the annual short-term incentive plan ('STIP') for the Co-CEOs from 125 per cent to 150 per cent of salary from FY 2020. This increase has been made alongside a reduction in opportunity for target performance – from 100 per cent of salary to 75 per cent of salary (50 per cent of maximum). The CFO will also participate in a maximum annual bonus opportunity of 150 per cent of salary (target at 50 per cent of maximum).
- Introduction of bonus deferral under the STIP. From 2020, one-third of any bonus earned will be used to purchase shares to be held for a period of three years.
- Increase in maximum opportunity under the long-term incentive plan ('LTIP') from 150 per cent to 200 per cent of salary for the Co-CEOs, subject to shareholder approval at the 2021 AGM. The CFO will be eligible for an annual award of up to 150 per cent of salary. Awards will be subject to stretching NAV Total Return performance targets over a three-year period, and will be satisfied entirely in shares.
- Introduction of post-employment shareholding requirements, in line with best practice in UK listed companies, with Management Board members being required to hold 100 per cent of salary in shares for a period of two years after leaving the Company.

Other key decisions during the year

Annual Bonus (FY20) outcome

For the financial year ended 31 December 2020, the Co-CEOs and CFO were eligible for a maximum bonus of 150 per cent of base salary at 31 December 2020 respectively. 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, and annual bonus outcomes were 97 per cent of the maximum opportunity in respect of the 2020 financial year. One-third of the earned bonus will be used to purchase shares to be held for three years.

LTIP Outcome (2017 award)

In December 2017, 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 €100,000 for the CFO, and were based on stretching TSR and NAV growth targets. The 2017 award will vest and be released following the publication of the Company's 2020 audited accounts. 2017 awards will vest at 81.8 per cent and 97.6 per cent of maximum for the TSR and NAV elements respectively, reflecting performance against targets in the three-year period to 31 December 2020.

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

Howard Myles
Remuneration Committee Chairman
24 March 2021

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 includes performance on ESG and health & safety factors.

BBGI's remuneration policy encourages sound and efficient management of risks, and does not encourage excessive risk-taking. In considering Management Board remuneration during 2020, the Committee had regard to the principles of transparency, clarity, simplicity, risk management, proportionality and alignment to culture.

Summary of Management Board remuneration framework

Element	
Base salary	Base salaries effective from 1 May 2020: **Co-CEOs:** $C842,162 and €555,977[1] **CFO:** €356,097
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) From 2020, one-third of bonus will be used to purchase shares to be held for a period of three years. STIP is based on a balance of financial, strategic and ESG/H&S metrics with robust quantitative 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 (Subject to approval at the 2021 AGM). **CFO:** Threshold: 50% of salary, Target: 75% of salary, Maximum: 150% of salary. Performance is measured over three years. For 2020, awards will be subject to stretching Net Asset Value (NAV) Total Return targets.
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[2]: **Post-employment shareholding requirements:** From September 2020, Management Board members will be required to hold 100% of salary in shares for a period of two years after leaving the Company.

1 The Co-CEOs, Duncan Ball and Frank Schramm, are paid in Canadian Dollars and Euro, respectively. The CFO is paid in Euro.
2 This minimum holding is calculated based on the Director's salary at 1 May 2020 and is fixed for a period of three years.

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 2020[1].

In Pounds Sterling	Duncan Ball (Co-CEO)	Frank Schramm (Co-CEO)	Michael Denny (CFO)
Salary	456,921	467,173	275,758
Benefits	13,799	13,874	–
Annual Bonus	713,994	720,917	461,739
Pension	73,456	74,168	47,504
LTIP[2]	565,204	593,770	106,526
Other	–	–	–
Total fixed	544,176	555,215	323,262
Total variable	1,279,198	1,314,687	568,265
Total remuneration	**1,823,374**	**1,896,902**	**891,527**

1 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.

2 The 2017 LTIP vests by reference to performance in the three-year period to 31 December 2020, and shares will be released to Executive Directors following the AGM in May 2021. The value included in the single figure for the year ended 31 December 2020 is based on an average share price over the last quarter of FY20 (£1.7317).

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 2020, the relevant exchange rates were £1 = C$0.581 and £1 = €0.889.
(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 2017 LTIP award multiplied by the average share price over the last quarter of the year ended 31 December 2020.

Additional Disclosures in Respect of the Single Figure Table

Base Salary

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

Details of annual base salary for the Management Board are set out below. Base salaries were reviewed in 2020 and revised salaries were set with effect from 1 May 2020.

Name	Base salary from 1 May 2020
Duncan Ball	£484k
Frank Schramm	£484k
Michael Denny	£315k

The combined annual base salary received by the members of the Management Board during the year ended 31 December 2020 was £1,199,852 (2019: £989,046).

Taxable Benefits and Pension-Related Benefits

The Co-CEOs received a monthly car allowance amounting to a total amount of £27,763 for the year.

As shown in the Single Total Figure table, the Co-CEOs and the CFO also received a supplementary annual payment to provide pension, retirement or similar benefits equating to 15 per cent of their annual base salary at 31 December 2020, in line with market practice.

STIP – Annual bonus in respect of year ended 31 December 2020

The following table summarises the STIP performance metrics and achievements in respect of the financial year ended 31 December 2020. 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 metrics (25% weighting)	Assessment based on key financial achievements during the year including: — Dividends paid and declared for the year — Growth in NAV per share — Portfolio performance KPIs — Ongoing charge — Other key financial performance metrics			**89%**
Disciplined growth (25% weighting)	Assessment based on key disciplined growth metrics including: — The value, quality and pricing of projects acquired — The prospective investment pipeline at 31 December 2020			**100%**
Strategic projects and investments (25% weighting)	Assessment based on key metrics relating to strategic projects and investments, including portfolio control and also organisational effectiveness through the assessment of capacity, risk management, overruns and delays.			**100%**
Compliance and regulation (10% weighting)	Assessment of key compliance and regulatory metrics including, AIFMD compliance, regulator relationship, management of issues related to Brexit.			**100%**
ESG, Health and Safety (15% weighting)	Assessment of key health and safety policies and reporting, ESG performance in accordance with BBGI's ESG Best Practices Guidance where appropriate or equivalent standards, ESG reporting standards.			**100%**

For 2020, 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-year period. The remaining STIP awards will be paid in cash in May 2021. During the year ended 31 December 2020, the total amount accrued in respect of the 2020 STIP amounted to £1,896,650 (2019: £1,089,522). Payments under the STIP are made in Canadian Dollars and Euros.

Long-Term Incentive Plan ('LTIP') – Awards granted during the financial year

LTIP awards of 200 per cent of base salary were granted to the Co-CEOs in December 2020, subject to shareholder approval at the 2021 AGM. The CFO's maximum LTIP award is set at 150 per cent of base salary and is within the approved limits under the current LTIP Plan. Awards under the LTIP are subject to stretching Net Asset Value ('NAV') Total Return targets over a three-year period, as set out below. NAV Total Return reflects both capital returns generated and dividends returned to shareholders.

	NAV Total Return over three-year period		
	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)
Performance metric	Dividend of 7.18p per annum to 2023, and NAV per share maintained from 31 December 2020 to 31 December 2023.	Dividend growth of 2% per annum to 2023; and 1% per annum NAV per share growth to 31 December 2023.	Dividend growth of 2% per annum to 2023; and 2% per annum NAV per share growth to 31 December 2023.

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 detail on share-based payments.

The 2020 award was issued in December 2020 subject to shareholder approval at the 2021 AGM as referred to above. No expense was accrued for this particular award during the reporting period.

During the year ended 31 December 2020, the Company settled the 2016 award obligation by issuing the respective gross share entitlement to each member of the Management Board. In total the Company issued and allotted 690,274 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 2020 was £2.65 million (2019: £2.45 million). The total amount accrued for cash settled variable remuneration at 31 December 2020 was £1.64 million. The total variable remuneration paid in cash in 2020 relating to the financial year ended 31 December 2019 was £1.53 million (2019: £1.43 million).

Payments made to former Directors and payments forloss 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

The table below outlines the fees paid in Sterling to each of the Supervisory Board members in 2020 and 2019.

	Colin Maltby[2]		Sarah Whitney[3]		Howard Myles[4]		Jutta af Rosenborg	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Base	**£37,917**	£65,000	**£53,333**	£30,000	**£45,000**	£45,000	**£45,000**	£45,000
Senior Non-Executive Director	**–**	–	**–**	–	**£5,000**	£5,000	**–**	–
Committee Chair	**–**	–	**–**	–	**£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	**£37,917**	£70,000	**£58,333**	£35,000	**£57,500**	£55,000	**£55,000**	£55,000

1 In addition to the standard fees each of the sitting directors was entitled to ex gratia fees in 2019 and 2020 in relation to equity issues.
2 Colin Maltby stood down from the Supervisory Board on 31 July 2020.
3 Sarah Whitney was appointed as Chairman of the Board, effective from 31 July 2020.
4 Howard Myles was appointed as the Chairman of the Remuneration Committee on 3 July 2020.

Supervisory Board fees

Details of Supervisory Board fees are set out below.

	Fees from 1 January 2020	Fees from 1 January 2019
Chairman	**£65,000**	£65,000
Senior Independent Director[1]	**£55,000**	£50,000
Audit Committee Chairman	**£50,000**	£50,000

1 An additional fee of £5,000 is paid to the Chairman of the Remuneration Committee and is included in the above amount for 2020.

During the year, Deloitte LLP also carried out a review of the Supervisory Board fee structure. Following this review, it was decided to leave the fees unchanged for 2021. Supervisory Board fees were last changed in 2017.

However, to accommodate the potential addition of a new Non-Executive Director to the Supervisory Board, it is proposed that an increase in the maximum aggregate remuneration cap from £300,000 to £400,000 will be put, by way of resolution, to the Company's shareholders at the 2021 AGM.

Share interests and statement of Directors' shareholdings

Total Share Interests as at 31 December 2020

The interests of the Directors and their connected persons in the Company's ordinary shares as at 31 December 2020 were as set out below.

Shares owned by Directors:

Number of Shares	At 1 January 2020	At 31 December 2020 (or, if earlier, date of stepping down from the Board)
Management Board		
Duncan Ball	430,679	548,490
Frank Schramm	418,080	500,000
Michael Denny	137,569	262,015
Supervisory Board		
Sarah Whitney	25,000	39,000
Howard Myles	–	–
Jutta af Rosenborg	–	–
Colin Maltby[1]	122,804	132,000

1 Colin Maltby retired from the Supervisory Board on 31 July 2020.

Awards under share plans:

Management Board	Award	At 31 December 2019[1]	Granted in the year	Vested in the year	Lapsed/ Forfeited in the year	At 31 December 2020
Duncan Ball	LTIP	1,499,863	574,165	(328,902)	(49,742)	1,695,384
Frank Schramm	LTIP	1,513,637	596,200	(301,160)	(45,546)	1,763,131
Michael Denny	LTIP	231,760	286,394	(60,212)	–	457,942

1 Reflects maximum potential number of shares under all the awards granted, including the 2016 award which was settled in March 2020.

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 have until December 2021 to meet the minimum shareholding requirements. The respective Management Board members achievement of this guideline at 31 December 2020 is summarised below:

Management Board	Shares counting towards the guideline at 31 December 2020	Required shareholding to achieve[1]	Percentage of shareholding requirement achieved
Duncan Ball	548,490	576,190	95.2%
Frank Schramm	500,000	576,190	86.8%
Michael Denny	262,015	375,000	69.9%

1 Two times the revised base salary with effect from 1 May 2020 divided by the share price on date revised terms were agreed. The minimum holding requirement is fixed for a period of three years.

Post-employment shareholding requirements: From September 2020, Management Board members will be 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 fees for providing remuneration advice to the Committee were £34k for the year ended 31 December 2020. 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 three members including Howard Myles, Sarah Whitney and Jutta af Rosenborg. The Chairman of the Remuneration Committee is Howard Myles.

