RNS Number : 6964U
BBGI Global Infrastructure S.A.
30 March 2023

30 March 2023

BBGI Global Infrastructure S.A.

(the "Company")

Annual Results for financial year ended 31 December 2022

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

BBGI ANNUAL REPORT 2022

bb-gi.com

"***Our purpose** is to deliver social infrastructure for healthier, safer and more connected societies, while creating sustainable value for all stakeholders*"

Our vision: *We invest to serve and connect people.*

Our values:
Trusted to deliver.
Dependable partner.
Investor with impact.
Present-focused, future-ready.

About BBGI

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

From hospitals to schools, to affordable housing and safer roads, we partner with the public sector to deliver social infrastructure that forms the building blocks of local economies, while creating sustainable value for all stakeholders.

Financial Highlights[ii]

£1,069.2 million Investment Basis NAV up 6.7% as at 31 December 2022 (31 December 2021 £1,001.6 million)	**149.9pps** NAV per share up 6.6% as at 31 December 2022 (31 December 2021: 140.7pps)	**9.1%** Annualised total NAV return per share FY 2021: 8.8%
0.5 per cent High-quality inflation linkage FY 2021: 0.4 per cent	**0.87%** Ongoing charges (31 December 2021: 0.86%)	**1.47x** Cash dividend cover FY 2021: 1.31x
7.48pps[iii] 2022 dividend declared per share	**7.93pps** 2023 target dividend **+6%**	**8.40pps** 2024 target dividend **+6%**

Portfolio Highlights

- Strong operational performance of our globally diversified portfolio of 56 high-quality, 100 per cent availability-style infrastructure assets.
- Contracted high-quality inflation linkage of 0.5 per cent[iv] resulting in a £76 million increase in NAV.
- Robust portfolio performance has enabled an upward revision of previously announced dividend targets for 2023 and 2024.
- Cash receipts ahead of expectations, with no material lockups or defaults.
- Consistently high level of asset availability rate of 99.9 per cent maintained.
- Net debt position on an Investment Basis of £26.3 million, with £57.5 million drawn under the revolving credit facility ('RCF').
- Discount rate increased from 6.6 per cent to 6.9 per cent, reflecting an equity risk premium of c. 3.1 per cent.
- Published Net Zero Plan for BBGI and for our Portfolio Companies.
- Two new availability-style investments totalling £64 million.
- Attractive pipeline of availability-style investments in Europe, North America, and Australia, maximising the benefits of strategic investment partnerships with leading contractors.
- Socially beneficial investment under SFDR's Article 8.

Portfolio at a Glance

The fundamentals

Based on portfolio value as at 31 December 2022.

Investment type

100 per cent availability-style[v] revenue stream.

Investment type	
Availability-style revenue assets	100%
Regulated assets	-
Demand-Based assets	-
	100%

Investment status

Low-risk operational portfolio.

Investment status	
Operations	99.5%
Construction	0.5%
	100%

Geographical split

Geographically diversified in stable developed countries.

Geographic split	
Canada	35%
UK	32%
Continental Europe	12%
US	11%
Australia	10%
	100%

Sector split

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

Sector split	
Transport	53%
Healthcare	20%
Blue light and modern correctional facilities	12%
Education	9%
Affordable housing	3%
Clean energy	2%
Other	1%
	100%

Investment life

Long investment life with 49 per cent of portfolio by value with a duration of greater than or equal to 20 years; weighted average life of 20.2 years. Average portfolio debt maturity of 16.3 years.

Investment life	
≥25 years	24%
≥20 years and <25 years	25%
≥10 years and <20 years	45%
<10 years	6%
	100%

Top-five investments

Well-diversified portfolio with no major single asset exposure.

Top-five investments	
Ohio River Bridges (US)	11%
Golden Ears Bridge (Canada)	10%
Northern Territory Secure Facilities (Australia)	5%
Victoria Correctional Facilities (Australia)	4%
A1/A6 Motorway (Netherlands)	4%
Next five largest investments	16%
Remaining investments	50%
	100%

Investment ownership

79 per cent of assets by value in the portfolio are 50 per cent owned or greater.

Investment ownership	
100%	45%
≥75% and <100%	7%
≥50% and <75%	27%
<50%	21%
	100%

Country rating

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

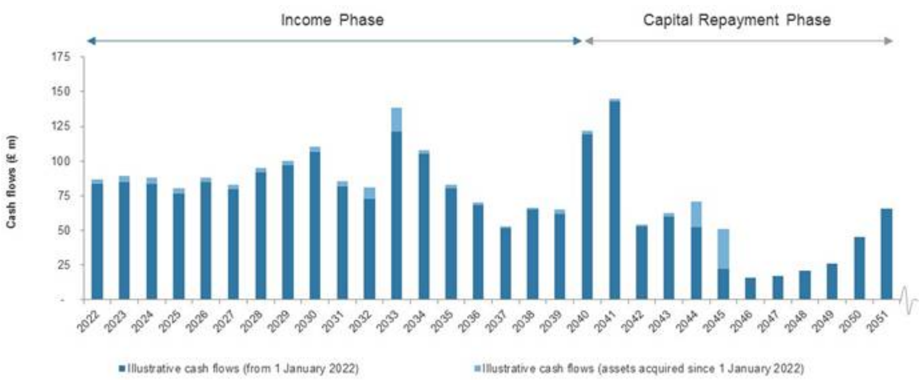
Country rating	
AAA	57%
AA+	11%
AA	32%
	100%

Projected portfolio cash flow

The Company's underlying assets generate a consistent and long-term stream of cash flows for the portfolio, extending up to 2051. These cash flows are predictable, owing to the involvement of government or government-backed counterparties and the contractual nature of the agreements. Additionally, the index-linked provisions offer an attractive inflation linkage of approximately 0.5 per cent, contributing £76 million to the Net Asset Value (NAV) during the year.

The investments made over the year to 31 December 2022 contributed positively to stable long-term cash flows. Based on current estimates, and if there were to be no further acquisitions, the existing portfolio is forecasted to enter into the capital repayment phase in September 2040, after which cash inflows from the portfolio would be paid to the Company's shareholders as capital and the portfolio valuation will reduce as assets reach the end of their concession term.

As at 31 December 2022, BBGI had a weighted average portfolio life of 20.2 years, a decrease of 0.1 years compared with 31 December 2021. By prioritising the acquisition of assets with a long residual life, BBGI has been able to maintain a portfolio with a long weighted average life, which has only slightly decreased since our IPO in 2011.



This illustrative chart is a target only, as at 31 December 2022, and is not a profit forecast. There can be no assurance this target will be met. The hypothetical target cash flows do not consider any unforeseen costs, expenses or other factors that may affect the portfolio assets 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 from the portfolio. There are minor cash flows extending beyond 2051 but for illustrative purposes, these are excluded from the chart above.

Chair's Statement

On behalf of the Supervisory Board, I am pleased to report a strong financial and operational performance for 2022. Despite a volatile geopolitical backdrop and challenging macroeconomic environment, characterised by global increases in inflation and interest rates and general market uncertainty, our Company has remained resilient throughout the year; we continued to generate predictable, high-quality inflation-linked income, increased dividends, and secure returns for our shareholders.

Overview of strong financial and operational performance for 2022

We have continued to execute successfully on our low-risk investment strategy, which has resulted in an NAV per share increase of 6.6 per cent this year to 149.9 pence, cash flows ahead of expectations, a dividend per share of 7.48 pence and strong dividend cover of 1.47x.

This strong performance, coupled with the long-term predictable nature of the Company's cash flows and high-quality inflation linkage, gives us continued confidence in our progressive dividend policy. As a result, we have revised our dividend targets for the years 2023 and 2024, increasing the growth rate from 2 per cent to 6 per cent, ensuring our shareholders benefit from the increased value created by our high-quality, inflation-linked portfolio.

ESG is embedded in our DNA and I am proud of BBGI's role as a steward of critical social infrastructure. We help meet the essential needs of communities and make a positive, long-term impact on society and the economy. Our purpose is to focus on delivering social infrastructure for healthier, safer, and more connected societies, while creating sustainable value for all stakeholders. During 2022, we continued to further embed our ESG commitments as part of our sustainability journey.

Further strengthening our robust approach to governance

As an internally-managed investment company, having robust controls is of key importance to securing the sound financial and operational performance of our investments over the short and long term.

We continue to refine our rigorous approach to governance and, over the past year, have reviewed the annual plans for our Committees, to ensure they continue to provide sufficient depth to our governance process and effectiveness.

With all of our Supervisory Board members being independent Non-Executive Directors, we continue to be compliant with all the AIC Corporate Governance requirements on Board and Director independence and we operate a clear division of responsibilities between the Supervisory Board and the Management Board.

Effective engagement with our stakeholders is a major part of our long-term success and sustainability. As part of this both I, and the Chairs of each Committee of the Supervisory Board, make ourselves available to speak to shareholders and to all stakeholders more generally throughout the year.

Further enhancing our Board and increasing diversity

In 2022, we welcomed Andrew Sykes and June Aitken as new Supervisory Board members. We have already benefitted from the fresh perspectives they bring to the Board. Andrew Sykes has succeeded Howard Myles as Senior Independent Director and Chair of our Remuneration Committee. Both appointments have helped to ensure that we have a diverse, well-balanced, and experienced Supervisory Board and Committees, which will continue to effectively serve our shareholders in carrying out our duties of oversight of the Company and Management Board.

We are strongly supportive of the various initiatives and regulatory changes to encourage greater gender and ethnic equality in publicly listed corporate entities, including the FTSE Women Leaders and Parker Reviews. We are proud that 60 per cent of our Supervisory Board members are female, and that we are one of the few FTSE 350 companies to have both a female Supervisory Board Chair and a female Audit Committee Chair. As part of our ongoing commitment to foster, cultivate and preserve a culture of diversity, equity and inclusion, we keep our policies on diversity, equity and inclusion under review.

Positive outlook

Despite the wider market volatility, we remain confident that our high-quality, resilient, and globally diversified portfolio will continue to deliver solid returns notwithstanding increased economic headwinds and market uncertainty. Global mega-trends, such as urbanisation, combined with the increased need for private sector funding of global infrastructure investment, are positive drivers for BBGI. The Management Board continues to use its specialist knowledge, industry relationships and networks to source attractive investment opportunities for our pipeline. Our internal management structure helps to create the proper incentives for the Management Board to focus on enhancing the value of our portfolio and growing BBGI in an accretive and disciplined manner - our priority is to create sustainable value for all our stakeholders.

I would like to thank the entire BBGI team for their work in delivering another strong year for our shareholders - despite the challenging wider market backdrop - as well as our clients, partners and service providers, who continue to support us in providing a critical role in our communities.

Sarah Whitney
Chair
29 March 2023

Co-CEOs' Statement

The Company performed strongly in 2022 and continued to deliver on our vision: to serve and connect people. We're proud of our consistently robust performance since our IPO in 2011: our NAV per share has increased each year for the past 11 years and we remain confident that BBGI is well positioned to continue to deliver sustainable attractive value for all stakeholders over the short and long term.

Global markets in 2022 have been challenging for investors and companies alike, yet this environment has highlighted the clear benefits of our low-risk and defensive, availability-style investment strategy. The volatile and uncertain economic and geopolitical backdrop has resulted in significant global increases in inflation, rising interest rates and potentially recessionary environments.

Yet through our consistent, disciplined approach to active asset management and prudent financial management, we have continued to deliver strong financial results and robust portfolio performance throughout the year, with cash flows ahead of expectations and further dividend growth for our shareholders.

Our high-quality inflation linkage is forecast to deliver higher distributions over the short term. This has enabled us to increase our dividend targets for 2023 and 2024 to 7.93pps and 8.40pps respectively, representing a 6 per cent increase year on year. Furthermore, we are introducing a new dividend target for 2025 of 8.57pps.

Our priorities remain to preserve and enhance the value of our portfolio, acting as a steward of essential infrastructure for our public sector clients, with a strong focus on delivering positive social impact and supporting communities and economic growth. ESG is integrated into our business model and executive compensation is also linked to ESG performance.

Our globally diversified infrastructure portfolio includes education, healthcare, blue light (fire and police), affordable housing, modern correctional facilities, clean energy and transport assets, which all generate secure government-backed cash flows with high-quality inflation linkage.

Highlights

Our globally diversified infrastructure portfolio of 56 assets performed strongly:

- Dividend of 7.48pps for the year 2022 (2021: 7.33pps).
- Revised dividend targets of 7.93pps for 2023 and 8.40pps for 2024, representing a 6% increase year on year, and a new dividend target of 8.57pps for 2025: all are expected to be fully cash-covered.
- Strong cash dividend cover of 1.47x (2021: 1.31x).
- NAV per share increased 6.6 per cent to 149.9pps (2021: 140.7pps).
- Annualised total NAV return per share of 9.1 per cent.
- Ongoing charges of 0.87 per cent (2021: 0.86 per cent).
- High-quality inflation linkage of 0.5 per cent.
- Focus on delivering social impact - SFDR Article 8.
- High degree of climate resilience independently confirmed across the portfolio of assets.

We would like to thank our team once again for their hard work over the past year. Their dedication and approach are outstanding and remain a fundamental part of our success.

Strong business model and resilient portfolio

Our robust and defensive business model exemplifies our prudent and low-risk approach to investing, generating long-term value for all our stakeholders. We offer investors a long-term, contracted, stable and predictable revenue stream with high-quality inflation linkage, underpinned by highly rated, creditworthy public sector counterparties.

We remain the only internally managed LSE-listed equity infrastructure investment company, which ensures that our interests are fully aligned with those of our shareholders. We are led by creating shareholder value first and portfolio growth second. In 2022, we again maintained the lowest comparative ongoing charge of 0.87 per cent through our efficient and cost-effective structure[vii].

Our core criteria for our portfolio are availability-style assets; with government-backed counterparties; located in highly-rated investment-grade countries with stable, well-developed operating environments; climate resilient; and high-quality inflation linkage.

'Availability-style' unlike 'demand-based' means that revenues are paid provided the asset is available for use. BBGI has no exposure to demand-based or regulated investments. At the year-end, BBGI's investment portfolio was 99.5 per cent operational, with only one asset under construction.

We invest in countries with credit ratings between AA and AAA, in Australia, Canada, Germany, the Netherlands, Norway, the UK and the US. All have stable operating environments, with independent and proven legal systems.

Value-driven active asset management

We focus on operational performance to drive efficiencies and generate portfolio optimisations and take a hands-on approach to preserving and enhancing the value of our investments, delivering well-maintained infrastructure for communities and end-users, and stable attractive returns for shareholders. Throughout 2022, we worked closely with our public sector clients to ensure the continued smooth functioning of essential social infrastructure. Building and maintaining strong client relationships is an important part of our business, and our asset management team meets regularly with our public sector clients.

Our active asset management activities during 2022 included applying high-quality corporate governance frameworks, which helped enable us to maintain our track record of no reported lock-ups or material defaults at any of our Portfolio Companies, and generating a consistently high asset availability rate of 99.9 per cent.

Selective acquisition strategy

We pursue growth that is accretive to shareholder value, not just for growth's sake, and we have maintained a long-weighted, average portfolio life of over 20.2 years. We source transactions through our extensive industry relationships and networks and we finance investments using our existing cash resources and RCF.

During 2022, we successfully grew and further diversified our portfolio, while maintaining strategic discipline in our acquisition strategy and portfolio construction. As with previous years, we assessed considerably more investments in 2022 than we pursued. We invested approximately £64.4 million in two availability-style assets.

In February 2022, we completed our investment in the entity responsible for delivering the 132 MW John Hart Generating Station in Canada, which is a PPP hydroelectric power station. We are not exposed to any power price risk. This renewable energy infrastructure has strong environmental credentials, helping to provide clean energy to over 80,000 homes on Vancouver Island, British Columbia.

In September 2022, we acquired a 49 per cent equity interest in the A7 motorway between Bordesholm and Hamburg in Germany, which will help minimise any increase in exhaust emissions from the higher traffic load by reducing congestion and traffic jams. We screened both investments for ESG factors, including their alignment with our selected UN Sustainable Development Goals ('SDGs'), and climate-change resiliency.

We continue to evaluate acquisition opportunities according to our criteria, and take a selective and disciplined approach to evaluating potential investment opportunities. Transaction volumes in 2022 were impacted as we entered a 'price discovery phase' between buyers and sellers. However, we are still seeing strong demand from investors for long-term, stable and inflation-linked income, and there is an attractive pipeline of acquisition opportunities in our availability-style sector. There is also potential to augment our portfolio with select opportunities in adjacent sectors with the same low-risk profile, such as investments in European primary care. This sector is very similar to our Local Improvement Finance Trust ('LIFT') investments, where we already own over 30 primary care facilities in England.

Valuation - high-quality inflation linkage, discount rates and deposit rates

During 2022, inflation and interest rates have increased in all jurisdictions where BBGI invests. The rise in long-term interest rates had an impact on discount rates, but it has become clear that not all asset classes perform identically in a rising interest rate environment.

Our equity cash flows are positively linked to inflation at approximately 0.5 per cent: if long-term inflation is one per cent higher than our assumptions for all future periods, returns will increase from 6.9 per cent to 7.4 per cent. In the reporting period, the effect of actual inflation and our updated short-term inflation forecast resulted in a £76 million increase in the NAV.

We achieve this high-quality inflation linkage through contractual indexation mechanics in our project agreements with our public sector clients at each Portfolio Company, and update the inflation adjustment at least annually. We pass on the indexation mechanism to our subcontractors - on whom we rely to support our assets' operations - and this provides an inflation cost hedge to effectively manage our cost base.

The weighted average discount rate applied to our portfolio increased from 6.6 per cent to 6.9 per cent, reflecting an equity risk premium of c. 3.1 per cent over the longer-term weighted average government bond yields. Actual and projected inflation rates also increased and, coupled with higher actual and forecasted deposit rates for money held on deposit at Project Company level, have more than offset any negative effects on the NAV from rising discount rates. The sensitivity analysis in the Valuation section of this Annual Report illustrates the effect of this combined movement on our NAV, in a scenario where we experience discount, inflation, and deposit rate rises across our portfolio. Additionally, we have included a scenario of a two-percentage point higher inflation rate over the next three years, compared to our forecast assumptions.

Prudent financial management

We ended the year with a net debt position of £26.3 million, with £57.5 million cash borrowings outstanding under our £230 million RCF. The RCF, which has the possibility, under its accordion tranche, to be increased by a further £70 million, matures in May 2026. As a principle, we only draw on our RCF to finance new acquisitions, giving our shareholders maximum certainty of securing our pipeline. We manage market liquidity risk by maintaining adequate cash and cash equivalents for day-to-day and medium-to-long-term capital needs. Borrowings in underlying entities are non-recourse, and - with minor exceptions only - borrowing costs are fixed and amortising over the period of our ownership of each respective asset, which leaves BBGI with minimal refinancing risk.

Risk management

Our approach to risk management remains unchanged and there has been no material movement in our risk profile over the past year. Our portfolio is not directly impacted by the events in Ukraine or energy price rises.

In the current macroeconomic environment, a key risk for BBGI would be further interest rate increases and the associated impact on discount rate and NAV, although this is expected, at least, to be partly offset by higher than forecasted deposit rates and inflation-linked income. For further information, please see the sensitivity in the Valuation section and the Risk section.

While there is an elevated inflationary environment in all our jurisdictions, we mitigate this risk in our portfolio by seeking to match the indexation of revenues and costs.

With approximately two-thirds of our portfolio outside the UK, BBGI is exposed to foreign-exchange volatility. We have a prudent hedging policy aimed at mitigating foreign exchange risk and it has worked well to limit the NAV impact from movements against Sterling, the Group's reporting currency. We operate a four-year portfolio distribution hedging policy, and a one-year rolling balance sheet hedging approach. We aim to limit the impact of foreign exchange volatility of the NAV to 3 per cent, if all currencies move against Sterling by 10 per cent.

Environmental, Social and Governance ('ESG') progress

The landscape for responsible investment has shifted markedly since 2011 and, as stewards of important social infrastructure investments, we continue to evolve the reporting and monitoring of our ESG performance, with ESG considerations fully integrated into our business model.

We align with the Sustainable Finance Disclosure Regulation ('SFDR') Article 8 product classification, promoting social characteristics. SFDR provides a framework for transparency for companies that make a genuine contribution to sustainable outcomes.

We disclose information in line with the Task Force on Climate-Related Financial Disclosures ('TCFD') recommendations and the UN Global Compact ('UNGC'). We also align with the UN SDGs as an integral part of our approach to ESG. We are committed to the UNGC's Ten Principles and are a signatory to the Net Zero Asset Manager's Initiative. Our Portfolio Companies are also expected to contribute to the objectives of the Paris Agreement and we are in the process of compiling a Greenhouse Gas ('GHG') inventory for all our Portfolio Companies, by mid-2023. This will be consistent with the GHG Protocol, and will include Scope 1, 2 and material Scope 3 emissions.

Our published Net Zero Plan for BBGI and key goals at the corporate level and for our Portfolio Companies includes the following:

- Reduce our corporate GHG emissions by 50 per cent by 2030, embedded in our executive remuneration targets.
- Net zero corporate GHG emissions by 2040.
- Report Scope 1, 2 and material Scope 3 emissions at all of our Portfolio Companies from June 2023 onwards.
- 70 per cent of our Portfolio Companies by value to be 'net zero', 'aligned', or 'aligning'[viii], by 2030, embedded in our executive remuneration targets. This means that by 2030, 70 per cent of our assets under management (portfolio companies by value) will have a long-term goal to be net zero by 2050 or sooner.

Looking ahead

We are well placed to benefit from ongoing strong demand for public infrastructure. Government debt has escalated due to COVID-19 mitigation measures and soaring energy prices in Europe, and the debt-to-GDP ratio and risk-free rates have risen in almost all our jurisdictions.

Against this backdrop, the scope for government-financed infrastructure investments is limited, and governments worldwide are expected to seek private financial support to meet community demand to deliver essential infrastructure.

Our strong financial and operational performance over 2022 has reinforced the attractions of our asset class, particularly for investors looking for stable and predictable cash flows, dividend growth, and assets with high-quality inflation linkage and low correlation to other asset classes.

We remain confident that our reputation as a specialist investor in low-risk global infrastructure, and our well-established relationships with key vendors, will allow us to continue to source attractive and accretive investment opportunities.

In an uncertain world, we firmly believe in BBGI's ability to continue to deliver positive and sustainable value for all stakeholders over the short and longer term. We sincerely thank our shareholders for their support over the past year and look forward to the future with confidence.

Duncan Ball	Frank Schramm
Co-CEO	Co-CEO

29 March 2023
On behalf of the Management Board

Our Investment Strategy

BBGI provides access to a globally diversified portfolio of infrastructure investments, which generate long-term and sustainable returns and serve a critical social purpose in their local communities.

BBGI's portfolio is well-diversified across sectors in education, healthcare, blue light (fire and police), affordable housing, modern correctional facilities, clean energy and transport infrastructure assets. Our business model is built on four strategic pillars: (i) low risk, (ii) globally diversified, (iii) strong ESG approach and (iv) internally managed.

Low-risk
- Availability-style investment strategy.
- Secure, public sector-backed contracted revenues.
- Stable, predictable cash flows, with high-quality inflation linkage and progressive long-term dividend growth.

Globally diversified
- Focus on highly rated investment grade countries.
- Stable, well-developed operating environments.
- A global portfolio, serving society through supporting local communities.

Strong ESG approach
- ESG fully integrated into the business model.
- Focus on delivering positive social impact - SFDR Article 8[ix] - and high degree of climate resilience.
- Executive compensation linked to ESG performance.

Internally managed
- In-house management team focused on delivering shareholder value first, portfolio growth second.
- Management interests aligned with those of shareholders.
- Strong pricing discipline and portfolio management.
- Lowest comparative ongoing charges[x].

Consistent delivery of objectives

1 - Robust shareholder returns

2 - Low correlation to other asset classes

3 - Sustainable growth

Operating Model

We follow a proven operating model based on three principles: value-driven active asset management, prudent financial management and a selective acquisition strategy to preserve and create value, achieve portfolio growth and ensure ESG considerations are embedded in our processes. These operational pillars are fundamental to our success.

We ensure stable operational performance through an active asset management approach, where we actively seek to preserve value and, where possible, identify and incorporate value enhancements over the lifetime of the assets under our ownership. Our approach aims to reduce costs to our public sector clients and asset end-users, and to enhance the operational efficiency of each asset. It also allows us to generate a high level of asset availability, underpinning the social purpose of our portfolio.

Our prudent financial management focuses on efficient cash and corporate cost management and implementing our foreign exchange hedging strategy. Our portfolio's wide geographical diversification results in exposure to multiple currencies. We actively seek to manage geographical concentration and mitigate foreign exchange risk.

We pursue a selective acquisition strategy, so our Management Board's focus remains within its area of expertise, and we uphold the strategic pillars defined by our investment proposition. We actively seek acquisitions with long-term, predictable and inflation-protection characteristics that support the portfolio's contracted, high-quality, inflation linkage of 0.5 per cent.

Value-driven active asset management
We pursue a standardised approach across our portfolio to preserve value, to derive operational and value enhancements, and to improve customer experience including:
- Strong client relationships, by prioritising regular meetings to achieve high rates of client satisfaction.
- Focused asset management, to ensure distributions are on time, and on or above budget.

- Focused cost management and portfolio-wide cost-saving initiatives, to leverage economies of scale or outperform the base case, such as portfolio insurance and standardised management contracts for Portfolio Companies, and lifecycle cost reviews.
- Comprehensive monitoring, to ensure we fulfil our contractual obligations.
- Detailed climate risk assessments and ESG KPI tracking tool, which includes over 100 KPIs and questions, and evaluates the governance and non-financial performance of each of our investments.
- Maintaining high availability levels by proactively managing any issues, including site visits to all significant investments.
- Reviewing Portfolio Company debt facilities and investigating potential refinancing benefits.
- Measured exposure to construction risk to support NAV uplift by de-risking assets over the construction period.

Prudent financial management

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

- Progressive future dividend growth, underpinned by high-quality inflation linkage and strong portfolio distributions.
- Low ongoing charges through our efficient and cost-effective internal management structure.
- Managing and mitigating foreign exchange risk through our hedging strategy: hedging forecast portfolio distributions, balance sheet hedging through foreign exchange forward contracts, and borrowing in non-Sterling currencies.
- Euro-denominated running costs, which provide a natural hedge against Euro-denominated portfolio distributions.
- Efficient treasury management system for cash in the underlying Portfolio Companies to maximise interest income on deposits.
- Maintaining modest cash balances at the corporate level to limit cash drag, facilitated through access to the RCF.

Selective acquisition strategy and strategic investment partnership

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

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

We continue to leverage strong relationships with leading construction companies to source potential pipeline investments, which support our low-risk and globally diversified investment strategy.

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

- 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 with a publicly-listed status, which is attractive to government and government-backed counterparties.
- We are considered a reliable source of liquidity should a construction partner decide to sell.
- Having a financial partner is a prerequisite for some construction companies so they can avoid consolidating the Portfolio Company debt onto the balance sheet of their parent company.
- We have extensive asset credentials and a strong track record, which can assist with the shortlisting process for new projects.

Portfolio Review

Portfolio summary

The Company's investments as at 31 December 2022 consisted of interests in 56 high-quality, availability-style social infrastructure assets, 99.5 per cent of which are fully operational (by portfolio value). The portfolio has no exposure to demand-based or regulated investments, and is diversified across sectors in education, healthcare, blue light (fire and police), affordable housing, modern correctional facilities, clean energy and transport infrastructure assets.

Located in the UK, North America, Australia and Continental Europe, all Portfolio Companies are in stable, well-developed and highly-rated investment grade countries.

Portfolio breakdown*

For portfolio statistics, refer to the Portfolio at a Glance section of this Annual Report.