The Committee is responsible for ensuring that the remuneration of the Management supports the delivery of BBGI's strategic goals without encouraging undesirable risk-taking behaviour. This is achieved through the Committee approving all aspects of Management Board remuneration, 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 2020.

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 2021

Base salary and benefits

Management Board salaries were reviewed with effect from 1 May 2020 and are as follows:

Duncan Ball	Co-CEO	£484k
Frank Schramm	Co-CEO	£484k
Michael Denny	CFO	£315k

The next expected review will be in May 2021.

Annual bonus (STIP)

The maximum bonus opportunity for FY21 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 2021 Directors' Remuneration Report.

LTIP

Subject to shareholder approval at the 2021 AGM, the current intention of the Committee is to grant 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 targets.

Approval

This Report was approved by the Board on 24 March 2021 and signed on its behalf by:

Howard Myles
Chairman of the Remuneration Committee

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 a period of the next five years.

Whilst the average remaining life of the portfolio of assets is 20.4 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 and Supervisory Boards monitor, review 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. More about this framework can be found within the corresponding section under the heading Committees of the Supervisory Board.

The Management and Supervisory Boards 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 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 independently 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 and Supervisory Boards 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 2026. 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 forthcoming AGM of shareholders scheduled to be held on 30 April 2021.

Risk

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

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

— Economic and Market risk

— Taxation risk

— Political risk

— Financial risk

— Operational risk

— Strategic risk

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

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

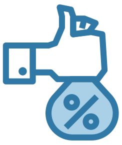
Below is a list of material risks related to the reporting period, as identified by the Risk Management Function, and validated by the Management Board. The inherent risk has been assessed and relevant mitigating factors been applied, to arrive at a remaining residual risk, which has been deemed acceptable by the Management Board. The risks to which the Company is exposed have not materially changed since those set out in detail in the 28 August 2020 Interim Report.

Economic and Market Risks

	Risk description	Risk mitigation
Foreign Exchange	A significant proportion of the Company's underlying investments – 70 per cent of portfolio value at 31 December 2020 – are denominated in currencies other than Sterling. The Company maintains its financial statements, prepares the valuation and pays distributions 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 period of four years, on a rolling basis, in order to mitigate some of this risk. In addition to cash flow hedging, our strategy is also to hedge a portion of the non-Sterling, non-Euro portfolio to reduce NAV sensitivity to approximately 3 per cent for a 10 per cent adverse FX movement. Euro-denominated fund running costs provide a natural hedge against the Euro-denominated portfolio distributions. Furthermore, the ability to draw on the RCF in the currency of the underlying asset distributions provides an additional hedging possibility. BBGI has investments in five currencies other than Sterling, so there is some natural diversification amongst the underlying currencies. Refer to the sensitivity analysis in the Valuation section of the 2020 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 usually made that the deposits can be placed at a forecast rate that varies depending on country and historical long-term averages. The effect on investment returns if deposit rates exceed or fall below the projections for this long-term rate is dependent on the amount of deposits.	The Portfolio Companies have sought to hedge substantially all of their floating rate interest liabilities against changes in underlying interest rates with interest rate swaps. At the Group level, BBGI maintains deposits at low levels with the Company only raising capital when there is a clear strategy for the deployment of proceeds. Refer to the sensitivity analysis in the Valuation section of the 2020 Annual Report in relation to deposit rates of the Portfolio Companies.
Inflation	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 in Portfolio Companies. The revenues and expenditure of Portfolio Companies developed under availability-based schemes are often partly or wholly subject to indexation. From a financial modelling perspective, an assumption is usually made that inflation will increase at an assumed rate (which 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 nature of the underlying asset earnings, 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.	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. Refer to the sensitivity analysis in the Valuation section of the 2020 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 rates may have a positive impact.	BBGI uses a market-based evaluation to determine a base discount rate for steady-state, operational availability-based investments and the Company uses its judgement in arriving at the appropriate discount rate. Adjustments may then be applied to the base rate to reflect variances from the average benchmark when determining the investment-specific adjustments. Changes in market rates of interest (including government bond yields) may among other factors 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. Refer to the sensitivity analysis in the Valuation section of the 2020 Annual Report in relation to discount rates of the Portfolio Companies.

Economic and Market Risks *continued*

	Risk description	Risk mitigation
Covid-19	Since the outbreak of Covid-19 in December 2019, it was declared a global pandemic by the World Health Organization (WHO). As a result, there has been materially increased market volatility and macro-economic uncertainty, prompting several monetary and fiscal policy interventions to manage what has become a severe global economic shock. Due to a period of likely prolonged macro-economic uncertainty, the ultimate long-term impact of Covid-19 remains unclear. Near-term, the operations of Portfolio Companies could potentially be impacted due to supply-chain disruptions.	The Company's portfolio is 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 of material disruption to the Company and financial performance is not expected to be materially affected. However, there is naturally significant uncertainty around how the pandemic will evolve 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 four-year GBP 180 million RCF, with a further GBP 70 million incremental uncommitted accordion tranche. As at 31 December 2020, the Group had utilised GBP 1 million of the facility. Global travel restrictions imposed in response to the pandemic have meant that meetings of the Company's Supervisory Board, Management Board and the various Committees have been held via video conference. Notwithstanding this, the general consensus among the respective Board members was that the technology deployed ensured that all virtual meetings held during 2020 continued to be effective. It is expected that meetings will continue to be held by way of video conferencing for as long as such travel restrictions remain in place. As an active asset manager, the Company continues to be in close dialogue with its facilities managers and operators. At the time of producing this Report there were no indications from any contractor that they would not be able to continue to deliver contracted services to the respective Portfolio Companies. The Company does not foresee any material impact on its own workforce, given the already decentralised nature of the Management Board, asset management teams and our internal infrastructure (e.g. information technology), as well as the Company's inherent flexibility to work from remote locations. The impact of global travel restrictions does mean that personal engagement with the Company's public sector clients will be more limited, although this is mitigated through remote communication.



Taxation Risks

	Risk description	Risk mitigation
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. Furthermore, there is a risk that governments may seek to increase corporate tax rates in a response to the Covid-19 crisis.	Certain risks, such as changes to corporation tax rates (including those 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. BBGI has a globally diversified portfolio of assets, thereby reducing the tax concentration risk of any one country. Refer to the sensitivity analysis in the Valuation section of the 2020 Annual Report.

Political Risks

	Risk description	Risk mitigation
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.	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.
Brexit	The Company is incorporated in Luxembourg and is listed on the London Stock Exchange, raising questions around the continuity of listing and marketing in the UK. The UK's departure from the EU also poses a risk to performance of the wider UK economy, which may adversely impact the performance of certain infrastructure asset classes.	*The UK Temporary Permissions Regime* 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. BBGI has made the necessary notification to the FCA (and the CSSF) under the TPR of its intention and as a result has temporary permission to be marketed in the UK. To continue marketing the Company in the UK after the end of the TPR, the Company must notify under the UK national private placement regime and will be directed by the FCA to make this notification within two years from the end of the transition period. 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 availability-based 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 materially less than current valuation levels, the Company would suffer a 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, 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 would need to cover the cost of the swap breakage fee. — The Portfolio Company equity investors would typically also need to be (at least partially) compensated, often requiring a compensation payment, as well as the public sector being required to budget for the ongoing provision of the service.

Financial Risks

	Risk description	Risk mitigation
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 reviewed by an independent, third-party valuer, and finally 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.

Financial Risks *continued*

	Risk description	Risk mitigation
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 to those estimated or projected.	BBGI has developed a robust asset acquisition due diligence process. Typical due diligence includes model audit or review, legal, tax, technical, ESG, anti-money laundering and insurance reviews.

Operational Risks

	Risk description	Risk mitigation
Construction defects	The budget, and therefore the risk, of certain key operational costs in relation to construction defects lies with the Portfolio Company. There is a risk that the budget to rectify defects could prove to be insufficient.	In general, Portfolio Companies are able to submit claims against construction subcontractors when it comes to defects in the design, construction or commissioning of project assets. This right to claim applies for a pre-determined period of time following the completion of construction (the 'statutory limitations period') and this may differ between jurisdictions. If disputes were to arise, an arbitration or court process may be used. At the point that the statutory limitations period has ended, the risk of remediation of construction defects which are identified after this point typically falls to the Portfolio Company itself and is the risk of the Portfolio Company. In addition, there may be other situations, for example where a subcontractor becomes insolvent, and may no longer be able to fulfil its obligations to correct these defects.
Lifecycle risk/ Operational cost	During the life of an investment, components of the assets (such as asphalt or concrete in the case of roads and elevators, or roofs and air handling plants in the case of buildings) are likely to need to be replaced or undergo a major refurbishment. There is a risk that the actual cost of replacement or refurbishment will be greater than the forecast cost, or that the timing of the intervention may be earlier than forecast. There is the general risk that costs are higher than budgeted. This typically relates to insurance cost and management service contracts.	Of the 50 assets in the BBGI portfolio, 17 Portfolio Companies retain the lifecycle obligations. The remaining 33 assets have this obligation passed down to the subcontractor. The timing and costs of such replacements or refurbishments is forecast, modelled and provided for by each Portfolio Company based upon technical advisers to assist in such forecasting of lifecycle timings, scope of work and costs. Refer to the sensitivity analysis in the Valuation section of the 2020 Annual Report in relation to lifecycle costs. As part of the acquisition due diligence the budgeted cost are reviewed and assessed if they are adequate. In the case of insurance cost, this risk of increasing premiums is on the majority 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 or lenders to terminate a subcontract. There may be a loss of revenue during the time taken to find a replacement subcontractor. Furthermore, the replacement subcontractor may levy a surcharge to assume the subcontract or charge more to provide the services.	For assets under construction, there are a number of mitigants and steps taken to manage this risk: — In the case of a construction joint venture consisting of two or more counterparties, these are typically jointly and severally liable, meaning if one party fails, the other is obligated to take over the obligations. — A contractor replacement analysis is performed as part of the initial investment due diligence. — The construction subcontractors are typically required by lenders to provide a robust security package often consisting of letters of credit, Parent Company guarantees and performance bonding. The latter two mitigants are in place for investments once they become operational. Other mitigants during operations include: — Periodic benchmarking of defined facility services on some investments. — Diversified group of subcontractors with no substantial concentration risk. — Ongoing subcontractor monitoring.

Operational Risks *continued*

	Risk descrition	Risk mitigation
Cyber security attack	A breach of data security could occur by accident or as a result of an external cyber-attack. A cyber-attack could affect the IT systems of BBGI or a Portfolio Company, causing theft or loss of data, or damage to the infrastructure's control systems and equipment. The threat of cyber-attack has meant that businesses can no longer afford to be reactive. A cyber-attack could not only affect BBGI's reputation but could also affect the Group legally, financially and operationally. The risk of cybercrime has increased during the pandemic with cyber criminals looking to exploit the vulnerabilities caused by many people working from home. The Company therefore needs to remain vigilant to this risk.	BBGI has taken a number of measures to reduce the risk of a cyber-attack, some of which are outlined below. The Company has outsourced the hosting of its IT platform to an industry specialist. In doing so, BBGI obtains the benefit of having access to IT security experts, with the platform being monitored by an advanced IT security system, something that might not be cost effective if the Company's IT infrastructure was maintained onsite. BBGI engages an external expert to carry out an annual intrusion test on the IT platform in order to identify and patch any vulnerabilities that might be identified. Business continuity tests are performed regularly, disaster recovery tests are performed annually, and all staff undergo cyber security training. Portfolio Companies typically operate through a subcontracted management structure, and tend not to have their own IT systems and rely on the management service provider. Data is normally backed up and the risk, should data be corrupted or stolen, is considered low.