No.	Asset	Country	Percentage holding %
1	A1/A6 Motorway	Netherlands	37.1
2	A7 Motorway	Germany	49
3	Aberdeen Western Peripheral Route	UK	33.3
4	Avon & Somerset Police HQ	UK	100
5	Ayrshire and Arran Hospital	UK	100
6	Barking Dagenham & Havering (LIFT)	UK	60
7	Bedford Schools	UK	100
8	Belfast Metropolitan College	UK	100
9	Burg Correctional Facility	Germany	90
10	Canada Line	Canada	26.7
11	Champlain Bridge	Canada	25
12	Clackmannanshire Schools	UK	100
13	Cologne Schools	Germany	50
14	Coventry Schools	UK	100
15	E18 Motorway	Norway	100
16	East Down Colleges	UK	100

No.	Asset	Country	Percentage holding %
17	Frankfurt Schools	Germany	50
18	Fürst Wrede Military Base	Germany	50
19	Gloucester Royal Hospital	UK	50
20	Golden Ears Bridge	Canada	100
21	Highway 104	Canada	50
22	John Hart Generating Station	Canada	80
23	Kelowna and Vernon Hospital	Canada	100
24	Kent Schools	UK	50
25	Kicking Horse Canyon	Canada	50
26	Lagan College	UK	100
27	Lisburn College	UK	100
28	Liverpool & Sefton Clinics (LIFT)	UK	60
29	M1 Westlink	UK	100
30	M80 Motorway	UK	50
31	McGill University Health Centre	Canada	40
32	Mersey Care Hospital	UK	79.6
33	Mersey Gateway Bridge	UK	37.5
34	N18 Motorway	Netherlands	52
35	North Commuter Parkway	Canada	50
36	North East Stoney Trail	Canada	100
37	North London Estates Partnership (LIFT)	UK	60
38	North West Fire and Rescue	UK	100
39	North West Regional College	UK	100
40	Northwest Anthony Henday Drive	Canada	50
41	Northern Territory Secure Facilities	Australia	100
42	Ohio River Bridges	US	66.7
43	Poplar Affordable Housing & Recreational Centres	UK	100
44	Restigouche Hospital Centre	Canada	80
45	Rodenkirchen Schools	Germany	50
46	Royal Women's Hospital	Australia	100
47	Scottish Borders Schools	UK	100
48	South East Stoney Trail	Canada	40
49	Stanton Territorial Hospital	Canada	100
50	Stoke & Staffs Rescue Service	UK	85
51	Tor Bank School	UK	100
52	Unna Administrative Centre	Germany	90
53	Victoria Correctional Facilities	Australia	100
54	Westland Town Hall	Netherlands	100
55	William R. Bennett Bridge	Canada	80
56	Women's College Hospital	Canada	100

*In alphabetical order

Operating model in action

Preserving and enhancing value through active asset management

During 2022, the portfolio value increased by approximately £148 million[xi] from the rebased value, driven largely by the net effect of actual inflation and a change in the short-term forecast for inflation and deposit rates forecast, the positive net effect of foreign exchange and the portfolio performance resulting from our hands-on active asset management approach.

Our active value-driven approach to asset management and the robustness of our portfolio meant that the availability level of the Company's assets was recorded at approximately 99.9 per cent and any deductions were either borne by third-party facility management companies and road operators, or were part of planned expenditures.

There were no material lock-ups or default events reported during the year and we are very proud of this achievement.

High-quality inflation linkage

During the year, BBGI's strong financial and operational performance was partly due to inflation exceeding forecast assumptions in all regions where the Company is active. The total inflation effect was £76 million, with shareholders benefitting from BBGI's high-quality cash flow correlation with inflation linkage at 0.5 per cent, especially in a rising interest rate environment.

BBGI has a portfolio of 56 availability-style assets with government or government-backed counterparties, which have contractual income streams. The obligations of these contracts are underpinned by Project Agreements, with each agreement being unique but generally following a standard approach. Project Agreements typically include either partial or full indexation to an appropriate inflation factor to compensate for increasing costs over the life of the concession.

The Portfolio Companies enter into facilities management and operating subcontracts that mirror the inflation arrangements contained in the Project Agreement. In the UK, Project Agreements tend to have a Retail Price Index ('RPI') adjustment factor, while other regions commonly use Consumer Price Index ('CPI') indexation.

However, some Project Agreements have bespoke inflation indexes that reflect expected operations and maintenance costs.

The extent of a Portfolio Company's linkage to inflation is determined by the portion of income and costs linked to inflation. In most cases, cash flows are positively inflation-linked as the indexation of revenues is greater than the indexation of expenses.

The high-quality and defensive nature of the Company's inflation linkage are underpinned by:

Contractual increases: The adjustment for inflation is a contractual component of the 100 per cent availability-style cash flows for each Portfolio Company, and is supported by creditworthy government or government-backed counterparties in AA to AAA-rated countries. The Company does not invest in demand-based assets. Although such assets may seem to offer a strong theoretical inflation linkage (e.g. the ability to raise prices in response to an increase in CPI), they are likely still subject to changes in elasticity of demand. Toll roads and student accommodation projects are examples of such assets, which may have the potential to increase prices in response to an increase in CPI, but may be hindered by market demand from increasing revenue, while costs may simultaneously rise.

Protection against rising costs: The Company transfers the indexation mechanism to its subcontractors, who are crucial in supporting the operations of our assets. This arrangement serves as an inflation cost hedge, which helps the Company to efficiently control its cost base. Similarly, in most cases, the risk of energy costs increases rests with the public sector client or has been passed down to the subcontractor.

Not dependent on regulatory review: The inflation adjustment is automatic and contractual and is not subject to regulatory review. Once the relevant reference factor is published, the adjustment is mechanical.

Portfolio approach: The Company's inflation linkage comes from diverse Portfolio Companies in different countries.

Prudent financial management

Our assets performed well during the reporting period with cash receipts during the year ahead of business plan. This robust performance and the confidence in the business model allowed the Company to achieve its dividend target of 7.48pps for 2022, increase our dividend targets of 7.93pps and 8.40pps for 2023 and 2024 respectively, as well as introduce a new dividend target of 8.57pps for 2025.

Cash receipts during the year allowed the Company to achieve a strong dividend cover of 1.47x. The predictable nature of our cash flows allows for high visibility for future dividends, and therefore gives us the confidence to revise our dividend targets and extend our dividend guidance to 2025, with dividends expected to be fully cash covered.

During the year, we continued to implement our hedging strategy, which seeks to hedge 100 per cent of projected non-Sterling and non-Euro portfolio distributions over the next four years. Additionally, in November 2022, we executed balance sheet hedges to limit our NAV exposure to fluctuations in foreign exchange rates.

The Company has efficient cash management in place which aims to avoid cash drag. This includes using the proven financing methodology of drawing on its RCF before raising new equity to repay the temporary debt. The committed amount of the RCF is £230 million, which matures in May 2026. Furthermore, there is the possibility to increase the quantum to £300 million by means of an accordion provision. This enables the Company to execute larger acquisitions in an efficient manner and to be a trusted and repeat partner in its key markets.

With £57.5 million drawn under the RCF, the net debt position on an Investment Basis as at 31 December 2022 was £26.3 million.

Selective acquisition strategy

Successful acquisitions

During the year, we continued to pursue a selective acquisition strategy, investing approximately £64.4 million, including interests in two new projects both of which earn availability-based revenue in return for providing essential public services. This disciplined approach demonstrates the Management Board's commitment to avoiding style drift and evidences how BBGI's strong industry relationships and nimble operating model continue to realise a pipeline of acquisition opportunities, with the Management Board having assessed many more potential opportunities than those acquired. Although the Company received invitations to bid on several transactions over the year, the Management Board declined opportunities that were not accretive in terms of inflation linkage, yield or residual life.

The two new investments were:

- John Hart Generating Station Replacement Project (Canada): In February 2022, BBGI completed the acquisition of an investment in InPower BC General Partnership, the entity responsible for delivering the John Hart Generating Station Replacement Project (John Hart Generating Station), an investment delivered through the existing strategic partnership between the Company and SNC-Lavalin Group Inc. The PPP consists of the design, construction, financing, maintenance and rehabilitation of a new three-turbine, 132 MW hydroelectric power generation station on the Campbell River, British Columbia, including a three generating unit underground powerhouse, 2.1 kilometres of water passage tunnels and a water bypass system to protect downstream fish habitat. The acquisition price was approximately £24 million.

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

- A7 Motorway (Germany): In September 2022, BBGI completed the acquisition of a 49 per cent interest in Via Solutions Nord GmbH & Co. KG, the project company for the A7 motorway PPP near Hamburg in Germany. The asset is classified as availability-based under the investment policy of the Company and aligns with BBGI's ESG principles.

  The project consists of the design, construction, financing, operation, maintenance and rehabilitation of 65 kilometre widening of a section of the A7 motorway between Neumünster and Hamburg. The project includes 11 interchanges, six parking facilities and four rest areas, various civil engineering structures and a 550-metre noise enclosure tunnel. Availability payments are received from Federal Republic of Germany, represented by the Free City of Hamburg and the Federal State of Schleswig-Holstein, rated AAA/Aaa by S&P and Moody's respectively. Construction completion was achieved in December 2019 and the concession runs until 2044.

  The increased efficiency of the A7 motorway will help to minimise any increase in exhaust emissions from the higher traffic load by reducing congestion and traffic jams and is expected to achieve a consistent traffic flow and uniform driving speeds. Environmental impact assessments (EIA) have been performed. During the EIA procedure, all potentially affected Natura 2000 sites, habitats and species have been analysed, including habitats and species placed beyond Natura 2000 sites.

Both projects acquired during the year add to the portfolio's diversification across multiple social infrastructure sectors where the demand for private sector investment remains high.

Strategic investment partnerships

We continue to leverage strong relationships with leading construction companies to source a potential pipeline, which supports our low-risk and globally diversified investment strategy.

Typically, contractors active in the sector have secured the mandate to design and build new assets but often look to divest financially after the construction period has finished - thereafter often maintaining facility management contracts through a long-term partnership. There are several reasons why BBGI is an appealing partner:

- We possess a substantial asset portfolio and a robust performance history.
- As a long-term investor with a publicly-listed status, we are an attractive option for government and government-backed counterparties.
- We are recognised as a trustworthy source of liquidity if a construction partner decides to sell in the future.

One notable relationship is the North American strategic partnership with SNC-Lavalin, which covers four availability-based assets. More details of the projects covered by the pipeline agreement are provided in the Market Trends and Pipeline section of this Annual Report.

Avoiding style drift

As competition to acquire availability-style assets at attractive valuations remains robust, the Company's Management Board consciously works 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 deliver the targeted returns to investors.

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

We continue to pursue essential social infrastructure assets, which match our low-risk, globally diversified investment strategy and unwavering ESG principles. BBGI has investments in LIFT assets, where BBGI typically owns the land and buildings, and availability payments are fully linked to RPI. We will continue to seek out opportunities to expand and diversify our portfolio of essential social infrastructure by exploring investments with similar features of long-term and inflation-linked revenues tied to public sector counterparties or related to the public sector, whether through long-term concessions or direct asset ownership.

Although this disciplined strategy may occasionally result in periods of slower portfolio growth, we are confident the benefits, such as dependable and consistent income and returns with low volatility, justify its continued implementation. By adhering to our area of expertise, we offer a less complex business proposition, which should result in fewer surprises, and a more predictable and stable return for our shareholders.

Supply chain monitoring

The Management Board continually reviews the potential concentration risk of operations and maintenance ('O&M') contractors that provide counterparty services to the Company's assets. The table illustrates the level of O&M contractor exposure as a percentage of portfolio value[xii] at 31 December 2022.

O&M Contractors	
Portfolio Company in-house	13%
SNC-Lavalin O&M Inc	10%
Capilano Highway Services	10%
Cushman and Wakefield	6%
Black & McDonald	6%
Integral FM	5%
Honeywell	5%
Hochtief Solutions AG	4%
Carmacks Maintenance Services	4%
Graham AM	3%
Intertoll Ltd.	3%
BEAR Scotland	3%
Guildmore Ltd.	3%
Amey Community Ltd.	3%
Galliford Try FM	3%
Remaining investments	19%
	100%

The Management Board has not identified any significant risk exposure and remains comfortable with the current contractor allocation. The Company benefits from a diverse contractor base and supply chain, with no concentrated exposure, and is supported by a strict supply chain monitoring policy. We regularly monitor the performance of subcontractors and have risk mitigation measures in place to deal with any supply chain issues.

We are pleased to confirm that we have not recorded any material adverse supply chain issues during the year.

Construction defects

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

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

Latent defects risk was mitigated during the year with 60 per cent of portfolio value covered by either limitation or warranty periods and there were no material defects reported on any of the Company's portfolio assets.

Latent defects limitations / Warranty period remaining	
Expired	40%
Within 1 year	8%
1-2 years	11%
2-5 years	20%
5-10 years	15%
10+ years	6%
	100%

Portfolio Snapshot - Top Five Assets

Our five largest assets

1) <u>Ohio River Bridges:</u>

- Type: Availability-style
- Status: Operational
- Equity holding (per cent) BBGI: 66.7 per cent
- Total investment volume: US$1.175 billion
- Financial close/operational: March 2013/December 2016
- Concession period: 35 years (post-construction) ending in 2051

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

In October 2021, a US$528 million green bond offering was completed to refinance its existing indebtedness. This transaction allowed the Portfolio Company to optimise its financing costs over the remaining term of the contract thereby further strengthening its financing structure, while also benefiting the public sector client through a reduction in future service payments. Recent environmental initiatives include installing solar panels on the O&M buildings, a commitment to transitioning its fleet of vehicles to reduced-emission and electric-powered, pollinator habitats and other wildlife conservation initiatives, and an organisation-wide recycling programme, to name a few.

2) <u>Golden Ears Bridge:</u>

- Type: Availability-style
- Status: Operational
- Equity holding (per cent) BBGI: 100 per cent
- Total investment volume (debt and equity): C$1.1 billion
- Financial close/operational: March 2006/June 2009
- Concession period: 32 years (post construction) ending in 2041

Golden Ears Bridge represented the largest private financing for a greenfield PPP in Canada at the time of its launch. The project involves the design, build, financing, operation and maintenance of the Golden Ears Bridge in Vancouver, which is a 1-kilometre, six-lane road that spans the Fraser River and connects Maple

Ridge and Pitt Meadows to Langley and Surrey. The road opened in March 2009 and includes more than 3.5 kilometres of ramps, viaducts, minor bridges and underpasses, and more than 13 kilometres of mainline roadway; a large part of which has been landscaped.

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

3) Northern Territory Secure Facilities:

- Type: Availability-style
- Status: Operational
- Equity holding (per cent) BBGI: 100 per cent
- Total investment volume (debt and equity): A$620 million
- Financial close/operational: October 2011/November 2014
- Concession period: 30 years (post-construction) ending in 2044

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

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

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

4) Victoria Correctional Facilities

- Type: Availability-style
- Status: Operational
- Equity holding (per cent) BBGI: 100 per cent
- Total investment volume: A$244.5 million
- Financial close/operational: January 2004/March 2006
- Concession period: 25 years (post-construction) ending in 2031

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

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

The Project is currently undertaking a material expansion of its accommodation (276 beds) and associated infrastructure across both facilities. The Portfolio Company is managing the delivery of the works, which are expected to be complete by Q2 2024.

5) A1/A6 motorway

- Type: Availability-style
- Status: Operational
- Equity holding (per cent) BBGI: 37.14 per cent
- Total investment volume (debt and equity): €727.4 million
- Financial close/operational: February 2013/June 2017
- Concession period: 25 years (post-construction) ending in 2042

At the time of its launch, the A1/A6 Motorway project represented one of the largest greenfield PPP projects in the Netherlands and forms part of the wider Schiphol - Amsterdam - Almere (SAA) corridor. The project is for the design, construction, financing, and maintenance of 18 kilometres of the A1 and A6 motorways to the south of Amsterdam and involves re-routing and widening of the A1 (to 2 x 5 lanes and 2 reversible lanes), reconstruction of two major interchanges, expansion of the A6 (to 4 x 2 lanes and 2 reversible lanes) and the construction of various new bridges, an aqueduct and the longest free span railway bridge in Europe, as well as demolition of the old part of the A1.

The project forms part of a wider programme of five connected and adjacent projects, which together provide for significant extra road traffic capacity, reduced journey times and improved accessibility of the north flank of the economical heart of the Netherlands around Amsterdam. As a result, the liveability of the area has been improved significantly. In 2020, SAAone replaced all traditional street lighting, more than 2,000 fixtures in total with LED lighting, making the infrastructure more maintenance-friendly, more sustainable and more reliable than traditional lighting. Moreover, it decreases the CO_2-footprint of the project by at least 350 tons per year.

Market Trends and Pipeline

2023 and beyond

By many measures, 2022 was a difficult year, characterised by rising inflation worldwide, the end of lenient monetary policies, supply chain interruptions, and the conflict in Ukraine. These occurrences led global markets towards a downward trend, and the associated challenges persist into 2023.

While this environment may discourage investor confidence, we remain optimistic about our resilient and defensive business model, low-risk investment strategy and the markets in which we operate. As interest rates rise from historic lows, combined with inflation concerns and general uncertainty, the stability, inflation linkage and resilience associated with availability-style social infrastructure investments have ensured that it remains an attractive asset class.

Competition for these availability-style assets varies between markets. Availability-style social infrastructure remains an appealing sector to many investors, however it can be difficult for new entrants with big ambitions to deploy meaningful amounts of equity quickly since the typical transaction size is often smaller than other infrastructure investment opportunities, and individual asset sales are more common than large portfolio transactions. With a well-established platform, specialist skills, strong industry relationships and a reputation among sellers of transacting successfully, BBGI has been able to grow its portfolio from 19 assets at IPO to 56, whilst maintaining pricing discipline, and expects to be able to continue to do so in 2023 and beyond, subject to market conditions.

Across BBGI's target markets, infrastructure under-investment remains a prevalent issue. Public finance budget constraints require the private sector's involvement in providing the necessary funding and expertise to construct, maintain, and operate critical infrastructure assets. Many governments have ambitious plans to make significant infrastructure commitments that will generate employment, rejuvenate communities, transition to a low-carbon economy, and act as a stimulus for economic recovery. In the regions where we operate, there is a consistent baseline of new investment opportunities, and we anticipate this trend will continue.

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

As a result of this trend, BBGI completed two transactions with construction companies and PPP developers in 2022 and we anticipate that there will be further investment opportunities in 2023.

Our key markets offer a generally robust set of opportunities for availability-style transactions, which are likely to arise from various sources, including:

- A strategic partnership in North America with SNC-Lavalin, which has already led to the acquisition of six assets since 2017, along with a formal pipeline agreement covering four additional assets with a value of c.C$200 million. In this arrangement, BBGI has the option but not the obligation to transact.
- Ongoing bids for various secondary transactions, such as EU transportation and social opportunities.

- Soliciting off-market transactions through BBGI's extensive network of market participants in Australia, Europe, and North America.
- Acquisition of accretive equity interests from co-shareholders in existing assets.
- Participation in competitive sale processes, particularly to test pricing assumptions.
- Selective participation in primary investment opportunities and bids on new availability-style assets as part of public sector procurement processes.

We will continue to source opportunities to further diversify and expand our essential social infrastructure portfolio by considering investment opportunities with similar characteristics of low-risk, availability-style, long-term and inflation-linked revenues with public sector counterparties or a link to the public sector, whether through long-dated concessions or direct ownership of assets, with a strong approach to ESG.

Canada

Canada remains one of the most productive PPP markets globally, and it is also one of the Company's most established and stable markets. Nearly 300 assets in Canada have been procured under the PPP model, with a total value of over C$140 billion for assets currently in operation or under construction, including hospitals, education, courthouses, and transport assets.

In 2022, ten PPP transactions worth US$4.62 billion reached financial close in Canada, down from twelve transactions worth US$5.11 billion in 2021. Ontario has the largest pipeline of opportunities, as confirmed by its November 2022 market update, which emphasises its commitment to modernising public assets in the province, such as hospitals, highways, public transit, children's treatment centres, and correctional facilities. Infrastructure Ontario's plans include 26 projects in pre-procurement and 13 in active procurement, with a total estimated contract value of C$60 billion. The list also contains 16 government-announced projects in the early stages of planning and defining the project's scope, timing, and delivery model.

Although other provinces have smaller programmes, they are still promising. With 16 assets in Canada, BBGI is well-positioned to take part in an appealing primary pipeline or be a highly credible purchaser and manager of secondary assets when they become operational. We anticipate there will continue to be a diverse range of availability-style social infrastructure investment opportunities for BBGI to consider in 2023 and 2024, as assets developed over the past few years become operational and may come to market.

Additionally, the Company benefits from its North American strategic partnership with SNC-Lavalin, which covers four assets. We anticipate that the pipeline agreement could result in additional investment opportunities of over C$200 million over the next few years, all of which will be evaluated on a case-by-case basis.

Formal pipeline assets

Asset	Sector	Estimated Asset Capital Value[1]	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 (ON)	Road	C$1.2 billion	30 years
Champlain Bridge (Montreal, QC)	Road & Bridge	C$3.2 billion	30 years

[1] Includes both debt and equity.

UK and Ireland

Private capital has been essential to the maintenance and development of the UK's existing infrastructure, as well as the financing of new greenfield projects. The UK has one of the world's most established and attractive infrastructure markets for private investors, and the PFI market has grown significantly over the past few decades.

PFI was a method used by the UK Government to finance public infrastructure projects such as schools, hospitals, and roads. Over 700 PFI projects were signed in the UK between the early 1990s and the introduction of its successor, PF2, in 2012. However, PF2 was only used for a few projects before being discontinued in 2018, and the UK government is exploring alternative ways to finance public infrastructure projects.

This has meant that the greenfield infrastructure investment pipeline has been relatively subdued, although stronger in some areas (such as Wales) and sectors (such as water projects). Although there will not be a UK-wide replacement for the PFI or PF2 model, Wales has recently closed several private finance projects under its new Mutual Investment Model - including the widening of the A465 motorway and its 21st Century Schools programme. With Mutual Investment Model projects, the Welsh Government takes up to a 20 per cent stake in the special purpose company, providing the Government with a greater stake in the project's success and greater accountability. The UK Government is also developing new revenue support models and considering how existing models such as the Regulated Asset Base model and Contracts for Difference can be applied in new areas. It remains open to new ideas from the market.

Despite the decline in greenfield PPP procurement, the UK Government remains committed to major infrastructure investment, particularly in health, education, science, and defence, with plans to invest over £600 billion over the next five years. Private investment will also play a critical role in supporting the UK's net zero 2050 ambitions and in the green industrial revolution, with key sectors including energy transition, electric vehicle charging infrastructure, and fibre optic broadband.

We remain optimistic that PFI and PF2 deal flow will be replaced by next generation transaction procurement models with similar attributes and risk and return profiles to the traditional PFI procurement model.

The Company is committed to finding essential social infrastructure assets that fit our low-risk, availability-style, globally diversified investment strategy, and strong approach to ESG. As existing investors in Local Improvement Finance Trust assets, BBGI has title to the land and building for the significant majority of these LIFT assets and the availability payments are fully indexed with RPI.

We believe there may be interesting acquisition opportunities and pipeline for these types of primary care infrastructure assets in the UK and Ireland.

We continue to seek opportunities to expand our essential social infrastructure portfolio in the UK and Ireland, looking for investments with similar long-term and inflation-linked revenue streams with public sector counterparties or a link to the public sector. This may include long-term concessions or direct ownership of assets. We aim to diversify our portfolio while focusing on our low-risk and availability-based investment strategy, and ensuring our investments align with our strong ESG approach.

US

Since 2015, the US PPP market has experienced steady growth with more than 125 greenfield PPP deals reaching financial close and a total deal value exceeding US$60 billion. In 2022, the US PPP market hit a record with US$22 billion in projects reaching financial close. In 2021, the US ranked as the second-largest greenfield PPP market globally by deal value, with 26 greenfield PPP transactions reaching financial close for a total value of US$6 billion.

Historically, US municipalities and states have been less receptive to PPPs as the US procurement system is less structured and lacks a centralised and unified body. However, an increasing number of state legislatures are making PPPs more acceptable, and higher education institutions are turning to PPP agreements for a broader range of projects.

With the passing of the US$1.2 trillion Infrastructure Investment and Jobs Act (IIJA) in November 2021, this could act as a catalyst for more PPP investment in the US. The IIJA includes US$550 billion in new funding to rebuild roads and bridges, clean water infrastructure resilience, EV charging infrastructure, broadband, and more. The IIJA also expands how states and localities may use Private Activity Bonds (PAB) to help finance projects involving private investment, such as carbon capture and broadband access.

A recent study by White & Case and Acuris Studios[xiii] found that 86 per cent of public authorities interviewed agreed that PPPs were the preferred way to deliver infrastructure projects. There is optimism that an attractive pipeline of infrastructure projects will emerge over time.

Continental Europe

While many European countries have slowed down their PPP programmes, others are pushing ahead. Overall, Continental European infrastructure markets remain active with certain countries offering a pipeline of new assets as well as secondary opportunities. We believe these markets are likely to provide attractive investment opportunities over the medium term.

Belgium

Though Belgium has had an active PPP pipeline, the number and value of closed projects has declined in recent years. Over the past two years, a large schools package, Antwerp Prison and Ghent R4 all reached financial close. The relative infancy of the Belgian PPP market continues to hinder secondary activity, but we anticipate increase activity following construction completion of some of the recent projects.

Germany

In Germany, the federal government has shown a positive attitude towards the use of PPPs and some projects are expected to come to the market in the short to medium term.

With seven existing assets in Germany including our first road investment made in September 2022 in the A7 Motorway, strong credentials, and German language skills among our senior executive and asset management teams, BBGI is well positioned to consider any upcoming opportunities.

Netherlands

Over the past decade, the Netherlands has established itself as a dependable market for social infrastructure investment, consistently delivering a sizeable stream of deals that have attracted significant international developers and financiers.

Despite the absence of a centralised PPP authority or a comprehensive legislative framework for PPPs, the Central Government Real Estate Agency (Rijksvastgoedbedrijf) has taken charge of all large PPP housing projects for the central government and its agencies. These projects include court buildings, hospitals, correctional facilities, government offices, and museums. Decentralised authorities, such as provinces and municipalities, also manage PPP projects related to social, healthcare, or public institution accommodation.

Rijkswaterstaat is responsible for major infrastructural PPP projects, such as motor highways, floodgates, and tunnels.

Since 2017, the Dutch PPP market has experienced a slowdown, with the Government completing its road PPP pipeline in June 2018, which was previously a crucial source of greenfield investment. Nevertheless, in August 2021, Rijkswaterstaat revealed it had engaged a team of advisers, including Deloitte, EY, PwC, Rebel, and Turner & Townsend, to provide financial and economic guidance for future PPP projects.

With Dutch language skills among our asset management team, and significant investments in the A1/A6 and N18 motorways in the Netherlands as well as a civic facility in Westland, BBGI is well positioned in the Dutch secondary market for social infrastructure.

Australia

Over the last decade, Australia has been very active in the development of social infrastructure projects. Each state and territory have appointed a lead government agency to implement PPP policies. Infrastructure Australia provides advice on Australia's infrastructure priorities.

Although the market dipped in 2020 due to COVID-19, it recovered quickly and 2021 and 2022 were both record years in terms of total transaction value - reflected by the Australian Government's historic A$110 billion infrastructure commitment.

PPPs in Australia have been very active with the establishment of the National PPP Policy Framework in 2008. In 2021, closed PPP projects reached A$27 billion and in 2022 a new record was set with more than A$37 billion in PPP projects closed. Since January 2015, over 30 greenfield PPP projects have closed.

The transport sector has traditionally dominated the nation's PPP market. Since 2015, more than 85 per cent of deal value from greenfield transactions has come from the transport sector. Twelve greenfield social infrastructure deals have closed since 2015, with a value of A$7.5 billion.

Healthcare is the most active sub-sector at A$5.0 billion, including notable deals such as the A$1.8 billion Footscray Hospital Redevelopment in Victoria.

New South Wales and Victoria, the two biggest states, are each spending A$90 billion over four years on major projects. There may be some later investment opportunities in Queensland connected to Brisbane winning the 2032 Summer Olympics. In addition to the aforementioned primary opportunities, we expect some construction companies and investors may look to sell equity in projects once the construction is completed and the assets have been de-risked.

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

Growth outlook

Over the last decade, BBGI has been able to grow its portfolio consistently, while maintaining price discipline and a selective and disciplined approach to evaluating potential investment opportunities. We expect this trend to continue into 2023 and beyond. We expect our growth to come predominantly from secondary market opportunities and in certain cases from primary bidding opportunities.

Operating and Financial Review

The Management Board is pleased to present the Operating and Financial Review for the year ended 31 December 2022.