Strategic Risks

	Risk description	Risk mitigation
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 2021. 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 has been 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 in connection with the acquisition of new investments. 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 January 2022.
Climate risk	Climate risks can affect BBGI in a multitude of ways. The political uncertainty inherent in regulation may lead to a wide range of potential outcomes. Direct physical climate impacts may be a significant risk for BBGI in the medium to long-term. Climate-change-related threats such as extreme weather events, lost productivity and effects on physical infrastructure from longer-term shifts in climate patterns. Failure of the Company to transition to a low carbon economy may also alienate certain investors and reduce access to capital.	Events arising from adverse climate change are typically mitigated through insurance coverage, pass-down to subcontractors, and public sector client relief events. However, in severe cases adverse climate change events could lead to early termination of concession agreements and compensation payments which are lower than the valuation of an investment. BBGI has established an ESG Committee which provides oversight to this risk and has begun implementing a climate-resilient infrastructure screening tool which will assess the risks and opportunities relating to climate change associated with each Portfolio Company. BBGI engages with each infrastructure investment to influence the increased disclosures of climate-related risks to enable the Company to assess climate-related risks across the investment portfolio.

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 https://www.bb-gi.com/investors/policies/articles-of-association/.

Audit Committee Report

I am pleased to present the Audit Committee's (the 'Committee') report to shareholders on its activities in respect of the year ended 31 December 2020. The Committee has been operating throughout the year in line with its terms of reference.

Composition of the Committee

Each of the three 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. 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 Chairman, Sarah Whitney, is also a member of the Committee.

Colin Maltby stepped down as a member of the Committee on 31 July 2020.

Responsibilities

The Committee's terms of reference include all matters indicated by the Disclosure and Transparency Rule 7.1 and the AIC Code. The terms of reference are reviewed at each formally scheduled meeting by the Committee and any changes are then referred to the Supervisory Board for approval. A copy of the terms of reference is available on the Company website.

The Committee's main responsibilities are as follows:

- Providing 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.
- Monitoring the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance, and reviewing significant financial reporting judgements contained therein.
- Reviewing the Group's internal financial controls 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.
- Monitoring and reviewing the effectiveness of the Company's internal audit function, including the appointment and removal of the third-party service provider and reviewing and approving the tri-annual internal audit plan.
- Making recommendations to the Supervisory Board for resolutions to be put to shareholders for approval at the AGM on the appointment, re-appointment and removal of the External Auditor, and for approval of their associated remuneration and terms of engagement.
- Reviewing and monitoring 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.
- Developing and implementing a policy on the engagement of the External Auditor to supply non-audit services, considering relevant guidance and legislation regarding the provision of non-audit services by the external audit firm.
- Reviewing the Company's procedures for detecting and reporting any wrongdoing in financial reporting, fraud, bribery and other matters, including arrangements for employees and contractors to do so in confidence via BBGI's whistle-blower hotline.
- Reviewing the Group's Annual and Interim Reports and Financial Statements.

2020 overview

The Committee met four times in the year to 31 December 2020 and member attendance can be found within 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 2019 Annual and 2020 Interim Reports and Financial Statements.
- The valuation reports in respect of the Company's investments.
- The Reports of the External Auditor.
- The External Auditor's terms of appointment and remuneration (including overseeing the independence of the Auditor, particularly as it relates to the provision of non-audit services).
- Review and approval of the External Auditor's plan for the following financial year and the key business risks relevant to the audit.
- The conducting of a transparent market tender process during 2021 in accordance with the mandatory external audit firm rotation requirements per EU audit legislation as transposed into National law.
- The appropriateness of the Group's accounting policies.
- New IFRS reporting standards, Amendments to IFRS 3: 'Definitions of Business' and Amendments to IAS 1 and IAS 8: 'Definition of Material', as well as the impact, if any, that new IFRS reporting standards might have on Group financial reporting.
- The non-financial impact of Covid-19 and in particular the effectiveness of the Company's BCP, the controls in place to mitigate the increased cyber threat and the impact that remote working, if any, was having on employees.
- The Company's Risk Profile and Key Risk Indicators.
- The Company's approach to managing the risks associated with the Covid-19 pandemic and associated market communication.
- The adequacy of the internal control systems and standards including feedback on the revised controls implemented as part of the 2019 18/698 gap analysis.
- The 2019 Internal Auditor's Annual Report and the 2020-2022 triennial internal audit plan.

Covid-19

The emergence of the Covid-19 pandemic was inevitably a key area of focus for the Audit Committee during the reporting period. While the Committee continued to be briefed by members of the Management Board on financial matters, a key focus of the briefings during the year was in respect of non-financial matters. Management periodically briefed the Committee on the effectiveness of the Company's internal controls on mitigating the risks posed by the pandemic when the vast majority of staff were working from home for prolonged periods of time. The Committee was also briefed on training programmes which were rolled out in order to further mitigate specific risks either resulting from, or augmented by Covid-19, such as the annual Cyber Awareness training and the Anti Money Laundering training programmes.

The Committee is satisfied that staff appear to have adapted particularly well to the remote working solution and that the Company's BCP operated very effectively during the year with minimum disruption to the effectiveness and implementation of the internal control framework.

Significant risks considered

During the year under review, the Committee held discussions with each of the Management Board, the External Auditor and the Internal Auditor. Once again, the Committee concluded from these discussions that the most significant risk of material misstatement in the Company's financial statements continues to be the fair valuation of the investment portfolio which makes up 97.8 per cent of the Company's NAV at 31 December 2020. The valuation of the Company's portfolio of assets requires significant judgement. The Management Board carries out a fair market valuation of the investments every six months at 30 June and 31 December respectively, which is then reviewed by an independent third-party valuer, after which it is presented to the Supervisory Board.

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, which included a review of the adequacy of the valuation. The External Auditor, including the External Auditor's valuation specialist, delivered a review of the Company's Annual and Interim Financial Statements, paying particular attention to the portfolio valuation, discount rates applied, and key assumptions used in deriving the fair valuation of the investments. Furthermore, the External Auditor briefed the Audit Committee on the outcome of their controls testing and the audit procedures performed. This risk of material misstatement is therefore carefully considered when the Committee reviews the Company's annual and interim financial statements.

The Management Board members were available during the Committee review process to provide detailed explanations of the rationale used for the valuation of investments and the assumptions applied.

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 2020 had been properly carried out and the investments fairly valued.

Over the year the Committee considered the UK's exit from the European Union and in particular the risk it could pose to the Company's listing on the London Stock Exchange ('LSE'). The Committee obtained sufficient comfort that appropriate plans were in place to ensure continuity of listing post the end of the Brexit transition period.

Non-Audit Services

The Committee considered the extent of non-audit services ('NAS') provided by the External Auditor. To the extent that the NAS are not prohibited, the Committee will continue to review and, where appropriate, approve NAS engagements performed by the External Auditor on controlled subsidiaries. As a general principle the Company will not look to retain the services of the External Auditor for NAS 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 NAS provided by the External Auditor the to the Group during 2020.

Audit Tender

In accordance with the European Audit Reform, KPMG would conduct its last audit under its current ten-year tenure as external auditor in respect of the financial year ending 31 December 2021. In November 2020, the Company announced its intention to conduct an audit tender with a view to selecting a firm to audit the Company's consolidated IFRS financial statements starting for the fiscal period beginning 1 January 2022.

The Tender was initiated in compliance with European Audit Reform as adopted by the EU legislators in 2014 and with Luxembourg law on 23 July 2016 on the audit profession ('Law n°6929') which requires Public Interest Entities to put their statutory audit engagement out to tender at least every ten years.

The Tender process is being led by the Audit Committee in consultation with the Management Board.

The request for proposal for the tender was issued during the last quarter of 2020 with the tender process to be conducted during the first half of 2021.

Appointment of External Auditor

As stated above in the '2020 overview', the Committee annually reviews the performance of KPMG Luxembourg, Société coopérative ('KPMG'), the Company's External Auditor. In doing so, we consider a range of factors including the quality of service, specialist expertise and the level of audit fee. Following that review, the Committee remains satisfied with KPMG's effectiveness. There are no contractual obligations restricting the choice of External Auditor. The reappointment of the External Auditor is subject to shareholder approval at the Annual General Meeting.

As a result of its work during the period, the Committee concludes that it has acted in accordance with its terms of reference and has ensured the independence and objectivity of the External Auditor. The Committee has recommended to the Board to re-appoint KPMG Luxembourg, Société coopérative as the Group's External Auditor.

On behalf of the Audit Committee

Jutta af Rosenborg
Chairman of the Audit Committee
24 March 2021

Management Board Responsibilities Statement

The Management Board of the Company is responsible for ensuring proper preparation of the Company's Annual Report 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 Chairman'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, 24 March 2021

Duncan Ball
Co-CEO

Frank Schramm
Co-CEO

Michael Denny
CFO

Report on the Audit of the Consolidated Financial Statements

To the Shareholders of
BBGI Global Infrastructure S.A. (formerly BBGI SICAV S.A.)
6E, route de Trèves
L-2633 Senningerberg
Luxembourg

Report of the reviseur d'entreprises agréé

Opinion

We have audited the consolidated financial statements of BBGI Global Infrastructure S.A. (formerly BBGI SICAV S.A.) and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated income statement, consolidated statement of other 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 2020 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") as adopted by European Union.

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 FVPL" and to Note 9 in the consolidated financial statements. Over 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, implementation and effectiveness of the controls around the determination and monitoring of the discounted cash flows and the determination and monitoring of related key macroeconomic assumptions;
- 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;

Key Audit Matters (continued)

Investments at Fair Value through Profit or Loss (continued)

b) How the matter was addressed in our audit (continued)

- ➪ 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 following procedures:
  - We agreed the underlying shareholder cash flows inputs (such as dividends, subordinated debt interest and principal repayment and director's fees) from the underlying project model to the Group's valuation model;
  - 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 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; and
- We tested the design, implementation and effectiveness of the management review controls over the valuation process.

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' 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 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is ten years.

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

Luxembourg, 24 March 2021
KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

Joseph de Souza
Partner

Consolidated Income Statement

For the year ended 31 December 2020

In thousands of Pounds Sterling	Note	2020	2019
Continuing operations			
Income from investments at fair value through profit or loss	9	**63,337**	69,772
Other operating income		**186**	–
Operating income		**63,523**	69,772
Administrative expenses	6	**(9,607)**	(8,488)
Other operating expenses	7	**(7,268)**	(7,331)
Operating expenses		**(16,875)**	(15,819)
Results from operating activities		**46,648**	53,953
Net finance result	8	**(1,647)**	(2,029)
Net gain(loss) on balance sheet hedging	18	**(642)**	2,060
Profit before tax		**44,359**	53,984
Tax expense – net	11	**(2,649)**	(3,000)
Profit from continuing operations		**41,710**	50,984
Profit from continuing operations attributable to the owners of the Company		**41,710**	50,984
Earnings per share			
Basic earnings per share (pence)	14	**6.58**	8.43
Diluted earnings per share (pence)	14	**6.57**	8.41

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

Consolidated Statement of Other Comprehensive Income

For the year ended 31 December 2020

In thousands of Pounds Sterling	Note	2020	2019
Profit from continuing operations attributable to the owners of the Company		**41,710**	50,984
Other comprehensive income for the year		**–**	–
Total comprehensive income for the year attributable to the owners of the Company		**41,710**	50,984

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

Consolidated Statement of Financial Position

As at 31 December 2020

In thousands of Pounds Sterling	Note	2020	2019
Assets			
Property plant and equipment		**58**	61
Investments at fair value through profit or loss	9	**895,674**	845,967
Deferred tax assets	11	**225**	–
Derivative financial assets	18	**12**	605
Non-current assets		**895,969**	846,633
Trade and other receivables	19	**1,631**	3,876
Other current assets	12	**2,164**	594
Derivative financial assets	18	**247**	756
Cash and cash equivalents	10	**20,532**	34,778
Current assets		**24,574**	40,004
Total assets		**920,543**	886,637
Equity			
Share capital	13	**770,942**	714,280
Additional paid-in capital	20	**1,517**	965
Translation reserves	13	**(597)**	(597)
Retained earnings		**143,978**	146,984
Equity attributable to the owners of the Company		**915,840**	861,632
Liabilities			
Loans and borrowings	15	**–**	20,318
Derivative financial liabilities	18	**218**	–
Non-current liabilities		**218**	20,318
Loans and borrowings	15	**177**	116
Trade payables		**73**	353
Accruals and other payables	16	**2,643**	2,515
Derivative financial liabilities	18	**25**	–
Tax liabilities	11	**1,567**	1,703
Current liabilities		**4,485**	4,687
Total liabilities		**4,703**	25,005
Total equity and liabilities		**920,543**	886,637
Net asset value attributable to the owners of the Company	13	**915,840**	861,632
Net asset value per ordinary share (pence)	13	**137.78**	136.72