Highlights and Key Performance Indicators

Refer to the Financial Highlights section for a summary of the Year in Numbers for 2022. Certain key performance indicators ('KPIs') for the past five years are outlined below:

KPI	Target	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Commentary

Dividends (paid or declared)	Progressive long-term dividend growth in pence per share	6.75	7.00	7.18	7.33	7.48	Achieved Targets: 7.93pps for 2023, 8.40pps for 2024 and 8.57pps for 2025
NAV per share	Positive NAV per share growth	2.8%	2.0%	1.2%	2.1%	6.6%	Achieved
Annualised total shareholder return since IPO	7% to 8% on IPO issue price of £1 per share	11.2%	11.3%	11.0%	10.4%	8.8%	Achieved
Ongoing charge	Competitive cost position	0.93%	0.88%	0.86%	0.86%	0.87%	Achieved
Cash dividend cover	> 1.0x	1.50x	1.30x	1.27x	1.31x	1.47x	Achieved
Refinancing risk (as a percentage of portfolio)	Minimise refinancing risk	7%	6%	7%	6%	5%	Achieved
Asset availability	> 98% asset availability	Yes	Yes	Yes	Yes	Yes	Achieved
Single asset concentration risk (as a percentage of portfolio value)	To be less than 25% of portfolio at time of acquisition	11% (GEB)	10% (GEB)	9% (GEB)	11% (ORB)	11% (ORB)	Achieved
Availability-style assets (as a percentage of portfolio)	Maximise availability-based assets	100%	100%	100%	100%	100%	Achieved

Asset Management

Cash performance

The Company's portfolio of 56 availability-style infrastructure investments continued to perform well during the year with cash flows ahead of forecast and the underlying financial models.

Construction exposure

The Company's investment policy is to invest principally in assets that are operational and 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 gaining exposure to the potential NAV uplift that occurs when assets move from a successful construction stage to the operational stage. The Company has demonstrated 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.

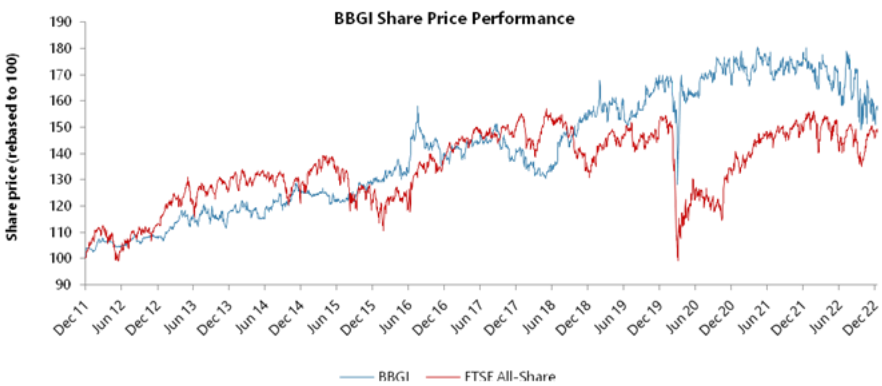
As at 31 December 2022, approximately 99.5 per cent of the assets were operational with only one project, Highway 104 in Nova Scotia, Canada, under construction, with completion expected in 2023.

Investment performance

Returns track record

The share price closed the year at 156.6pps, representing a 4.5 per cent premium to the NAV per share at the year-end.
The total NAV return per share since IPO to 31 December 2022 was 160.9 per cent or 9.1 per cent on an annualised basis. TSR since IPO to 31 December 2022 was 152.6 per cent or 8.8 per cent on an annualised basis and exceeds the 7 per cent to 8 per cent IRR target on IPO issue price of £1 per share.

We believe a key benefit of the portfolio is the high-quality cash flows derived from long-term availability-style government or government-backed contracts with high-quality inflation linkages. As a result, portfolio performance has been largely uncorrelated to the many wider macroeconomic factors that may cause market volatility in other sectors. Against the FTSE All-Share, the Company has shown a low ten-year correlation of 25.8 per cent and a beta of 0.24[xiv].



Distribution policy

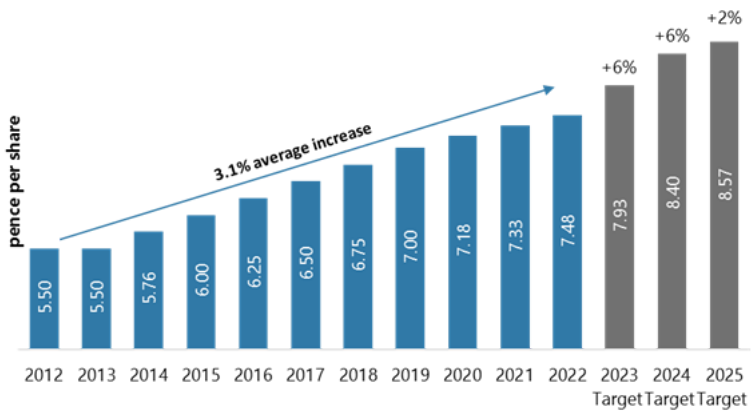
Distributions on ordinary shares are planned to be paid twice a year, normally in respect of the six months ended 30 June and the six months ended 31 December.

Dividends

In April 2022, the Company paid a second interim dividend of 3.665pps for the period 1 July 2021 to 31 December 2021. The 2022 interim dividend of 3.74pps for the period 1 January to 30 June 2022 was paid on 20 October 2022. In February 2023, subsequent to the year-end, the Company declared a second interim dividend of 3.74pps in respect of the six-month period ended 31 December 2022. This resulted in a total dividend of 7.48pps for the year ended 31 December 2022.

We are reaffirming our progressive dividend policy with revised target dividends of 7.93pps and 8.40pps for 2023 and 2024, respectively. We are also introducing a new dividend target for 2025 of 8.57pps.

Proven progressive dividend policy



- Average annual dividend increases of 3.1 per cent from 2012 to 2022
- FY 2023 revised upwards to 7.93pps[xv], a 6.0 per cent increase
- FY 2024 revised upwards to 8.40pps[15] a 6.0 per cent increase
- FY 2025 new target dividend of 8.57pps[15] a 2.0 per cent increase

Investor communications

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

The Company formally reports twice a year through its Annual and Interim Reports. Other Company information 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 by the Management Board and the Corporate Brokers and, together with the feedback from results meetings, is reported to the Supervisory Board. Throughout the year, 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.

While shareholder engagement is typically conducted by the Co-CEOs, the Chair of the Supervisory Board and Chairs of each committee, make themselves available throughout the year to understand shareholder views on governance and performance.

In 2021 we undertook a comprehensive materiality assessment among our employees, shareholders, clients, partners and subcontractors to identify ten material topics influencing our ESG strategy. These ten topics have informed key ESG commitments and KPIs that we are now tracking to ensure incremental progress in our delivery of positive stakeholder outcomes. A progress update of each KPI is provided annually in our ESG report.

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

Share capital

The issued share capital of the Company is 713,331,077 ordinary shares of no-par value. All of the issued ordinary shares rank pari passu. During the year ended 31 December 2022, the Company issued 1,205,272 ordinary 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

The Management Board will actively monitor any discount to the NAV per share at which the ordinary shares may trade and will report to the Supervisory Board on any such discount and to the extent appropriate 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.
- Make tender offers for ordinary shares.

No shares have been bought back during the year ended 31 December 2022. The most recent authority to purchase ordinary shares, which may be held in treasury or subsequently cancelled, was granted to the Company on 29 April 2022. This authority expires on the date of the next Annual General Meeting ('AGM') to be held on 28 April 2023, at which point the Company will propose to renew its authority to buy back ordinary shares.

Continuation vote

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

Valuation

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

The Company's investments are principally non-market traded investments with predictable long-term availability-style revenue; therefore, the valuation is determined using the discounted cash flow methodology. The Company makes forecast assumptions for key macroeconomic factors that impact the cash flow forecasts of investments such as inflation rates and deposit rates, and we adjust for any enacted changes in taxation rates during the reporting period. Our assumptions are based on market data, publicly available economic forecasts, and long-term historical averages. In addition, we exercise judgement in assessing the expected future cash flows from each investment based on the detailed financial models produced by each Portfolio Company, adjusting these financial models where necessary to reflect the Company's assumptions as well as any specific cash flow assumptions. The Company's consolidated valuation is a sum-of-the-parts valuation with no further adjustments made to reflect scale, scarcity or diversification of the overall portfolio.

The fair value of each investment is then derived from the application of an appropriate discount rate, alongside contracted foreign exchange rates or reporting period-end foreign exchange rates, and withholding taxes (as applicable). The discount rate applied takes into consideration risks associated with the investment, including the phase of the investment (construction, ramp-up or stable operation), investment-specific risks and opportunities, as well as country-specific factors. The Company uses judgement in determining the appropriate discount rates. This judgement is based on the Company's 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. As government bond yields have increased significantly in 2022, there was limited transactional market data available in the second half of 2022. BBGI has therefore complemented its market-based approach for this reporting period by using the capital asset pricing model where government risk free rates plus an equity risk premium are used to calculate discount rates. This method is used as a reasonability check to our market-based approach.

The valuation methodology remains unchanged from previous reporting periods.

A breakdown of the movements in the NAV is shown in the chart below.

NAV movement 31 December 2021 to 31 December 2022

The NAV at 31 December 2022 was £1,069.2 million (31 December 2021: £1,001.6 million), representing an increase of 6.7 per cent.

NAV movement 31 December 2021 to 31 December 2022	**£ million**
NAV at 31 December 2021	**1,001.6**
Deduct: other net assets at 31 December 2021[i]	(26.4)
Portfolio value at 31 December 2021	**975.2**
Acquisitions[ii]	64.4
Distributions from investments[iii]	(93.5)
Rebased opening portfolio value at 1 January 2022	946.1
Portfolio return[iv]	81.5
Change in market discount rate	(28.5)
Change in macroeconomic assumptions	60.7
Foreign exchange net movement[v]	37.1
Portfolio value at 31 December 2022	1,097.0
Other net liabilities at 31 December 2022[i]	(27.9)
NAV at 31 December 2022	**1,069.2**

[i] These figures represent the net assets of the Group after excluding the investments at fair value through profit or loss ('Investments at FVPL') and the net position on currency hedging instruments. Refer to the Pro Forma Balance Sheet in the Financial Results section of this Annual Report for further breakdown.

[ii] Refer to the Portfolio Review section of this Annual Report for further details on acquisitions during the year.

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

[iv] Portfolio Return comprises the unwinding of the discount rate, portfolio performance, the net effect of actual inflation, and updated operating assumptions to reflect current expectations.

[v] Includes the net asset from balance sheet hedging of £2.9 million. Under IFRS, this net asset is recorded separately as a derivative financial asset in the Consolidated Statement of Financial Position.

Key drivers for NAV change

The rebased opening portfolio value, after considering acquisitions in the reporting period of £64.4 million and cash distributions from investments of (£93.5) million was £946.1 million.

Portfolio return comprises the unwinding of the discount rate, portfolio performance, the net effect of actual inflation, and updated operating assumptions:

During the year, the Company recognised an £81.5 million portfolio return, representing an 8.1 per cent increase in the NAV from the unwinding of discount rates, the net effect of actual inflation and portfolio performance to reflect current expectations based on the Company's hands-on active asset management. As the Company moves closer to forecasted investment distribution dates, the time value of those cash flows increases on a net present value basis and this effect is called unwinding.

Change in macroeconomic assumptions:

During the year, the Company recognised an increase in the portfolio value of £60.7 million, or a 6.1 per cent increase in the NAV, resulting from changes in macroeconomic assumptions. The main drivers were an increase in the short-term inflation and deposit rates of £75.1 million, which were partially offset by a provision for additional taxes of c. £12.5 million, likely to be realised based on expected change in interest limitation rules.[xvi]

Short-term inflation is forecast to remain at an elevated level compared to long-term assumptions and as a result, we believe it appropriate to incorporate a two-year short-term inflation forecast assumption in our operational jurisdictions.

In total, the combined effect of revised short-term inflation forecasts and the update of actual inflation (included in Portfolio Return, above) resulted in a £76.2 million, or a 7.6 per cent increase in NAV, and this demonstrates the contracted high-quality inflation linkage of our investment proposition. See also the Alternative Performance Measures section for further details on our inflation linkage.

Short-term deposit rates have risen in conjunction with the increase in underlying benchmark rates and are expected to remain at elevated levels in most jurisdictions. We also believe it appropriate to update some of our long-term deposit rate assumptions to reflect the current rate environment. The effect of revised deposit rate assumptions resulted in a £15.8 million, or a 1.6 per cent increase in NAV.

Foreign exchange:

The forecasted distributions from investments are converted to Sterling at either the contracted foreign exchange rate, for 100 per cent of non-Sterling and non-Euro denominated cash flows forecast to be received over the next four years on an annual rolling basis, or at the closing foreign exchange rate for the 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 2022, the depreciation of Sterling (GBP) against the Canadian Dollar (CAD), Australian Dollar (AUD), the Euro (EUR), and the US Dollar (USD), and the slight appreciation of Sterling against the Norwegian Krone (NOK) accounted for a net increase in the portfolio value of £37.1 million, which includes the unrealised result from the Company's balance sheet hedging. Since IPO in December 2011, the net cumulative effect of foreign exchange movements on the portfolio value, after considering the effect of balance sheet hedging, has been an increase of £11.9 million, or 1.1 per cent of the 31 December 2022 NAV.

The table below shows the closing exchange rates, which were used to convert unhedged future cash flows into the reporting currency at 31 December 2022.

GBP/	Valuation impact	FX rates as of 31 December 2022	FX rates as of 31 December 2021	FX rate change
AUD	Positive	1.7743	1.8607	4.64%
CAD	Positive	1.6386	1.7159	4.50%
EUR	Positive	1.1298	1.1912	5.15%
NOK	Negative	11.9150	11.9114	(0.03%)
USD	Positive	1.2097	1.3512	10.47%

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

The Group uses forward currency swaps to (i) hedge 100 per cent of forecasted cash flows over the next four years on an annual rolling basis and (ii) to implement balance sheet hedging in order to limit the decrease in the NAV to approximately three per cent, for a ten per cent adverse movement in foreign exchange rates.[xvii] This is achieved by hedging a portion of the non-Sterling and non-Euro portfolio value.[xviii] The effect 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 at 31 December 2022 would need to be approximately 74 per cent to obtain the same NAV sensitivity to a ten per cent adverse change in foreign exchange rates, as shown in the Foreign Exchange Sensitivity table below.

Macroeconomic events

The quality and predictability of portfolio cash flows has come into sharper focus given uncertainty in the markets generally and continued elevated inflation levels in particular. Against this backdrop, the Company is well-positioned through its contracted high-quality inflation linkage, which is achieved through annually updated contractual indexation in the Company's project agreements.