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

In thousands of Pounds Sterling	Notes	Share capital	Additional paid-in capital	Translation reserve	Retained earnings	Total equity
As at 1 January 2019		639,160	837	(597)	137,620	777,020
Total comprehensive income for the year ended 31 December 2019						
Profit from continuing operations attributable to the owners of the Company		–	–	–	50,984	50,984
Total comprehensive income for year		–	–	–	50,984	50,984
Transactions with the owners of the Company, recognised directly in equity						
Issuance of shares from placing of ordinary shares – net of issue cost	13	73,915	–	–	–	73,915
Scrip dividends	13	772	–	–	(772)	–
Cash dividends	13	–	–	–	(40,848)	(40,848)
Equity settlement of share based compensation	13,20	433	(433)	–	–	–
Share-based payment	20	–	561	–	–	561
Balance as at 31 December 2019		714,280	965	(597)	146,984	861,632

In thousands of Pounds Sterling	Notes	Share capital	Additional paid-in capital	Translation reserve	Retained earnings	Total equity
Balance as at 1 January 2020		**714,280**	**965**	**(597)**	**146,984**	**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**	**(597)**	**143,978**	**915,840**

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

In thousands of Pounds Sterling	Note	2020	2019
Operating activities			
Profit from continuing operations		**41,710**	50,984
Adjustments for:			
Depreciation expense	6	**27**	21
Net finance results	8	**1,647**	2,029
Income from investments at fair value through profit or loss	9	**(63,337)**	(69,772)
Loss on derivative financial instruments – net	18	**1,495**	930
Foreign currency exchange loss – net	7	**4,767**	3,250
Share-based compensation	20	**977**	561
Tax expense – net	11	**2,649**	3,000
Working capital adjustments:			
Trade and other receivables		**(1,094)**	8
Other current assets		**(2,822)**	75
Trade and other payables		**(168)**	(126)
Cash used in operating activities		**(14,149)**	(9,040)
Interest paid and other borrowing costs		**(1,219)**	(721)
Interest received		**10**	62
Realised gain (loss) on derivative financial instruments – net	18	**(151)**	1,164
Taxes paid		**(3,010)**	(2,379)
Net cash flows used in operating activities		**(18,519)**	(10,914)
Investing activities			
Acquisition of/additional investments at fair value through profit or loss	9	**(59,185)**	(62,900)
Distributions received from investments at fair value through profit or loss	9	**72,815**	63,988
Acquisition of property, plant and equipment		**(24)**	(49)
Net cash flows from investing activities		**13,606**	1,039
Financing activities			
Issuance of share capital through placing (net of issuance cost)	13	**54,169**	73,915
Dividends paid	13	**(42,648)**	(40,848)
Repayment of loans and borrowings	15	**(62,000)**	(80,057)
Proceeds from issuance of loans and borrowings	15	**41,000**	81,780
Debt issue cost		**(27)**	(934)
Net cash flows from/(used in) financing activities		**(9,506)**	33,856
Net increase (decrease) in cash and cash equivalents		**(14,419)**	23,981
Impact of foreign exchange gain on cash and cash equivalents		**173**	353
Cash and cash equivalents at 1 January		**34,778**	10,444
Cash and cash equivalents at 31 December	10	**20,532**	34,778

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

Notes to the Consolidated Financial Statement

For the year ended 31 December 2020

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 2020, the Company has one investment that is under construction.

As at 31 December 2020, the Group employed 23 staff (31 December 2019: 21 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 2019.

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 24 March 2021.

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

2. Basis of preparation (continued)

Changes in accounting policy

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

– Amendments to IFRS 3: Definition of a Business (effective 1 January 2020)
The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no significant impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

– Amendments to IAS 1 and IAS 8: Definition of Material (effective 1 January 2020)
The amendments provide a new definition of material that states, 'information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'.

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements.

A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no significant impact on the consolidated financial statements.

– Conceptual Framework for Financial Reporting (effective 1 January 2020)
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no 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.

2. Basis of preparation (continued)

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 2020, the Company has 50 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.

3. Summary of significant accounting policies (continued)

a) Basis of consolidation (continued)

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 or as an available-for-sale financial asset depending on the level of influence retained.

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 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 and associates at 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 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.

3. Summary of significant accounting policies (continued)

d) Financial instruments (continued)

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.

In addition to valuing certain subsidiaries at fair value through profit or loss, the Company also values investments in associates and jointly controlled entities at fair value.

The Company meets the definition of IAS 28 paragraph 18 for a venture capital organisation or a similar entity and upon initial recognition has designated its investment in joint ventures and associates at fair value through profit or loss. The Group manages the performance of each of the joint ventures and associates on a fair value basis in accordance with the Group's investment strategy. The information about associates and joint ventures is provided internally on a fair value basis to the Group's Management Board and Supervisory Board. The Group therefore measures its associates and joint ventures at fair value in accordance with IFRS 9 with changes in fair value recognised in the consolidated income statement in the period of change.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 per cent and 50 per cent of the voting power of another entity. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

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 ('Project 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.

3. Summary of significant accounting policies (continued)

e) Fair value measurement (continued)

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.

3. Summary of significant accounting policies (continued)

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 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 and jointly controlled entities 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 is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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 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 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.

5. Segment reporting (continued)

Segment information is presented below:

For the year ended 31 December 2020

In thousands of Pounds Sterling	UK	North America	Australia	Continental Europe	Holding Activities	Total 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 – net	**–**	**–**	**–**	**–**	**(7,082)**	**(7,082)**
Results from operating activities	**18,715**	**15,685**	**22,062**	**6,875**	**(16,689)**	**46,648**
Finance cost	**–**	**–**	**–**	**–**	**(1,657)**	**(1,657)**
Finance income	**–**	**–**	**–**	**–**	**10**	**10**
Net loss on derivative financial instruments	**–**	**–**	**–**	**–**	**(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**

For the year ended 31 December 2019

In thousands of Pounds Sterling	UK	North America	Australia	Continental Europe	Holding Activities	Total Group
Income from investments at FVPL	24,709	40,720	2,024	2,319	–	69,772
Administration expenses	–	–	–	–	(8,488)	(8,488)
Other operating expenses – net	–	–	–	–	(7,331)	(7,331)
Results from operating activities	24,709	40,720	2,024	2,319	(15,819)	53,953
Finance cost	–	–	–	–	(2,091)	(2,091)
Finance income	–	–	–	–	62	62
Net loss on derivative financial instruments	–	–	–	–	2,060	2,060
Tax expense – net	–	–	–	–	(3,000)	(3,000)
Profit or loss from continuing operations	24,709	40,720	2,024	2,319	(18,788)	50,984

For the year ended 31 December 2020

5. Segment reporting (continued)

Statement of financial position per segment information as at 31 December 2020 and 2019 are presented below:

As at 31 December 2020

In thousands of Pounds Sterling	UK	North America	Australia	Continental Europe	Holding Activities	Total Group
Assets						
Investments at FVPL	**264,797**	**418,063**	**117,984**	**94,830**	**–**	**895,674**
Other non-current assets	**–**	**–**	**–**	**–**	**295**	**295**
Current assets	**–**	**–**	**–**	**–**	**24,574**	**24,574**
Total assets	**264,797**	**418,063**	**117,984**	**94,830**	**24,869**	**920,543**
Liabilities						
Non-current	**–**	**–**	**–**	**–**	**218**	**218**
Current	**–**	**–**	**–**	**–**	**4,485**	**4,485**
Total liabilities	**–**	**–**	**–**	**–**	**4,703**	**4,703**

As at 31 December 2019

In thousands of Pounds Sterling	UK	North America	Australia	Continental Europe	Holding Activities	Total Group
Assets						
Investments at FVPL	272,281	372,696	103,410	97,580	–	845,967
Other non-current assets	–	–	–	–	666	666
Current assets	–	–	–	–	40,004	40,004
Total assets	272,281	372,696	103,410	97,580	40,670	886,637
Liabilities						
Non-current	–	–	–	–	20,318	20,318
Current	–	–	–	–	4,687	4,687
Total liabilities	–	–	–	–	25,005	25,005

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

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

6. Administrative expenses

In thousands of Pounds Sterling	Year ended 31 December 2020	Year ended 31 December 2019
Personnel expenses	**6,246**	4,842
Legal and professional fees	**2,570**	2,040
Office and other expenses	**764**	1,585
Depreciation expense	**27**	21
	9,607	8,488

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 £347,000 (2019: £287,000).

6. Administrative expenses (continued)

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 2020	Year ended 31 December 2019
Group auditor remuneration:		
Statutory audit fees to the Group's external auditor	**187,088**	195,543
Audit-related fees	**65,620**	59,714
Other statutory audit fees	**29,185**	24,218
	281,893	279,475

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

There were no non-audit related fees charged by the Group's external auditor during the year (31 December 2019: nil).

7. Other operating expenses

In thousands of Pounds Sterling	Year ended 31 December 2020	Year ended 31 December 2019
Foreign currency exchange loss – net	**4,767**	3,250
Acquisition-related and unsuccessful bid costs	**1,626**	1,086
Loss on derivative financial instruments at FVPL[1]	**853**	2,990
Others	**22**	5
	7,268	7,331

1. Relates to foreign exchange hedging on forecasted distributions from Investments at FVPL. Refer to Note 18 for the reclassification made on the prior year comparative.

8. Net finance result

In thousands of Pounds Sterling	Year ended 31 December 2020	Year ended 31 December 2019
Interest expense on loan and borrowings (Note 15)	**(1,657)**	(2,091)
Interest income on bank deposits	**10**	62
	(1,647)	(2,029)

9. Investments at FVPL

In thousands of Pounds Sterling	Year ended 31 December 2020	Year ended 31 December 2019
Balance at 1 January	**845,967**	780,356
Acquisitions of/additions in Investments at FVPL	**59,185**	62,900
Income from investments at FVPL[1]	**63,337**	69,772
Distributions received from Investments at FVPL	**(72,815)**	(63,988)
Reclassification to other receivables	**–**	(3,073)
Balance at 31 December	**895,674**	845,967

1. This account relates purely to unrealised gain on revaluation of investments.

9. Investments at FVPL (continued)

The impact of foreign exchange gains or losses on income from Investments at FVPL for the year ended 31 December 2020 amounted to a gain of £3.2 million (year ended 31 December 2019: loss of £6.2 million). Refer to Note 17 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 Project Companies; or (c) approvals of the external lenders on the financial models have been obtained.

As at 31 December 2020 and 2019, loan and interest receivable from unconsolidated subsidiaries is embedded within Investments at FVPL.

The valuation of Investments at FVPL considers all cash flows related to individual assets.

Interest income, dividend income, asset-related management fee income and other income, recorded under the accruals basis at the level of the consolidated subsidiaries for the year ended 31 December 2020, amounted to £65,689,000 (31 December 2019: £62,322,000). The associated future cash flows deriving from these items are taken into account when fair valuing the investments.