Additionally, there has been no material adverse effect on the portfolio valuation resulting from the war in Ukraine. This is primarily as a result of the Company holding a low-risk, 100 per cent availability-style portfolio, coupled with strong stakeholder collaboration.

Discount rates

The market for availability-style transactions continued to be competitive with discount rates, based on our market observations, remaining largely stable during the first half of 2022. During the second half of 2022, the number of availability-style transactions slowed materially in part due to the changing macroeconomic environment. As transactional data is limited, the Company complemented its market-based approach for this reporting period by using the capital asset pricing model where government risk free rates plus an equity risk premium are used to calculate discount rates. This analysis is used as a plausibility check for our market-based approach. While there is no direct correlation between government bond yields and the risk premium on the one hand and market discount rates on the other, the equity risk premium is a useful additional data point. As at 31 December 2022, the risk premium is 310 basis points over the weighted average government bond yield of 380 basis points. The Company believes that a risk premium in the range of 250 to 350 basis points is appropriate for the low-risk availability style assets in our portfolio. This is supported by an announcement of the German Network Agency, which calculated equity risk premium for regulated gas and assets of around 3 per cent. As it is generally accepted that PPP/PFI assets have a lower risk profile than regulated assets, on this basis the risk premium for PPP/PFI assets should be generally around the 3 per cent mark.

Going forward, the Company believes that investment demand in the availability-style social infrastructure providing long-term predictable inflation-linked characteristics will remain strong.

Based on data from transactional activity, benchmark analysis with comparable companies and sectors, discussions with advisers in the relevant markets, publicly available information gathered over the year and equity risk premium over government bond yields, we have increased the weighted average discount rate to 6.9 per cent (31 December 2021: 6.6 per cent). This methodology calculates the weighted average based on the value of each investment in proportion to the total portfolio value, i.e. based on the net present value of their respective future cash flows.

Specific discount rates consider risks associated with the investment including the phase the investment is in, such as construction, ramp-up or stable operation, investment-specific risks and opportunities, as well as country-specific factors. We apply 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 approximately 0.5 per cent of the overall portfolio value. Construction is expected to be completed in 2023. We have also applied a risk premium or discount to a limited number of other investments to reflect the individual situations. For example, adjustments have been applied to acute hospitals in the UK, where a risk premium of 50bps continues to be applied. The only UK acute hospital in the portfolio is Gloucester Royal Hospital, which represents less than one per cent of the overall NAV. 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.

Macroeconomic assumptions

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

		31 December 2022	31 December 2021
Inflation	UK(i) RPI/CPIH	13.4% (actual) for 2022; 5.8% for 2023 then 2.75% (RPI) / 2.0% (CPIH)	2.75% / 2.00%
	Canada	6.3% (actual) for 2022; 4.0% for 2023; 2.3% for 2024 then 2.0%	2.00% / 2.35%
	Australia	8.0% for 2022; 4.75% for 2023 3.25% for 2024 then 2.5%	2.50%
	Germany/ Netherlands(ii)	8.4% for 2022; 6.3% for 2023; 3.4% for 2024 then 2.0%	2.00%
	Norway(ii)	5.9% (actual) for 2022; 4.9% for 2023 then 2.25%	2.25%
	US	6.5% (actual) for 2022; 3.4% for 2023 then 2.5%	2.50%
Deposit rates (p.a.)	UK	2.00% to 2024, then 1.50%	0.00% to 2023, then 1.00%
	Canada	3.50% to 2024, then 1.75%	0.50% to 2023, then 1.50%

	Australia	3.25% to 2024, then 3.00%	0.25% to 2023, then 2.00%
	Germany/ Netherlands	0.50% to 2024, then 1.0%	0.00% to 2023, then 0.50%
	Norway	2.00% to 2024, then 2.00%	0.00% to 2023, then 2.00%
	US	3.75% to 2024, then 1.50%	0.00% to 2023, then 1.50%
Corporate tax rates (p.a.)	UK	19.00% until March 2023 then 25%	19.0% to Q1 2023, then 25.0%
	Canada(iii)	23.00% / 26.50% / 27.00% / 29.00%	23.0% / 26.5% / 27.0% / 29.0%
	Australia	30.00%	30.0%
	Germany(iv)	15.83% (incl. solidarity charge)	15.8% (incl. solidarity charge)
	Netherlands	25.80%	25.8%
	Norway	22.00%	22.0%
	US	21.00%	21.0%

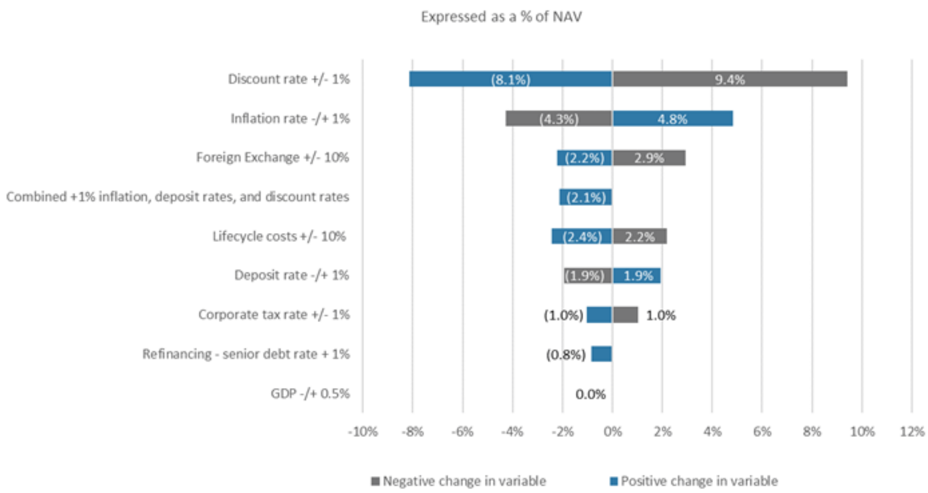
(i) On 25 November 2020, the UK Government announced the phasing out of RPI after 2030 to be replaced with CPIH; the Company's UK portfolio indexation factor changes from RPI to CPIH beginning on 1 January 2031.

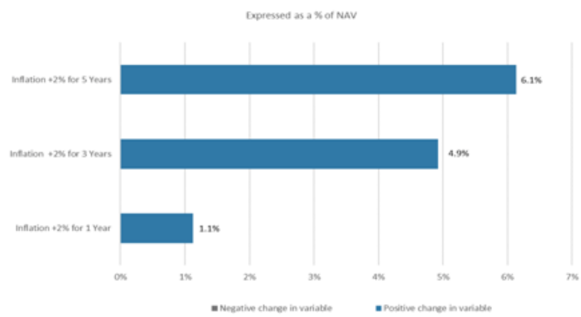
(ii) CPI indexation only. Where investments are subject to a basket of indices, a projection for non-CPI indices is used.

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

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

Sensitivities





Discount rate sensitivity

The weighted average discount rate 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(i)	Change in NAV 31 December 2022
Increase by 1% to c. 7.9%	(£87.1) million, i.e. (8.1)%
Decrease by 1% to c. 5.9%	£100.7 million, i.e. 9.4%

(i) Based on the weighted average rate of 6.9 per cent.

Inflation has increased in all jurisdictions across BBGI's geographies and interest rates have risen from historical lows. In the event long-term interest rates rise substantially further, this is likely to affect discount rates, and as a result, negatively impact portfolio valuation.

Combined sensitivity: inflation, deposit rates and discount rates

It is reasonable to assume that if discount rates increase, then deposit rates and inflation would also be affected. To illustrate the effect of this combined movement on the Company's NAV, a scenario was created assuming a one percentage point increase in the weighted average discount rate to 7.9 per cent, and a one percentage point increase in both deposit and inflation above the macroeconomic assumptions.

Combined sensitivity: inflation, deposit rates and discount rates	Change in NAV 31 December 2022
Increase by 1%	(£22.8) million, i.e. (2.1)%

Inflation sensitivity

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

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

Inflation sensitivity

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

Inflation sensitivity	Change in NAV 31 December 2022
Inflation +1%	£51.5 million, i.e. 4.8%
Inflation −1%	(£45.5) million, i.e. (4.3)%

Short-term inflation sensitivity

It is reasonable to assume that inflation could be elevated for the short-term before diminishing. To illustrate the effect of persistent higher short-term inflation on the Company's NAV, three scenarios were created assuming inflation is two percentage points above our assumptions for the next one, three and five years.

Short-term inflation sensitivity	Change in NAV 31 December 2022
Inflation +2% for one year	£12.0 million, i.e. 1.1%
Inflation +2% for three years	£52.6 million, i.e. 4.9%
Inflation +2% for five years	£65.6 million, i.e. 6.1%

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(i)	Change in NAV 31 December 2022
Increase by 10%	(£23.7) million, i.e. (2.2)%
Decrease by 10%	£31.5 million, i.e. 2.9%

(i) Sensitivity in comparison to the spot foreign exchange rates at 31 December 2022 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

Portfolio Companies typically have cash deposits that are required to be maintained as part of the senior debt funding requirements (e.g. six-month debt service reserve accounts and maintenance reserve accounts). BBGI's proportionate interest in the total deposits held by the Portfolio Companies exceed £400 million. 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 long-term assumptions in the table above:

Deposit rate sensitivity	Change in NAV 31 December 2022
Deposit rate +1%	£20.7 million, i.e. 1.9%
Deposit rate −1%	(£20.7) million, i.e. (1.9)%

Lifecycle costs sensitivity

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

Of the 56 investments in the portfolio at year-end, 20 investments retain the lifecycle obligations. The remaining 36 investments have this obligation passed down to the subcontractor.

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

Lifecycle costs sensitivity(i)	Change in NAV 31 December 2022
Increase by 10%	(£26.0) million, i.e. (2.4)%
Decrease by 10%	£23.5 million, i.e. 2.2%

(i) Sensitivity applied to the 20 investments in the portfolio that retain the lifecycle obligation i.e. the obligation is not passed down to the subcontractor.

Corporate tax rate sensitivity

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

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

Corporate tax rate sensitivity	Change in NAV 31 December 2022
Tax rate +1%	(£11.2) million, i.e. (1.0)%
Tax rate −1%	£11.0 million, i.e. 1.0%

Refinancing: senior debt rate sensitivity

Assumptions are used where a refinancing of senior debt 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 one percentage point increase to the forecasted debt rate.

Senior debt refinancing sensitivity	Change in NAV 31 December 2022
Debt rate +1%	(£9.1) million, i.e. (0.8)%

Gross Domestic Product sensitivity

Our 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 the NAV calculation include:

- Discount rates and the Assumptions, as set out above, continue to be applicable.
- The updated financial models used for the valuation accurately reflect the terms of all agreements relating to the Portfolio Companies and represent a fair and reasonable estimation of future cash flows accruing to the Portfolio Companies.
- Cash flows from and to the Portfolio Companies are received and made at the times anticipated.
- Non-UK investments are valued in local currency and converted to Sterling at either the period-end spot foreign exchange rates or the contracted foreign exchange rate.
- Where the operating costs of the Portfolio Companies are contractually fixed, 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 current forecasts in the valuation models.
- Contractual payments to the Portfolio Companies remain on track and contracts with public sector or public sector backed counterparties are not terminated before their contractual expiry date.
- Any deductions or abatements during the operations period of Portfolio Companies are passed down to subcontractors under contractual arrangements or are part of the planned (lifecycle) forecasts.
- Changes to the concession period for certain investments are realised.
- In cases where the Portfolio Companies have contracts which are in the construction phase, they are either completed on time or any delay costs are borne by the construction contractors.
- Enacted tax or regulatory changes, or forecast changes with a high probability, on or prior to this reporting period-end with a future effect materially impacting cash flow forecasts, are reflected in the financial models.

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

Financial Results

The Consolidated Financial Statements of the Group for the year ended 31 December 2022 are in the Financial Statements section of this Annual Report.

Basis of accounting

We have prepared the Group's 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. 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. The accounting principles applied are in line with those principles applied in the prior year reporting.

Income and costs

Pro forma Income Statement *Investment Basis*	**Year ended 31 Dec 22 £ million**	**Year ended 31 Dec 21 £ million**
Income from Investments at FVPL	**137.6**	73.6
Other operating income	**0.1**	0.7
Operating income	**137.7**	74.3
Administrative expenses	**(11.7)**	(10.2)
Other operating expenses	**(1.5)**	(1.5)
Net finance result	**(2.0)**	(1.9)
Profit before tax	**122.5**	60.7
Tax expense - net	**(3.5)**	(2.7)
Profit for the year	**119.0**	58.0
Other comprehensive loss	**(0.5)**	(0.6)

Total comprehensive income	**118.5**	57.4
Basic earnings per share (pence)	**16.7**	8.47

During the year, the Group recognised income from Investments at FVPL of £137.6 million (31 December 2021: £73.6 million). This income from Investments at FVPL is made up of a combination of the positive effect of inflation and deposit interest rate increases, the net effect of foreign exchange on the portfolio value, the unwinding of discount and value enhancements. Further detail on the income generated by the Group's Investments at FVPL is provided in the Valuation section of this Annual Report.

During the year, the Company recognised a net loss of £10.6 million on balance sheet hedging and £11.3 million on cash flow hedging (31 December 2021: £0.8 million net loss on balance sheet hedging and £1.0 million net loss on cash flow hedging). The net result of balance sheet and cash flow hedging is included in the income from Investments at FVPL.

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

Profit for the year ended 31 December 2022 increased by 105.2 per cent to £119.0 million (31 December 2021: £58.0 million).

Group Level Corporate Cost Analysis

The table below is prepared on an accrual basis.

Corporate costs	Year ended 31 Dec 22 £ million	Year ended 31 Dec 21 £ million
Net finance result	**2.0**	2.0
Personnel expenses	**7.9**	6.9
Legal and professional fees	**2.6**	2.5
Office and administration	**1.2**	0.8
Acquisition-related costs	**0.6**	1.5
Taxes	**3.5**	2.7
Corporate costs	**17.8**	16.4

The net finance result for the year was £2.0 million (31 December 2021: £2.0 million) and reflects borrowing costs, commitment fees and other fees relating to the Group's RCF. At 31 December 2022, the Group had £57.5 million of borrowings outstanding under the RCF.

Personnel expenses for the year were £7.9 million (31 December 2021: £6.9 million) with the increase driven largely by inflation adjustments to staff salaries and movements in foreign exchange rates.

Acquisition-related costs incurred during the year amounted to £0.6 million (31 December 2021: £1.5 million), which include unsuccessful bid costs amounting to less than £0.1 million (31 December 2021: £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 April 2022.

Ongoing Charges Information	Year ended 31 Dec 22 £ million	Year ended 31 Dec 21 £ million
Ongoing Charges (using AIC recommended methodology)	**0.87%**	0.86%

In accordance with the AIC recommended methodology, fees that are linked to investment performance could be viewed as analogous to performance fees paid by externally managed investment companies and should therefore be excluded from the principal OGC calculation.

Fees directly linked to investment performance recorded in 2022 as a percentage of average NAV were 0.09 per cent (2021: 0.10 per cent). Combined, the aggregate of Ongoing Charges plus investment performance fees was 0.96 per cent in the year (2021: 0.96 per cent).

For the year ended 31 December 2022, and in line with AIC recommendations, certain non-recurring costs were excluded from the Ongoing charges, most notably acquisition-related advisory costs of £0.6 million, taxes of £3.5 million and the net finance result of £2.0 million.

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

	Year ended 31 Dec 22 £ million (except %)	Year ended 31 Dec 21 £ million (except %)
Administration expenses to 31 December	**11.7**	10.2
Less: Non-recurring costs as per AIC guidelines		
Non-recurring professional and external advisory costs	**(0.6)**	(0.2)
Personnel costs related to acquisition or non-recurring	**(0.8)**	(0.9)
Compensation linked to investment performance	**(1.0)**	(1.0)
Other non-recurring costs	**-**	-
Ongoing charges[(i)]	**9.3**	8.3
Divided by:		
Average undiluted Investment Basis NAV for 2022 (average of 31 December 2022: £1,069.2 million and 30 June 2022: £1,068.7 million)	**1,069.0**	959.9
Ongoing Charges percentage[(i)]	**0.87%**	0.86%

[(i)] Figures reported are based on actual results rather than the rounded figures presented in this table.

Cash flows

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

	Year ended 31 Dec 22	Year ended 31 Dec 21

	£ million	£ million
Distributions from Investments at FVPL[(i)]	**96.3**	75.1
Net cash used in operating activities	**(20.3)**	(12.1)
Additional Investments at FVPL and other assets	**(64.5)**	(79.2)
Realised hedging loss on investing activities	**(12.6)**	(1.6)
Net cash flows from financing activities	**3.8**	24.3
Impact of foreign exchange gain/(loss) on cash and cash equivalents	**1.5**	(0.2)
Net cash inflow	**4.2**	6.3

(i) *Distributions in the above table are shown gross of withholding tax. The associated withholding tax outflow is included in 'Net cash flows used in operating activities'.*

The performance of the Group's portfolio of investments continued to be strong during the year, with gross distributions coming in ahead of business plan, up 28.2 per cent on a comparative basis.

Cash dividends paid during the year ended 31 December 2022 amounted to £51.7 million, an increase of £3.7 million on the previous year.

Refer to the Consolidated Statement of Cash Flows for further details on cash flows during the year ended 31 December 2022.

Cash dividend cover

For the year ended 31 December 2022, the Group achieved a cash dividend cover ratio of 1.47x (year ended 31 December 2021: 1.31x) calculated as follows:

	31 Dec 2022 £ million (except ratio)	31 Dec 2021 £ million (except ratio)
Distributions from Investments at FVPL	**96.3**	75.1
Less: Net cash flows used in operating activities	**(20.3)**	(12.1)
Net distributions	**76.0**	63.0
Divided by: Cash dividends paid	**51.7**	48.0
Cash dividend cover (ratio)	**1.47x**	1.31x

The strong cash dividend coverage for the year was underpinned by BBGI's contracted, high-quality inflation-linked portfolio cash flows. Furthermore, the Company received additional distributions during the year that were outside of the contracted cash flows, including the proceeds from the completion of an opportunistic refinancing and a tax refund, which was not forecasted in the reporting period.

Pro Forma Balance Sheet

	Investment Basis[(i)] £ million	Investment Basis[(i)] £ million
Investments at FVPL	**1,097.0**	975.2
Trade and other receivables	**0.9**	1.0
Other assets and liabilities (net)	**(2.4)**	(2.4)
Net cash (debt)	**(26.3)**	26.9
Derivative financial asset (liability) - net	**-**	0.9
NAV attributable to ordinary shares	**1,069.2**	1,001.6

(i) 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 2022, the Group has 56 availability-style Investments at FVPL (31 December 2021: 54), with cash and cash equivalents amounting to £31.2 million (£26.9 million as at 31 December 2021).

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

	31 Dec 22 £ million	31 Dec 21 £ million
Cash and cash equivalent	**31.2**	26.9
Loans and borrowings	**(56.4)**	(0.2)
Unamortised debt issue costs/RCF related fees	**(1.1)**	0.2
Outstanding loan drawdown	**(57.5)**	-
Net cash (debt)	**(26.3)**	26.9

Three-year comparative of Investment Basis NAV	31 Dec 22	31 Dec 21	31 Dec 20
NAV (millions)	**1,069.2**	1,001.6	916.0
NAV per share (pence)	**149.9**	140.7	137.8

The Investment Basis NAV increased by 6.7 per cent to £1,069.2 million at 31 December 2022 (31 December 2021: £1,001.6 million), and by 6.6 per cent on an Investment Basis NAV per share basis. The Investment Basis NAV per share is calculated by dividing the Investment Basis NAV by the number of Company shares issued and outstanding at the end of the reporting period. This information presents the residual claim of each shareholder to the net assets of the Group.

Alternative Performance Measures ('APM')

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

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

APM	Explanation	31 December 2022	31 December 2021
Annualised total NAV return per share	On a compounded annual growth rate basis. This represents the steady state annual growth rate based on the NAV per share at 31 December 2022 assuming dividends declared since IPO in December 2011 have been reinvested.[xix]	**9.1%**	8.8%
Annualised Total Shareholder Return Since IPO ('Annualised TSR')	On a compounded annual growth rate basis. This represents the steady state annual growth rate based on share price as at 31 December 2022, assuming dividends declared since IPO in December 2011 have been reinvested. Investment performance can be assessed by comparing this figure to the 7 per cent to 8 per cent TSR target set at IPO.	**8.8%**	10.4%
Asset availability	Calculated as a percentage of actual availability payments received, as a percentage of scheduled availability fee payments. The Company targets a rate in excess of 98 per cent. A high asset availability rate can be viewed as a proxy to strong underlying asset performance.	**99.9%**	99.9%
Cash dividend cover ratio	The cash dividend cover ratio is a multiple that divides the total net cash generated in the period (available for distribution to investors) by the total cash dividends paid in the period based on the cash flow from operating activities under IFRS. A high cash dividend cover ratio reduces the risk that the Group will not be able to continue making fully covered dividend payments.	**1.47x**	1.31x
Inflation linkage	Represents the contractual, index-linked provisions, which adjust annually to provide a positive and high-quality link to inflation. The measure represents the increase in portfolio returns if inflation is one percentage point higher than our modelled assumptions for all future periods. Under current assumptions, the expected portfolio return would increase from 6.9 per cent to 7.4 per cent for a one percentage point increase to our inflation assumptions.	**0.5%**	0.4%
Net cash (debt)	This amount, when considered in conjunction with the available commitment under the Group's RCF (unutilised RCF amount of £171.4 million as at 31 December 2022), is an indicator of the Group's ability to meet financial commitments, to pay dividends, and to undertake acquisitions.	**£(26.3) million**	£26.9 million
Ongoing charges	Represents the estimated reduction or drag on shareholder returns as a result of recurring operational expenses incurred in managing the Group's consolidated entities, and provides an indication of the level of recurring costs likely to be incurred in managing the Group in the future.	**0.87%**	0.86%
Target dividend	Represents the forward-looking target dividend per share. These are targets only and are not a profit forecast. There can be no assurance that these targets will be met or that the Company will make any distribution at all.	**7.93 for 2023 8.40 for 2024 and 8.57 for 2025**	7.48 for 2022 7.63 for 2023 and 7.78 for 2024
Ten-year beta	Calculated using the FTSE All-Share, ten-year data representing the ten years preceding 31 December 2022. This performance measure demonstrates the level of volatility of the Company's shares in comparison to the wider equity market.	**0.24**	0.18
Total Shareholder Return since IPO ('TSR')	The TSR combines share price appreciation and dividends paid since IPO in December 2011 to represent the total return to the shareholder expressed as a percentage. This is based on share	**152.6%**	171%

	price at 31 December 2022 and after adding back dividends paid or declared since IPO.		
Weighted average portfolio life	Represents the weighted average, by value, of the remaining individual project concession lengths. Calculated by reference to the existing portfolio at 31 December 2022, assuming no future portfolio additions.	**20.2**	20.3

Reconciliation of Investment Basis to IFRS

Reconciliation of Consolidated Income Statement

	31 December 2022			31 December 2021		
	Investment Basis	Adjust	Consolidated IFRS	Investment Basis	Adjust	Consolidated IFRS
	£ million	£ million	£ million	£ million	£ million	£ million
Income from Investments at FVPL	**137.6**	**21.9**	**159.5**	75.4	-	75.4
Other operating income	**0.1**	**-**	**0.1**	0.8	-	0.8
Operating income	**137.7**	**21.9**	**159.6**	76.2	-	76.2
Administrative expenses	**(11.7)**	**-**	**(11.7)**	(10.2)	-	(10.2)
Other operating expenses	**(1.5)**	**(11.3)**[i]	**(12.8)**	(2.5)	-	(2.5)
Net finance result	**(2.0)**	**-**	**(2.0)**	(2.0)	-	(2.0)
Net loss on balance sheet hedging	**-**	**(10.6)**[i]	**(10.6)**	(0.8)	-	(0.8)
		-		60.6		60.6
Profit before tax	**122.5**	**-**	**122.5**	60.7	-	60.7
Tax expense - net	**(3.5)**	**-**	**(3.5)**	(2.7)	-	(2.7)
				75.4		75.4
Profit from continuing operations	**119.0**	**-**	**119.0**	58.0	-	58.0

[i]For further clarity, commencing the year ended 31 December 2022, the Income from Investments at FVPL now includes the net effect of the foreign exchange hedging contracts. In prior years, the effect of the foreign exchange hedging contracts was presented separately under 'Other operating income/expenses' and under 'Net gain/(loss) on balance sheet hedging.

Reconciliation of Consolidated Statement of Financial Position

	31 December 2022			31 December 2021		
	Investment Basis	Adjust[i]	Consolidated IFRS	Investment Basis	Adjust	Consolidated IFRS
	£ million	£ million	£ million	£ million	£ million	£ million
Investments at FVPL	**1,097.0**	**5.8**	**1,102.8**	975.2	-	975.2
Trade and other receivables	**0.9**	**-**	**0.9**	1.0	-	1.0
Other net liabilities	**(2.4)**	**-**	**(2.4)**	(2.4)	-	(2.4)
Net cash (debt)	**(26.3)**	**-**	**(26.3)**	26.9	-	26.9
Derivative financial asset (liability)	**-**	**(5.8)**	**(5.8)**	0.9	(1.1)	(0.2)
NAV attributable to ordinary shares	**1,069.2**	**-**	**1,069.2**	1,001.6	(1.1)	1,000.5

[i]Under IFRS, unrealised positions on foreign exchange hedging contracts are reported separately under derivative financial asset (liability).

Risk

We follow a risk-based approach to internal controls. Our risk management function facilitates the Management Board's duty to effectively govern and manage the risks we face. Given the nature of our assets and our interaction with the capital markets, we do not operate in a risk-free environment. In an uncertain environment, we take proactive action to address risks, and to achieve our business and investment objectives.

We identify, analyse, assess, report, and manage all material risks, and aim to identify risks we face as early as possible, so we can minimise their impact.

We classify risks into the following risk categories:

- Market risks
- Credit risks
- Counterparty risks
- Liquidity risks
- Operational risks
- Sustainability risks

We analyse all identified risks during the risk reporting process to understand the range of possible impacts on BBGI. By undertaking this risk review, we can determine material risks to analyse and respond to, and risks that require no further attention. This gives the Management Board a universal interpretation of risk.

Our risk management function performs a risk assessment to determine the likelihood that a predefined event will occur and any subsequent impact; it also estimates risk levels for a particular situation, compares these against benchmarks or standards, and determines an acceptable level of risk.

In the risk profile all identified risks are classified according to risk type, in line with the risk categories above. For material risks identified, BBGI's risk manager advises on key risk indicators to include 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.

We have assessed inherent risk and have applied relevant mitigating factors to arrive at a remaining residual risk that the Management Board deems manageable or acceptable.

This following table summarises our material risks, but is not an exhaustive list of all the potential risks BBGI faces. Previously reported risks in relation to COVID-19 and SONIA transition have been removed and others have been updated. There may be other unknown risks, or those regarded as less material, that could, in the future, materially impact our performance, our assets, and our capital resources.