Over the period, the Group made six new and follow-on acquisitions as follows:

- **Highway 104 (Canada):** In May, the Company acquired a 50 per cent stake in Highway 104, an availability-based motorway investment in Nova Scotia. Preparations to start construction work began in May 2020, with an estimated completion date of the end of 2023. The concession will run until 2043 and availability payments will be received from the Government of Nova Scotia, which is rated Aa2 by Moody's and AA- by Standard & Poor's ('S&P'). Despite initial delays in receiving certain environmental permits for in-water works, the construction remains on schedule with no material impact resulting from Covid-19.
- **N18 Motorway (Netherlands):** In April, the Company completed a follow-on acquisition in the N18 Motorway, bringing BBGI's total equity interest in the investment to 52 per cent. The concession runs until 2043 and availability payments are received from the State of the Netherlands, which is rated Aaa by the credit rating agency Moody's.
- **Stanton Territorial Hospital (Canada):** During the period, the Company completed two follow-on acquisitions in Stanton Territorial Hospital, increasing BBGI's interest in the investment from 25 per cent to 100 per cent. Stanton is an operational 27,000m^2 hospital with 100 patient rooms located in Yellowknife, Northwest Territories. The concession runs until 2048 and availability payments are received from the Government of Northwest Territories, which is rated Aa1 by the credit rating agency Moody's.
- **Kelowna and Vernon Hospitals (Canada):** In August, the Company completed a follow-on acquisition for the remaining 50 per cent interest in Kelowna and Vernon Hospitals. The concession runs until 2042 and availability payments are received from the Interior Health Authority, funded by the Province of British Columbia which is rated Aaa by Moody's and AAA by S&P. BBGI's equity interest in the investment is now 100 per cent.
- **Samuel De Champlain Bridge Corridor (Canada):** In December, BBGI completed the acquisition of a 25 per cent equity interest in Signature on the Saint-Lawrence Group, the concessionaire of the Samuel De Champlain Bridge Corridor in Montreal. The investment consists of the design, construction, financing, operation, maintenance and rehabilitation of a new bridge spanning the St. Lawrence River between Montreal and Brossard, Quebec. Availability payments are received from the Government of Canada, which is rated AAA by both Moody's and S&P credit rating agencies. The bridge opened to traffic in summer 2019 and the concession runs until 2049.

9. Investments at FVPL (continued)

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
BBGI Canada Holding 5 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
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

9. Investments at FVPL (continued)

Company	Asset	Country of Incorporation	Ownership Interest	Year Acquired
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
BBGI East End Holdings Inc.*	Ohio River Bridges	USA	66.67%	2014 and 2019

* and its subsidiary companies.

10. Cash and cash equivalents

Cash and cash equivalents relate to bank deposits amounting to £20,532,000 (31 December 2019: £34,778,000).

11. Taxes

In thousands of Pounds Sterling	Year ended 31 December 2020	Year ended 31 December 2019
Current tax:		
Income tax and other taxes	**2,449**	2,594
Subscription tax	**427**	406
	2,876	3,000
Deferred tax:		
Recognition of previously unrecognised tax losses	**(227)**	–
	2,649	3,000

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 companies are subject to taxation at the applicable rate in their respective jurisdictions.

11. Taxes (continued)

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 2020	Year ended 31 December 2019
Profit before tax	**44,359**	53,984
Income tax using the Luxembourg domestic tax rate of 24.94%	**11,063**	13,464
Subscription tax during the year	**427**	406
Reconciling difference mainly due to fair valuation of assets, net of gain/loss on derivatives (unrealised)	**(8,841)**	(10,870)
Tax charge for the year	**2,649**	3,000

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 Project Companies. The tax liabilities of the Project Companies are embedded in the fair value calculation of the Investments at FVPL.

Deferred tax asset of £225,000 relates to taxable losses available for offsetting against future taxable income (31 December 2019: nil). Furthermore, the Group has additional tax losses carried forward amounting to £5,823,000 (2019: £5,931,000) in which no deferred tax asset was recognised.

Tax liability as at 31 December 2020 amounted to £1,567,000 (31 December 2019: £1,703,000).

12. Other current assets

In thousands of Pounds Sterling	31 December 2020	31 December 2019
Prepaid taxes	**1,627**	437
Prepaid expenses	**413**	69
Other current assets	**124**	88
	2,164	594

13. Capital and reserves

Share capital

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

In thousands of Pounds Sterling	31 December 2020	31 December 2019
Share capital as at 1 January	**714,280**	639,160
Issuance of ordinary shares through placing	**55,000**	75,000
Shares issuance cost on placing	**(831)**	(1,085)
Share capital issued through scrip dividends	**2,068**	772
Equity settlement of share-based compensation (see Note 20)	**425**	433
	770,942	714,280

13. Capital and reserves (continued)

Share capital (continued)

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 2020	31 December 2019
In issue at beginning of the year	**630,213**	580,005
Shares issued through placing of ordinary shares	**32,544**	49,020
Shares issued through scrip dividends	**1,244**	491
Shares issued as share based compensation	**690**	697
	664,691	630,213

In November 2020, the Company raised gross proceeds of £55,000,000 through a placing of 32,544,379 new ordinary shares of no-par value ('Placing'). The Placing price was 169.0 pence per Placing share. The related share issuance cost amounted to £831,000.

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 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.

The dividends declared and paid by the Company during the year ended 31 December 2019 are as follows:

In thousands of Pounds Sterling except as otherwise stated	31 December 2019
2018 2nd interim dividend of 3.375 pence per qualifying ordinary share – for the period 1 July 2018 to 31 December 2018	19,575
2019 1st interim dividend of 3.5 pence per qualifying ordinary share – for the period 1 January 2019 to 30 June 2019	22,045
Total dividends declared and paid during the year	41,620

The 31 December 2018 2nd interim dividend was paid in April 2019. The value of the scrip election was £181,000, with the remaining amount of £19,394,000 paid in cash to those investors that did not elect for the scrip.

13. Capital and reserves (continued)

Dividends (continued)

The 30 June 2019 1st interim dividend was paid in October 2019. The value of the scrip election was £591,000 with the remaining amount of £21,453,000 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 2020, 31 December 2019 and 31 December 2018 were as follows:

In thousands of Pounds Sterling/pence	2020	2019	2018
NAV attributable to the owners of the Company	**915,840**	861,632	777,020
NAV per ordinary share (pence)	**137.78**	136.72	133.97

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 2020	Year ended 31 December 2019
Profit attributable to the owners of the Company	**41,710**	50,984
Weighted average number of ordinary shares in issue	**633,662**	605,115
Basic earnings per share (in pence)	**6.58**	8.43

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 2020	Year ended 31 December 2019
Shares outstanding as at 1 January	**630,213**	580,005
Effect of shares issued on placing of ordinary shares participating for the interim and final dividend of the year	**–**	24,510
Effect of shares issued on placing of ordinary shares participating for the second interim dividend of the year	**2,712**	–
Effect of scrip dividends issued	**363**	164
Shares issued as share based compensation	**374**	436
Weighted average – outstanding shares	**633,662**	605,115

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.

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 2020	Year ended 31 December 2019
Weighted average number of ordinary shares for basic earnings per share	**633,662**	605,115
Effect of potential dilution from share-based payment	**1,122**	1,152
Weighted average – outstanding shares	**634,784**	606,267

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 2020 and 2019, during which period the awards were outstanding.

15. Loans and borrowings

The Group has a four-year £180 million Revolving Credit Facility from ING Bank and KfW IPEX-Bank and DZ Bank AG (''RCF') which commenced in January 2018 and matures in January 2022. The borrowing margin amounts to 165 bps over LIBOR. Under the 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 are payable.

As at 31 December 2020, the Group had utilised £1.2 million (31 December 2019: £22.2 million) of the £180 million RCF, of which £1.2 million (31 December 2019: £1.2 million) was being used to cover letters of credit. There was no outstanding principal from the RCF as at the 31 December 2020 (31 December 2019: £21,000,000).

The interest payable and other related RCF fee payables under the credit facility as at 31 December 2020 amounted to £177,000 (31 December 2019: £287,000).

The RCF unamortised debt issuance cost amounted to £358,000 as at 31 December 2020 (2019: £682,000). The unamortised debt issuance cost is presented as part of the 'Other current assets' in the consolidated financial position (31 December 2019: netted against the amount borrowed under the credit facility).

The total finance cost incurred under the RCF for the year ended 31 December 2020 amounted to £1,655,000 (31 December 2019: £2,091,000) which includes amortisation of debt issue expense of £351,000 (31 December 2019: £339,000).

Changes in liabilities arising from financing activities

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

In thousands of Pounds Sterling	1 January 2019	Proceeds	Repayment	Foreign Exchange	Others	31 December 2019
Loans and borrowings_non-current	14,311	81,780	(80,057)	4,000	284	20,318

Pledges and collaterals

As of 31 December 2020, and 31 December 2019, 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, in the event of continuing event 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. Accruals and other payables

Accruals 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.

17. Financial risk review and management (continued)

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 2020	31 December 2019
Derivative financial assets	**259**	1,361
Trade and other receivables	**1,631**	3,876
Cash and cash equivalents	**20,532**	34,778
	22,422	40,015

The maximum exposure to credit risk on receivables that are neither overdue nor impaired as of 31 December 2020, amounts to £1,631,000 (2019: £3,876,000).

As of 31 December 2020, the Group is also exposed to credit risk on the loan receivable, interest and other receivable components of Investments at FVPL (loans provided to Project Companies) totalling to £216,631,000 (2019: £187,474,000).

Cash and cash equivalents and foreign currency forwards

The cash and cash equivalents and foreign currency forward contracts 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 2020

			Contractual cash flows	
In thousands of Pounds Sterling	Carrying amount	Total	Within 1 year	1–5 years
Loans and borrowings (Note 15)	**177**	**1,220**	**1,220**	**–**
Trade payables	**73**	**73**	**73**	**–**
Other payables	**2,643**	**2,643**	**2,643**	**–**
	2,893	**3,936**	**3,936**	**–**

17. Financial risk review and management (continued)

Liquidity risk (continued)

31 December 2019 In thousands of Pounds Sterling	Carrying amount	Total	Contractual cash flows Within 1 year	 1–5 years
Loans and borrowings (Note 15)	20,434	21,056	56	21,000
Trade payables	353	353	353	–
Other payables	2,515	2,515	2,515	–
	23,302	23,924	2,924	21,000

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 2020 and 2019, the Group was not in breach of any of the covenants under the credit facility. The Group has operated and continues to operate comfortably within covenant limits.

The Company has the possibility of raising capital through the issuance of shares in order to finance further acquisitions or 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.

The Company has made the necessary notification to the FCA (and the CSSF) under the TPR of its intention and as a result has temporary permission to be marketed in the UK.

To continue marketing the Company in the UK after the end of the TPR, the Company must notify under the UK national private placement regime and will be directed by the FCA to make this notification within two years from the end of the transition period.

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 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.

17. Financial risk review and management (continued)

Currency risk

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 believes that foreign exchange exposure is part of an international portfolio, but believes the risk is partially 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 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	**(2)**	**–**	**(11)**	**–**	**–**
Accruals and other payables	**(2)**	**(687)**	**(1,730)**	**–**	**–**
	(4)	**(687)**	**(1,741)**	**–**	**–**

31 December 2019

In thousands of Pounds Sterling	A$	C$	€	NOK	US$
Financial assets measured at fair value					
Investments at FVPL	103,410	296,335	67,753	29,827	76,362
Financial assets measured at amortised cost					
Cash and cash equivalents	22	13,172	1,851	3	29
Trade and other receivables	250	214	1,194	–	2,034
	272	13,386	3,045	3	2,063
Financial liabilities measured at amortised cost					
Trade payables	–	(54)	(104)	–	–
Accruals and other payables	–	(1)	(1,847)	–	–
	–	(55)	(1,951)	–	–

17. Financial risk review and management (continued)

Currency risk (continued)

The significant exchange rates applied during the year ended 31 December 2020 and 31 December 2019 are as follows:

	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**

	31 December 2019	
	Average £	Spot rate £
A$ 1	0.544	0.531
C$ 1	0.590	0.582
€ 1	0.877	0.850
NOK 1	0.089	0.086
US$ 1	0.783	0.758

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. The analysis 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 Project 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 2020 and 2019, 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 Project Companies. The distributions to be received from the Project Companies are dependent on cash received by a particular Portfolio Company from the service concession agreements. The service concession agreements are predominantly granted to the Portfolio Company 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 assets.

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 Project 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.

17. Financial risk review and management (continued)

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 the administrative expenses and net gain(loss) on derivative financial instruments group.

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 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)**

31 December 2019

	Fair value			
In thousands of Pounds Sterling	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments at FVPL	–	–	845,967	845,967
Derivative financial assets	–	1,361	–	1,361

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

In thousands of Pounds Sterling	31 December 2020	31 December 2019
Balance at 1 January	**845,967**	780,356
Acquisitions of/additions in Investments at FVPL	**59,185**	62,900
Income from investments at FVPL	**63,337**	69,772
Distributions received from Investments at FVPL	**(72,815)**	(63,988)
Reclassification to other receivables	**–**	(3,073)
Balance at 31 December	**895,674**	845,967

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.

18. Fair value measurements and sensitivity analysis (continued)

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. There continues to be uncertainty surrounding Covid-19 with the consequences and potential disruptions difficult to foresee, but currently our portfolio remains resilient in this challenging market environment. We will continue to work 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 Portfolio Companies are valued in local currency and their cash flows converted to 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.
- An assessment is made of construction defect remediation where the risk sits with the Portfolio Company.
- 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.
- There are no tax or regulatory changes in the future which negatively impact cash flow forecasts.

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 2020	31 December 2019
Indexation	UK[1] RPI/CPIH	2.75% / 2.00%	2.75%
	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%
	USA[3]	2.50%	2.50%
Deposit rates (p.a.)	UK	0.25% to Q4 2023, then 1.00%	1.00% to Q4 2023, then 2.50%
	Canada	0.75% to Q4 2023, then 1.50%	1.00% to Q4 2023, then 2.50%
	Australia	0.50% to Q4 2023, then 2.00%	2.00% to Q4 2023, then 3.00% – 4.00% (medium term)
	Germany	0.00% to Q4 2023, then 0.50%	1.00% to Q4 2023, then 2.50%
	Netherlands	0.00% to Q4 2023, then 0.50%	1.00% to Q4 2023, then 2.50%
	Norway	0.25% to Q4 2023, then 2.00%	1.80% to Q4 2023, then 3.00%
	USA	0.25% to Q4 2023, then 1.50%	1.00% to Q4 2023, then 2.50%

18. Fair value measurements and sensitivity analysis (continued)

Macro-economic assumptions (continued)

		31 December 2020	31 December 2019
Corporate tax rates (p.a.)	UK	19.00% long-term	19.00% to 2019, then 17.00%
	Canada[4]	23.00% / 26.50% / 27.00% / 29.00%	26.50% / 27.00% / 29.00%
	Australia	30% long-term	30% long-term
	Germany[5]	15.8% long-term (incl. solidarity charge)	15.8% long-term (incl. solidarity charge)
	Netherlands[6]	25% long-term	25% till 2020, then 21.7%
	Norway	22% long-term	22% long-term
	USA	21% long-term	21% long-term

1. On the 25th of November 2020, the UK Government announced the phasing out of RPI after 2030, and replacement with CPIH; the Company's UK portfolio indexation factor changes from RPI to CPIH beginning on 1 January 2031.
2. CPI indexation only. Where investments are subject to a basket of indices, these non-CPI indices are not considered.
3. 80 per cent of ORB indexation factor for revenue is contractual and is not tied to CPI.
4. Individual tax rates vary among Canadian Provinces.
5. Individual local trade tax rates are considered in addition to the tax rate above.
6. In September 2020, the Dutch Government confirmed that the planned reduction of the headline corporate income tax rate (CIT) to 21.7 per cent will not be introduced in 2021.

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, by applying a change in the discount rate on Investments at FVPL:

	+1% to 7.77% in 2020[1]		-1% to 5.77% in 2020[1]	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2020	**(73,609)**	**(73,609)**	**85,076**	**85,076**
31 December 2019	(70,769)	(70,769)	82,003	82,003

1. Based on the weighted average discount rate of 6.77 per cent (31 December 2019: 7.07 per cent).

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

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

	+1%		-1%	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2020	**37,787**	**37,787**	**(30,983)**	**(30,983)**
31 December 2019	40,405	40,405	(33,236)	(33,236)

18. Fair value measurements and sensitivity analysis (continued)

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 on Investments at FVPL:

	Increase by 10%[1]		Decrease by 10%[1]	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2020	**(25,491)**	**(25,491)**	**25,396**	**25,396**
31 December 2019	(26,578)	(26,578)	24,643	24,643

1. Sensitivity in comparison to the spot foreign exchange rates at 31 December 2020 and considering the contractual and natural hedges in place, derived by applying a 10 per cent increase or decrease to the Sterling/foreign currency rate.

Deposit rate sensitivity

Project 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 compared to the assumptions above:

	+1%		-1%	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2020	**17,065**	**17,065**	**(16,641)**	**(16,641)**
31 December 2019	14,711	14,711	(14,616)	(14,616)

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 50 Investments at FVPL, 17 Investments at FVPL retain the lifecycle obligations. The remaining 33 assets have this obligation passed down to the subcontractor.

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

	Increase by 10%[1]		Increase by 10%[1]	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2020	**(17,621)**	**(17,621)**	**17,390**	**17,390**
31 December 2019	(16,975)	(16,975)	16,417	16,417

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

18. Fair value measurements and sensitivity analysis (continued)

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 rate to Investments at FVPL:

	+1% in 2020		-1% in 2019	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2020	**(6,606)**	**(6,606)**	**6,563**	**6,563**
31 December 2019	(7,230)	(7,230)	7,161	7,161

On March 3rd, 2021, the UK Chancellor of the Exchequer announced a plan to increase the UK Corporate Tax rate to 25 per cent from April 2023. Whilst this increase is not currently enacted and is still to be approved by the UK Parliament, the Company recognises that any change in the UK Corporate Tax rate will have an effect on the portfolio valuation. It is the Company's policy to value those tax rates that have been enacted into law at the reporting period date. Notwithstanding this, and to aid transparency, we have calculated that this increase of the UK Corporation Tax rate would result in a £8.9 million or 1.0 per cent reduction in NAV.

Senior debt refinancing sensitivity

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

The following table shows the sensitivity of the NAV, by applying a change in base rate to the Investments at FVPL, of 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 assets is subject to changes in base rates.

	Margin +1%[1]	
In thousands of Pounds Sterling	**Equity**	**Profit or loss**
2020	**(7,745)**	**(7,745)**
2019	(6,943)	(6,943)

1. 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 2020 amounted to a net asset of £16,000 (31 December 2019: £1,361,000 – 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 2020 amounted to a net loss of £1,495,000 (31 December 2019: £930,000 – net loss).

During the year ended 31 December 2020, the Group realised a net loss of £151,000 on the cash settlement of foreign exchange forwards (31 December 2019: £1,164,000 – realised net gain).

The 2019 net gain on the derivative financial instruments have been reclassified for consistency with the current year presentation from 'Other operating expenses' to 'Net gain(loss) on balance sheet hedging'. This reclassification had no effect on the reported results in the prior year.

For the year ended 31 December 2020

19. Subsidiaries

During the year ended 31 December 2020, 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

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:

Company	Asset Name	Country of Incorporation	Effective Ownership	Date Acquired 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

19. Subsidiaries (continued)

Company	Asset Name	Country of Incorporation	Effective Ownership	Date Acquired Controlled
Signature on the Saint_Laurent Group G.P.	Champlain Bridge	Canada	25.0%	2020
SSL Finance Inc.	Champlain Bridge	Canada	25.0%	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
Dexter Nova Alliance GP	Highway 104	Canada	50.0%	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 Holdco 1 Inc.	Stanton Territorial Hospital	Canada	100.0%	2018
BBGI Stanton Holdco 2 Inc.	Stanton Territorial Hospital	Canada	100.0%	2020
BBGI Stanton Holdco 3 Inc.	Stanton Territorial Hospital	Canada	100.0%	2020
BBGI Stanton Holdco 4 Inc.	Stanton Territorial Hospital	Canada	100.0%	2020
BBGI Canada Holding 5 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

19. Subsidiaries (continued)

Company	Asset Name	Country of Incorporation	Effective Ownership	Date Acquired Controlled
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

19. Subsidiaries (continued)

Company	Asset Name	Country of Incorporation	Effective Ownership	Date Acquired Controlled
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
BBGI East End Holdings Inc.	Ohio River Bridges	USA	100.0%	2014
East End Crossings Partners, LLC	Ohio River Bridges	USA	66.67%	2014 and 2019

Trade and other receivables

As at 31 December 2020, trade and other receivables include short-term receivables from non-consolidated subsidiaries amounting to £1,631,000 (2019: £3,876,000).

20. Related parties and key contracts

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

Supervisory Board fee

The members of the Supervisory Board of the Company were entitled to a total of £209,000 in fees for the year ended 31 December 2020 (2019: £215,000).

Directors' shareholding in the Company

In thousands of shares	31 December 2020	31 December 2019
Duncan Ball	**548**	431
Frank Schramm	**500**	418
Michael Denny	**262**	138
Colin Maltby[1]	**–**	123
Sarah Whitney	**39**	25
	1,349	1,135

1. Mr. Maltby stepped down from his role on the Supervisory Board with effect from 31 July 2020.

20. Related parties and key contracts (continued)

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 2020	Year ended 31 December 2019
Short-term benefits	**2,717**	2,097
Share-based payment	**953**	561
	3,670	2,658

Share-based compensation

Each of the members of the Management Board received award letters ('2019 Award', '2018 Award', and '2017 Award', respectively) under the Group's long-term incentive plan. These awards are to be settled by MHC in the Company's own shares. Of the awards granted, 50 per cent vests by reference to a performance measure based on the Company's Total Shareholder Return ('TSR condition') over the Return Periods (below), and the remaining vests by reference to a performance measure based on the increase in the Company's Investment Basis NAV per share ('NAV condition'). Further details are as follows:

	2019 Award	2018 Award	2017 Award
Return Period	**December 2019- December 2022**	December 2018- December 2021	December 2017- December 2020
Vesting period (by reference to performance Measure – NAV condition and TSR condition)	**36 mos. Ending 31/12/2022**	36 mos. Ending 31/12/2021	36 mos. Ending 31/12/2020
Maximum number of shares which will vest	**757,893**	820,189	881,626

The fair value of the equity instruments awarded to the Management Board was determined using a Monte Carlo model, the key parameters of which are listed in the following table:

	2019 Award	2018 Award	2017 Award
Share price at grant date	£1.675	£1.565	£1.405
Maturity	3 years	3 years	3 years
Annual target dividend (2020)	£0.0718	–	–
Annual target dividends (2021 to 2022)	£0.0733	–	–
Annual target dividends (2019 to 2021)	–	£0.0700	–
Annual target dividends (2018 to 2020)	–	–	£0.0650
Volatility	11%	11%	10%
Risk free rate	Between 0.53%-0.60%	Between 0.75%-0.79%	Between 0.38%-0.56%

The expected volatility 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.

During the year, the Group started to implement a 'Staff Award Plan' to selected employees. The 'Staff Award Plan' entitles the employee to a right to receive shares in the Company upon meeting a service condition.

20. Related parties and key contracts (continued)

Share-based compensation (continued)

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 2020	31 December 2019
2019 Award	**148**	–
2018 Award	**315**	157
2017 Award	**402**	268
2016 Award	**–**	540
Deferred STIP	**627**	–
Staff Award Plan	**25**	–
Amount recognised in additional paid-in capital	**1,517**	965

During the year ended 31 December 2020, the Company settled the outstanding obligation under the 2016 Award through (a) issuance of 690,274 shares at 144.5 pence per share. The total accrued amount under the 2016 Award as at 31 December 2019 was £540,000. This amount was transferred from Additional paid in capital to Share capital at the settlement date, less the adjustment of £114,000.

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 2020	Year ended 31 December 2019
2019 Award	**148**	–
2018 Award	**157**	157
2017 Award	**134**	134
2016 Award	**(114)**	270
Deferred STIP	**627**	–
Staff Award Plan	**25**	–
Amount recognised in administrative expenses	**977**	561

In December 2020, each of the members of the Management Board received an award letter ('2020 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 2020, as ascertained from the Official List, which was 170.00 pence per share. Subject to the achievement of the performance conditions, the awards will vest after 21 December 2023.

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 2020 was £627,000 (31 December 2019: nil).

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 2020, the Group had utilised £1.2 million (31 December 2019: £22.2 million) of the £180 million RCF, of which £1.2 million (31 December 2019: £1.2 million) was being used 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 2020, the Group has a portfolio of 50 assets (see also Note 9), with a weighted average remaining concession length of 20.4 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:

					Period of Concession (Operational Phase)		
Sector	**Asset Name**	**% Equity Owned on Asset**	**Short Description of Concession Arrangement**	**Phase**	**Start Date**	**End Date**	**Investment Volume**
Availability Roads	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	C$ 148 million
	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	C$ 1,117 million
	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	C$ 1,170 million
	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	£310 million
	E18 Motorway	100.0%	Design, build, finance, operate and maintain a 38 km dual carriageway in Norway, including 61 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	NOK 3,604 million
	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	C$424 million

22. Service Concession Agreements (continued)

Sector	Asset Name	% Equity Owned on Asset	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase) Start Date	Period of Concession (Operational Phase) End Date	Investment Volume
Availability Roads (continued)	Ohio River Bridge	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	September 2051	US$ 1,175 million
	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	£650 million
	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	February 2036	£161 million
	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	C$ 311 million
	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	C$ 1,895 million
	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	C$ 524 million

22. Service Concession Agreements (continued)

Sector	Asset Name	% Equity Owned on Asset	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase) Start Date	End Date	Investment Volume
Availability Roads (continued)	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	C$ 184 million
	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 70 new engineering structures.	Operational	July 2017	June 2042	€727 million
	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 at a reduction in traffic in certain villages and safety improvement.	Operational	April 2018	April 2043	€ 130 million
	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	C$718 million
	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	C$2,260 million

22. Service Concession Agreements (continued)

Sector	Asset Name	% Equity Owned on Asset	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase) Start Date	Period of Concession (Operational Phase) End Date	Investment Volume
Social Infrastructure	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	A$ 244.5 million
	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	€ 100 million
	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	£83 million
	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	October 2044	A$620 million
	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	£29 million
	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	£27 million
	Kent Schools	50.0%	Design, build, finance, operate and maintain the redevelopment, which included the construction of new build elements for each school as well as extensive reconfiguration and refurbishment of six schools.	Operational	June 2007	September 2035	£106 million
	Scottish Borders Schools	100.0%	Design, build, finance, operate and maintain three new secondary schools for Scottish Borders Council.	Operational	July 2009	November 2038	£92 million
	Clackman-nanshire 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	£77 million

22. Service Concession Agreements (continued)

Sector	Asset Name	% Equity Owned on Asset	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase) Start Date	Period of Concession (Operational Phase) End Date	Investment Volume
Social Infrastructure (continued)	East Down Colleges	100.0%	Design, build, finance, operate and maintain the East Down Colleges in Northern Ireland	Operational	June 2009	May 2036	£73.8 million (with Lisburn College)
	Lisburn College	100.0%	Design, build, finance, operate and maintain Lisburn College in Northern Ireland.	Operational	April 2010	May 2036	£73.8 million (with East Down College)
	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	£13 million
	Lagan College	100.0%	Design, build, finance operate and maintain the redevelopment of school in Northern Ireland.	Operational	October 2013	June 2038	£33 million
	Cologne Schools	50.0%	Design, build, finance operate and maintain the redevelopment of five schools in Cologne.	Operational	April 2005	December 2029	€32 million
	Rodenkirchen Schools	50.0%	Design, build, finance operate and maintain a school for approx. 1200 pupils in Cologne.	Operational	November 2007	November 2034	€40 million
	Frankfurt Schools	50.0%	Design, build, finance operate and maintain the redevelopment of four schools in Frankfurt.	Operational	August 2007	July 2029	€89 million
	North West Regional College	100.0%	Design, build, finance, operate and maintain the North West Regional College educational campus in Derry, Northern Ireland	Operational	February 2001	January 2026	£9 million
	Belfast Metropolitan College	100.0%	Design, build, finance, operate and maintain the Belfast Met educational campus in Millfield, Belfast, Northern Ireland	Operational	September 2002	August 2027	£20 million
	Westland Town Hall	100.0%	Design, build, finance, operate and maintain Westland Town Hall, a PPP accommodation asset consisting of a new approximately 11,000m2 town hall for the Dutch Municipality of Westland.	Operational	August 2017	August 2042	€33 million
	Gloucester Royal Hospital	50.0%	Design, build, finance, operate and maintain a hospital scheme in Gloucester, UK.	Operational	April 2005	February 2034	£38 million
	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 November 2037 and ending February 2043	£97 million

22. Service Concession Agreements (continued)

Sector	Asset Name	% Equity Owned on Asset	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase) Start Date	Period of Concession (Operational Phase) End Date	Investment Volume
Social Infrastructure (continued)	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 January 2031 and ending June 2043	£72 million
	Barking Dagenham Havering (LIFT)	60.0%	Design, build, finance, operate and maintain 10 facilities/clinics in East London, UK with asset construction completions between 2005 and 2009.	Operational	In 3 tranches starting October 2005 and ending October 2008	In 3 tranches starting September 2030 and ending September 2033	£65 million
	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	A$316 million
	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	£25 million
	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	C$432.9 million
	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	C$345 million
	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	C$210 million
	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	C$2,012 million

22. Service Concession Agreements (continued)

Sector	Asset Name	% Equity Owned on Asset	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase) Start Date	End Date	Investment Volume
Social Infrastructure (continued)	Stanton Territorial Hospital	100.0%	Design, build, finance, operate and maintain the new Stanton Territorial Hospital, Yellowknife, Northwest Territories, Canada.	Operational	December 2018	December 2048	C$298 million
	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	£47 million
	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	€24 million
	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	€48 million

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 2021 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements. The Group intends to adopt these new and amended standards, if applicable, when they become effective.

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

On 27 August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform.

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 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. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred.

The adoption of this new standard is not expected to have a significant impact on the Group's consolidated financial statements.

24. Events after the end of the reporting period

In February 2021, Company declared a 2nd interim dividend of 3.59 pence per share with scrip alternative for qualifying shareholders for the period 1 July – 31 December 2020, to be paid in April 2021.

Impact of coronavirus (Covid-19)

At the date of publication of these consolidated financial statements, the Group and its portfolio has not experienced any material adverse operational or financial impact related to the implications of 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. There continues to be uncertainty surrounding Covid-19 with the consequences and potential disruptions difficult to foresee, but currently our portfolio remains resilient in this challenging market environment. We will continue to work very closely with all stakeholders to help mitigate the risks and effects of the global pandemic.

Report on the Audit of the Financial Statements

To the Shareholders of
BBGI GLOBAL INFRASTRUCTURE S.A. (formerly BBGI SICAV S.A.)
6E, route de Trèves
L-2633 Senningerberg
Luxembourg

Report of the Reviseur d'Entreprises agréé

Opinion

We have audited the financial statements of BBGI GLOBAL INFRASTRUCTURE S.A. (formerly BBGI SICAV S.A.) (the "Company"), which comprise the statement of financial position as at 31 December 2020, 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 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") as adopted by European Union.

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 (including interest)

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. Over 97% of the Company's total assets are investment in subsidiary and loans receivable from subsidiaries (including interest) subject to an impairment assessment at each reporting date.

The conclusion whether there is objective evidence of impairment on investment in subsidiary 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 (including interest), 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 variance in the key assumptions used in the valuation of investment in subsidiary and in the impairment assessment of loans receivable from subsidiaries (including interest), 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.

Key audit matters (continued)

Impairment of investment in subsidiary and loans receivable from subsidiaries (including interest) (continued)

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 (including interest) 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, implementation and effectiveness of the controls around the determination and monitoring of the discounted cash flows and the determination and monitoring of related key macroeconomic assumptions;
- 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 agreed the underlying shareholder cash flows inputs (such as dividends, subordinated debt interest and principal repayment and director's fees) from the underlying project model to the Company's valuation model;
    - 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 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 tested the design, implementation and effectiveness of the management review controls over the valuation process;
- We gained an understanding of the process and controls that management has established to identify, account for and disclose loans from subsidiaries (including interest) 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 (including interest) are not carried at more than their recoverable amount (fair value determined) and assessed that there are no external or internal indicators of impairment.
- We obtained management's assessments of the arm's length principle and challenged the inputs used.
- We obtained the management impairment analysis by the Management Board on the impairment of investment in subsidiary and loans receivable from subsidiaries (including interest) 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 do so.

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 the Audit of the Financial Statements *continued*

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the Shareholders on 30 April 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is ten years.

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

Luxembourg, 24 March 2021
KPMG Luxembourg, Société coopérative
Cabinet de révision agréé

Joseph de Souza

Company Statement of Comprehensive Income

For the year ended 31 December 2020

In thousands of Pounds Sterling	Note	2020	2019
Administrative expenses	5	**(8,615)**	(7,415)
Other operating expenses	6	**(3,107)**	(7,991)
Other operating income	7	**5,181**	–
Results from operating activities		**(6,541)**	(15,406)
Finance income	8	**18,773**	17,278
Profit before tax		**12,232**	1,872
Tax expense	9	**(427)**	(406)
Profit from continuing operations		**11,805**	1,466
Profit from continuing operations attributable to owners of the Company		**11,805**	1,466
Other comprehensive income for the year		**–**	–
Total comprehensive income for the year attributable to owners of the Company		**11,805**	1,466

The accompanying notes form an integral part of the Company's financial statements

Company Statement of Financial Position

As at 31 December 2020

In thousands of Pounds Sterling	Note	2020	2019
Assets			
Loans receivable from subsidiaries	13	**217,182**	201,342
Investment in subsidiary	14	**333,048**	293,303
Non-current assets		**550,230**	494,645
Loans receivable from subsidiaries	13	**94,784**	124,595
Interest and other receivables from subsidiaries	13	**14,325**	976
Other current assets		**256**	148
Cash and cash equivalents	10	**5,636**	20,918
Current assets		**115,001**	146,637
Total assets		**665,231**	641,282
Equity			
Share capital	11	**772,640**	715,406
Retained earnings		**(108,743)**	(75,832)
Equity attributable to owners of the Company		**663,897**	639,574
Liabilities			
Trade payables		**301**	288
Other payables		**931**	1,313
Current tax liabilities	9	**102**	107
Current liabilities		**1,334**	1,708
Total liabilities		**1,334**	1,708
Total equity and liabilities		**665,231**	641,282
Net asset value attributable to the owners of the Company	11	**663,897**	639,574
Net asset value per ordinary share (pence)	11	**99.88**	101.49

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 2020

In thousands of Pounds Sterling	Notes	Share Capital	Retained Earnings	Total Equity
Balance at 1 January 2019		639,642	(35,678)	603,964
Total comprehensive income for the year attributable to the owners of the Company		–	1,466	1,466
Transactions with owners of the Company, recognised directly in equity				
Issuance of shares from placing of ordinary shares – net of issue cost	11	73,915	–	73,915
Cash dividends	11	–	(40,848)	(40,848)
Scrip dividends	11	772	(772)	–
Shares issued on behalf of a subsidiary	11	1,077	–	1,077
Balance at 31 December 2019		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 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**

The accompanying notes form an integral part of the Company's financial statements.

Company Statement of Cash Flows

For the year ended 31 December 2020

In thousands of Pounds Sterling	Note	2020	2019
Operating activities			
Profit from continuing operations		**11,805**	1,466
Adjustments for:			
Finance income	8,13	**(18,773)**	(17,278)
Foreign currency exchange loss (gain) – net	7,6	**(5,173)**	168
Tax expense	9	**427**	406
Working capital adjustments:			
Other receivables from subsidiary		**(11,448)**	11,178
Other current assets		**(108)**	71
Trade and other payables and current tax liabilities		**(429)**	(81)
Cash used in operating activities		**(23,699)**	(4,070)
Taxes paid		**(432)**	(386)
Net cash flows used in operating activities		**(24,131)**	(4,456)
Investing activities			
Loan repayment from subsidiaries	13	**34,741**	26,348
Loans provided to subsidiaries	13	**(15,802)**	(45,681)
Investment in subsidiaries	14	**(39,745)**	(29,932)
Interest received		**17,949**	38,971
Net cash flows used in investing activities		**(2,857)**	(10,294)
Financing activities			
Proceeds from issuance of ordinary shares-net	11	**54,169**	73,915
Dividends paid	11	**(42,648)**	(40,848)
Net cash flows from financing activities		**11,521**	33,067
Net increase (decrease) in cash and cash equivalents		**(15,467)**	18,317
Impact of foreign exchange gain on cash and cash equivalents		**185**	469
Cash and cash equivalents at 1 January	10	**20,918**	2,132
Cash and cash equivalents at 31 December	10	**5,636**	20,918

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 2020

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

The Company had no employees as of 31 December 2020 and 2019, 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 2019.

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 24 March 2021.

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.

2. Basis of preparation (continued)

Changes in accounting policy

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

Amendments to IAS 1 and IAS 8: Definition of Material (effective 1 January 2020)
The amendments provide a new definition of material that states, 'information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'.

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements.

A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no significant impact on the financial statements.

Conceptual Framework for Financial Reporting (effective 1 January 2020)
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IAS in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

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 PPP/PFI investments 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 subsidiaries' PPP/PFI assets is done by calculating the net present value of the cash flows from its PPP/PFI 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 2020, the Company identified no ECL to be recorded on its loans and receivables from subsidiaries (2019: 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.

3. Summary of significant accounting policies (continued)

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.

3. Summary of significant accounting policies (continued)

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. Significant accounting judgements, estimates and assumptions (continued)

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 2020	Year ended 31 December 2019
Support agreement fees (see Note 13)	**6,637**	5,623
Legal and professional fees	**1,614**	1,395
Supervisory Board fees and expenses	**231**	223
Others	**133**	174
	8,615	7,415

The legal and professional fees during the year includes amounts charged by the Company's external auditor which include audit fees of £159,000 (2019: £168,000) and audit related fees of £66,000 (2019: £60,000). There are no non-audit related fees charged by the Company's external auditors in the above amounts (2019: nil). These administrative expenses also include depositary and custodian related charges which amounted to £347,000 (2019: £287,000).

6. Other operating expenses

In thousands of Pounds Sterling	Year ended 31 December 2020	Year ended 31 December 2019
Foreign exchange indemnity agreement expense (see Note 13)	**1,891**	6,411
Acquisition-related and unsuccessful bid costs	**830**	991
Non-recoverable VAT	**386**	344
Foreign currency exchange loss – net	**–**	168
Others	**–**	77
	3,107	7,991

7. Other operating income

In thousands of Pounds Sterling	Year ended 31 December 2020	Year ended 31 December 2019
Foreign currency exchange gain -net	**5,173**	–
Others	**8**	–
	5,181	–

For the year ended 31 December 2020

8. Finance income

In thousands of Pounds Sterling	Year ended 31 December 2020	Year ended 31 December 2019
Finance income from multi-currency facility (see Note 13)	**18,768**	17,258
Interest income from deposits	**5**	20
	18,773	17,278

9. Tax expense

Current tax payable in 2020 amounting to £102,000 relates to subscription tax due (2019: £107,000).

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 2020	Year ended 31 December 2019
Profit before tax	**12,232**	1,872
Income tax using the Luxembourg domestic tax rate of 24.94%	**3,051**	467
Effect of tax-exempt income	**(3,051)**	(467)
Subscription tax expense	**427**	406
Tax charge for the year	**427**	406

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 2020, the Company incurred a subscription tax charge of £427,000 (2019: £406,000). 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 £5,636,000 (2019: £20,918,000).

11. Share capital

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

In thousands of Pounds Sterling	31 December 2020	31 December 2019
Share capital as at 1 January	**715,406**	639,642
Issuance of ordinary shares through placing	**55,000**	75,000
Shares issuance cost on placing	**(831)**	(1,085)
Share capital issued through scrip dividends	**2,068**	772
Shares issued as share based compensation	**997**	1,077
	772,640	715,406

In November 2020, the Company raised gross proceeds of £55,000,000 through a placing of 32,544,379 new ordinary shares of no par value ('Placing'). The Placing price was set at 169.0 pence per Placing share. The related share issuance cost amounted to £831,000.

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 690,274 shares, in connection with the LTIP, at 144.5 pence per share for a total amount of £997,000 (2019: £1,077,000). The amount of £997,000 was recorded as an advance made by the Company to MHC during the year (2019: £1,077,000).

11. Share capital (continued)

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 2020	31 December 2019
In issue at beginning of the year	**630,213**	580,005
Shares issued through placing of ordinary shares	**32,544**	49,020
Shares issued through scrip dividends	**1,244**	491
Shares issued as share based compensation	**690**	697
	664,691	630,213

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 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.

The dividends declared and paid by the Company during the year ended 31 December 2019 are as follows:

In thousands of Pounds Sterling except as otherwise stated	31 December 2019
2018 2nd interim dividend of 3.375 pence per qualifying ordinary share for the period 1 July 2018 to 31 December 2018	19,575
2019 1st interim dividend of 3.5 pence per qualifying ordinary share for the period 1 January 2019 to 30 June 2019	22,045
Total dividends declared and paid during the year	41,620

The 2nd 2018 interim dividend was paid in April 2019. The value of the scrip election was £181,000, with the remaining amount of £19,394,000 paid in cash to those investors that did not elect for the scrip.

The 1st 2019 interim dividend was paid in October 2019. The value of the scrip election was £591,000 with the remaining amount of £21,453,000 paid in cash to those investors that elected for a cash dividend.

11. Share capital (continued)

Net asset value

The Company net asset value and net asset value per share as of 31 December 2020, 2019 and 2018 are as follows:

In thousands of Pounds Sterling/pence	2020	2019	2018
Net asset value attributable to the owners of the Company	**663,897**	639,574	603,964
Net asset value per ordinary share (pence)	**99.88**	101.49	104.13

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 2020	31 December 2019
Loans and other receivable to subsidiaries (including accrued interest)	**326,291**	326,913
Cash and cash equivalents	**5,636**	20,918
	331,927	347,831

The maximum exposure to credit risk on receivables that are neither overdue nor impaired as of 31 December 2020, amounts to £326,291 (2019: £326,913).

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.

12. Financial risk and capital risk management (continued)

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.

The Company has made the necessary notification to the FCA (and the CSSF) under the TPR of its intention and as a result has temporary permission to be marketed in the UK.

To continue marketing the Company in the UK after the end of the TPR, the Company must notify under the UK national private placement regime and will be directed by the FCA to make this notification within two years from the end of the transition period.

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.

For the year ended 31 December 2020

12. Financial risk and capital risk management (continued)

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 2020

In thousands of Pounds Sterling	A$	C$	€	NOK	US$
Cash and cash equivalents	**22**	**18**	**202**	**2**	**5**
Trade payables	**–**	**–**	**(245)**	**–**	**–**
Other payables	**–**	**–**	**(786)**	**–**	**–**
	22	**18**	**(829)**	**2**	**5**

31 December 2019

In thousands of Pounds Sterling	A$	C$	€	NOK	US$
Cash and cash equivalents	21	564	1,346	2	8
Trade payables	–	–	(23)	–	–
Other payables	–	(1)	(385)	–	–
	21	563	938	2	8

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 2020 and 31 December 2019 are as follows:

	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**

	31 December 2019	
	Average £	Spot rate £
A$ 1	0.544	0.531
C$ 1	0.590	0.582
€ 1	0.877	0.850
NOK 1	0.089	0.086
US$ 1	0.783	0.758

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 2020 and 31 December 2019 would not have a significant impact on the Company's cash and cash equivalents and therefore on 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.

12. Financial risk and capital risk management (continued)

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 £659,647,000 (2019: £620,216,000), amounts to £897,305,000 (2019: £849,843,000). 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. There continues to be uncertainty surrounding Covid-19 with the consequences and potential disruptions difficult to foresee, but currently our portfolio remains resilient in this challenging market environment. We will continue to work very closely with all stakeholders to help mitigate the risks and effects of the global pandemic.

13. Related parties and key contracts

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

Supervisory Board fees

The aggregate remuneration of the Directors of the Supervisory Board in their capacity as such was £209,000 (2019: £215,000).

Loans and receivables from subsidiaries – multicurrency facility agreement ('MCF')

On 1 January 2017, the Company as a lender and MHC as a borrower, entered into a 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.

For the year ended 31 December 2020

13. Related parties and key contracts (continued)

Loans and receivables from subsidiaries – multicurrency facility agreement ('MCF') (continued)

Movements in the MCF during the year are as follows:

In thousands of Pounds Sterling	31 December 2020	31 December 2019
1 January	**201,342**	192,036
Additions	**15,802**	15,749
Capitalisation of interest under MCF	**100**	128
Principal payments received	**(4,930)**	(4,442)
Foreign exchange movements	**4,868**	(2,129)
	217,182	201,342

During the year, the finance income from the MCF amounted to £18,768,000 (2019: £17,258,000).

Loans receivable from subsidiaries – interest free loan agreements ('IFL')

The Company has entered into various IFL with MHC and BBGI Investments S.C.A. ('SCA'), 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 subsidiaries are as follows:

In thousands of Pounds Sterling	31 December 2020	31 December 2019
IFL receivable from MHC	**94,784**	123,310
IFL receivable from SCA	**–**	1,285
	94,784	124,595

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 2020	31 December 2019
Interest receivable from MCF	**1,880**	976
Other advances to MHC	**12,445**	–
	14,325	976

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.

During the year, MHC incurred a net foreign exchange loss of £1,891,000 thus resulting in an Indemnity Agreement expense of the Company (2019: £6,411,000). As of 31 December 2020, 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 2020, the Company recorded Support Agreement expenses amounting to £6,637,000 (2019: £5,623,000).

During 2020, the Company settled all outstanding liabilities to MHC in relation to the above.

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 £333,048,000 as of 31 December 2020 (2019: £293,303,000). The movements in the Company's investment in MHC are as follows:

In thousands of Pounds Sterling	31 December 2020	31 December 2019
1 January	**293,303**	263,371
Additional investment through capital contribution	**39,745**	29,932
	333,048	293,303

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, in the event of 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 2020.

16. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. Where applicable, the Company intends to adopt these new and amended standards and interpretations, when they become effective.

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

On 27 August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform.

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 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. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred.

The adoption of this new standard is not expected to have a significant impact on the Company's financial statements.

17. Events after the reporting period

In February 2021, Company declared a 2nd interim dividend of 3.59 pence per share with scrip alternative for the period 1 July – 31 December 2020, to be paid in April 2021.

At the date of publication of these financial statements, the Company and its portfolio has not experienced any material adverse operational or financial impact related to the implications of Covid-19. The focus on value preservation will continue as the pandemic evolves.

Whilst there continues to be significant uncertainty surrounding Covid-19 with the consequences and potential disruptions difficult to foresee; currently, our portfolio remains resilient in this challenging market environment. We will continue to work very closely with all stakeholders in an effort to mitigate the risks of this global pandemic.

Board Members, Agents & Advisers

Supervisory Board

- Sarah Whitney (Chairman as of 31 July 2020)
- Howard Myles
- Jutta af Rosenborg
- Colin Maltby (retired 31 July 2020)

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

INVESTING IN GLOBAL INFRASTRUCTURE

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