	Risk description	***Risk mitigation***
MARKET RISKS		
Volatility of discount rates	We use a discounted cash flow methodology to value our portfolio of investments. Higher discount rates may have a negative impact on valuation and the ultimate rate of return realised by our investors, while lower discount rates may have a positive impact. Our most important judgement and variable is the discount rate we apply to our portfolio of investments. Appropriate discount rates are key to deriving a fair and reasonable portfolio valuation. Changes in market rates of interest (in particular, government bond yields) may impact the discount rate used to value our future projected cash flows, and thus our valuation. In the event long-term interest rates rise substantially further, this is likely to affect discount rates.	BBGI primarily uses a market-based valuation to determine a base discount rate for steady-state, operational investments, and we use our judgement in arriving at the appropriate discount rates. We may apply adjustments to the base rate to reflect variances from the average benchmark when we determine investment-specific characteristics and risk profile. Government bond yields have increased significantly in 2022 coupled with the fact that there was limited transactional market data available in the second half of 2022. BBGI has therefore complemented its market-based approach by additionally using the capital asset pricing model where risk free rates plus an equity risk premium are used to calculate discount rates. This method is used as a plausibility check for our market-based approach. Our NAV is sensitivity-tested periodically for changes in discount rates. Inflation rates are positively linked to the NAV. An increase in discount rates due to increased interest rates coincides currently with significantly higher inflation rates. Higher actual and revised short-term forecasted inflation rates offset, partially at least, increased discount rates in our portfolio valuation calculation. Interest rate increases also have a positive impact on interest earned on cash deposits at our Portfolio Companies, which additionally mitigates a portfolio value reduction arising from increased discount rates. An increase in long-dated government bond yields will not necessarily result in an equivalent increase in discount rates. Long-dated government bond yields have largely trended downwards since BBGI's IPO in 2011, but the market discount rate applied to secondary transactions has not followed in lockstep. We have provided a sensitivity analysis in the valuation section of this report in relation to discount rates applied to our portfolio of investments.
Foreign exchange	A significant proportion of our underlying investments - 68 per cent of the portfolio value at 31 December 2022 - are denominated in currencies other than Sterling. We maintain our financial statements, prepare the portfolio valuation, and pay dividends in Sterling. There is a risk that fluctuations in exchange rates between Sterling and relevant local currencies will adversely affect the value of our underlying investments, distributions and the ultimate rate of return realised by our investors.	Currency-hedging arrangements for portfolio distributions denominated in Australian Dollar, Canadian Dollar, Norwegian Krone and US Dollar are in place for a rolling period of four years to mitigate some foreign exchange risk. In addition to cash flow hedging, we also hedge a portion of the non-Sterling, non-Euro portfolio value, and aim to reduce NAV sensitivity to approximately three per cent for a 10 per cent adverse foreign exchange movement. Euro-denominated fund running costs currently 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 alternative. BBGI has investments in five currencies other than Sterling, resulting in some natural diversification among underlying currencies. A sensitivity analysis is provided in the valuation section of this report in relation to foreign exchange rates.
Interest and deposit rates	Our 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, we assume that deposits can be placed at a forecast rate, which varies depending on country. If deposit rates exceed or fall below projections for short-term and long-term rates, the effect on investment returns will depend on the amount of deposits.	Our Portfolio Companies have sought to hedge substantially all their floating rate interest liabilities against changes in underlying interest rates with interest rate swaps. At the Group level, we maintain deposits at low levels and only raise capital when there is a clear strategy for deploying proceeds. A sensitivity analysis is provided in the valuation section of this report in relation to deposit rates and changes in the senior debt rate of the Portfolio Companies.
Inflation	We have observed inflationary pressure across all our jurisdictions. Our valuation and	A scenario of persistent high inflation across our jurisdictions presents the risk of declining real returns to investors.

	the ultimate rate of return realised by our investors may be adversely or positively affected by lower or higher than expected inflation. Prolonged periods of deflation could result in defaults under Portfolio Company loan arrangements. The revenues and expenditure of our Portfolio Companies developed under availability-style 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, typically depends on how each Portfolio Company's costs are affected by inflation, and any unitary charge indexation provisions agreed with the client on any investment.	We typically mitigate inflation risk for our Portfolio Companies to some extent by seeking to match the indexation of the revenues to the indexation of the operational cost. It is also important to note that BBGI's equity cash flows are positively linked to inflation. A sensitivity analysis is provided in the valuation section of this report in relation to inflation rates of the Portfolio Companies. However, the level of inflation linkage across the investments held varies and is inconsistent. The consequences of higher or lower levels of inflation than that assumed by the Company, will not be uniform across our investments.
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 recommendations in relation to base erosion and profit shifting or tax treaty eligibility, could have an adverse effect on our cash flows, and reduce investors' returns.	Certain risks, such as changes to corporation tax rates (including due to fiscal constraints), cannot be prevented or mitigated. We value our Portfolio Companies based on enacted tax rates. Our management team works closely with our global tax advisers, and is briefed periodically on relevant tax developments. We are monitoring the evolution of draft legislation for excessive interest and financing expenses limitation ('EIFEL') rules in Canada and similar developments in Australia, and any potential impact on our investments. The draft EIFEL rules aim to limit the deduction of 'interest and financing expenses' to a fixed percentage of earnings before interest, tax, depreciation, and amortisation for Canadian income tax purposes. The private sector made significant submissions to the Department of Finance on the proposed legislation. Following a review of submissions and open consultations with the private sector, the Department of Finance released a revised draft of the legislation in November 2022. This revised draft provides for an exemption for third-party debt financing on PPP type projects, similar to the public benefit entity concept in the UK. Additionally, in Australia, expected amendments to the existing thin capitalisation rules in order limit interest deductions are likely to have an adverse NAV impact. Overall, these new rules are expected to result in a decrease in NAV of c. GBP12.5 million, which has been reflected in the December 2022 valuation. Generally, BBGI has a globally diversified portfolio of assets, thereby reducing the tax concentration risk of any one country. A sensitivity analysis in relation to tax rates of the Portfolio Companies is provided in the valuation section of this report.
Lifecycle or operational cost risk	During the life of an investment, components of our assets (such as asphalt or concrete for roads and bridges; or roofs and air handling plants for 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 of these lifecycle obligations will be greater than the forecasted cost, or that the timing of the intervention may be earlier than forecast. There is also the general risk that costs may be higher than budgeted. This typically relates to insurance costs and management service contracts.	Of the 56 assets in the BBGI portfolio, 20 Portfolio Companies retain the lifecycle obligations. The remaining 36 assets have this obligation passed down to the subcontractor. Each Portfolio Company forecasts, models, and provides for the timing and costs of such replacements or refurbishments. This is based on internal or external technical advice to assist in forecasting of lifecycle timings, scope of work and costs. As part of acquisition due diligence, we review budgeted costs and assess their adequacy. A sensitivity analysis is provided in the valuation section of this report in relation to lifecycle costs. The risk of insurance cost increases is partly mitigated by a contractual premium risk-sharing mechanism with certain public sector clients. For other Portfolio Companies, the risk is borne entirely by the public sector client but for a limited number of Portfolio Companies there is no mitigation available.

COUNTERPARTY RISKS		
Failure of 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. The replacement subcontractor may also levy a surcharge to assume the subcontract, or charge more to provide the services.	For assets under construction (c. 0.5 per cent of the portfolio value), there are several mitigants and steps we take to manage this risk: • A construction joint venture with two or more counterparties is typically jointly and severally liable: if one party fails, the other is obligated to take over the obligations. • We perform a contractor replacement analysis as part of our initial investment due diligence. Most subcontractors of our investments are well established, with several competing providers. Therefore, we expect that a pool of potential replacement supplier counterparties is available if a service counterparty fails, although not necessarily at the same cost. • Construction subcontractors are typically required by lenders to provide a robust security package, often consisting of letters of credit, parent company guarantees or performance bonding. The latter two mitigants are also in place for investments once they become operational. However, any liability of subcontractors is typically capped at contractually agreed amounts. Other mitigants during operations include: • Periodic benchmarking of defined soft facility services on some investments. • A diversified group of subcontractors, with no substantial concentration risk. • Ongoing subcontractor monitoring for our investments, as well as contingency plans as appropriate, to ensure we mitigate the risk of counterparty failure.
LIQUIDITY RISKS		
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 our ability to grow and our ability to repay debt drawn under our RCF. To the extent that we do not have cash reserves pending investment, we expect to bridge finance further investments using the RCF. Although we have had an RCF since July 2012 (subsequently refinanced), we cannot guarantee this will always be the case, or that we will be able to issue further shares in the market.	The need to issue new equity capital primarily relates to the repayment of drawings under the RCF. The Board and our Company's brokers regularly assess market sentiment. Our RCF expires in May 2026. The Management Board can seek to refinance the RCF to extend its maturity and reduce the near-term requirement to repay drawings, though we do not intend to be drawn for substantial periods of time.
Premium or discount to NAV	The risk of share price volatility, or trading at a discount to NAV, leading to lower returns to shareholders.	To assist BBGI in managing any share price premiums or discounts to NAV, we can make annual market purchases of up to 14.99 per cent of the ordinary shares in issue. We offer a continuation vote to shareholders every two years; the next will be proposed at our Annual General Meeting on 28 April 2023. The Management Board meets regularly with shareholders and receives regular briefings from our Company's brokers to manage investor relations.
OPERATIONAL RISKS		
Poor investment due diligence	There is a risk that errors may be made in the assumptions, calculations, or methodology during an acquisition due diligence process. In such circumstances, the figures and/or the returns generated by the Portfolio Company and the ultimate rate of return realised by our investors may be lower than those estimated or projected.	BBGI has developed a robust asset acquisition due diligence process. Our typical due diligence includes model, legal, tax, technical, anti-money laundering, ESG, sustainability and insurance reviews.
Valuation	The most significant risk of material misstatement in our financial statements is the fair valuation of the investment portfolio, the discount rates we apply, and key assumptions when valuing these investments.	Our portfolio valuation is prepared semi-annually by an experienced internal team, overseen by our Management Board. Furthermore, the valuation is reviewed by an independent, third-party valuation expert, and is also reviewed and audited by the Company's external auditor.

	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 our underlying Portfolio Companies, may also contain errors, or incorrect inputs, resulting in inaccurate projections of distributions. These could adversely impact the valuation on individual investments and the overall assessment of our financial position.	All key assumptions used in the valuation process are in the valuation report, some of which are subject to sensitivity testing. However, sensitivity testing has its limitations: it cannot provide a comprehensive assessment of every risk we face and should be considered accordingly.
Construction defects	The risk of certain operational costs in relation to construction defects lies with the Portfolio Company.	In general, Portfolio Companies can submit claims against construction subcontractors for defects in the design, construction, or commissioning of project assets. This 'right to claim' applies for a pre-determined period following the completion of construction ('statutory limitations period'), and this may differ between jurisdictions. If disputes arise, an arbitration or court process may be used. Once the statutory limitations period has ended, the remediation of construction defects identified after this point typically fall to the Portfolio Company itself, and thus become the risk of the Portfolio Company. In addition, there may be other situations where the risk would lie with the Portfolio Company, for example where a subcontractor becomes insolvent, and may no longer be able to fulfil its obligations to correct these defects.
Change in law or regulation	Different laws and regulations apply in the countries where BBGI and our Portfolio Companies are located. There is a risk that changes in laws and regulations may have an adverse effect on the performance of the underlying investment, which will then 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 single country.
Failing IT systems or cyber-attacks	A breach of data security could occur by accident or as a result of an external cyber-attack. A cyber-attack could affect our IT systems or those of our Portfolio Companies, causing theft, loss of data, or damage to the infrastructure's control systems and equipment. The threat of cyber-attack means that businesses can no longer afford to be reactive. A cyber-attack could affect not only BBGI's reputation, but could also have legal, financial, and operational repercussions for the Group.	BBGI has taken several measures to reduce the risk of a cyber-attack, and we outline a few below. We have outsourced the hosting of our IT platform to an industry specialist. In doing so, we benefit from access to IT security experts, with our platform monitored by an advanced IT security system. This approach would be less cost-effective if our IT infrastructure was maintained onsite. Every year, we engage an external expert to carry out an intrusion test on our IT platform to identify and patch any vulnerabilities. We perform business continuity tests, carry out disaster recovery tests every year, and our employees periodically undergo cyber security training. In a typical PPP structure, public sector clients have their own IT systems. However, the majority of our Portfolio Companies do not maintain their own IT systems. Instead, subcontractors of a Portfolio Company (such as management service providers, facility maintenance contractors for accommodation assets, and maintenance contractors for transport assets) will have their own IT systems, which will likely house data relating to a project. In a typical PPP structure, such as those in BBGI's portfolio, risks are passed down to subcontractors by the Portfolio Company. However, any liability is capped to contractually agreed amounts, including risks relating to design and construction, warranties for IT systems (such as a warranty that the system will meet specifications requiring it to meet robust security requirements), and the risk of a cyber-attack interrupting the provision of services to a project.
Voluntary termination	There remains a risk that public sector clients of our Portfolio Companies choose to exercise their right to voluntarily terminate the contracts. When this happens, the public sector is typically contractually obliged to pay compensation on termination to equity holders, debt providers, and other parties. depending on the circumstances. While provisions vary between contracts, they generally ensure that our investors are paid either market value for their equity interests, or a value to achieve the originally projected IRR, and in these cases, where the compensation amount is less	The Management Board believes there are mitigants or deterrents to the risk of voluntary termination of contracts: • In cases where debt or bond facilities were agreed when interest rates were higher than current levels interest rate swaps remain largely 'out of the money' for our Portfolio Companies, and any public body wishing to terminate a contract in the current interest rate environment would also need to cover the cost of the swap breakage fee. • Our Portfolio Company equity investors would, depending on the particular contractual provisions, also need to be compensated, as well as the public sector being required to budget for the ongoing provision of the service.

	than current valuation levels, we would suffer a material loss.	
SUSTAINABILITY RISKS		
Sustainability risk	Sustainability risk has been defined in Article 2(22) of the Sustainable Financial Disclosure Regulation as 'an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment'. For example, climate change can give rise to a range of sustainability risks. Financial risks from climate change can arise through two primary channels: (i) physical risk, from abrupt and acute weather events, or chronic longer-term shifts in climate patterns, each causing disruptions to businesses and economic activities (and the value of investments in them); and (ii) transition risk, from a shift to low carbon and climate resilient policies, laws and technologies and changes in societal attitudes. Failure to acknowledge climate change may also alienate certain investors and reduce our access to capital. All sustainability risks can be broken down into physical and transition risks, which could both impact the performance of an asset or of BBGI itself, and have a material negative impact on investment returns. For example, infringements of human rights could have a significant impact on the financial performance of an investment.	We seek to integrate and appraise material sustainability risks into our processes in several ways: • Alongside traditional financial criteria, we systematically consider whether - and to what extent - financially material sustainability risks might meaningfully impact our investments. • In 2021 and 2022, we undertook a formal portfolio climate risk assessment to better understand the impact of climate risk on BBGI. The findings demonstrate a high degree of climate resilience across our asset portfolio, both today and under different climate warming scenarios. • Although climate change is projected to increase physical risk impacts across our portfolio, many of our assets, due to the vital services they provide, have been designed and constructed in consideration of potential physical risk impacts, and are inherently more resilient to climate change. • We typically mitigate events arising from adverse climate change 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 materially lower than our valuation. • Aligned with our SFDR Article 8 product classification, our focused approach of investing in core social infrastructure assets that serve society should mitigate sustainability risk linked to a social event or condition

Environment, Social and Governance

As the ESG Committee, we are pleased to report on the progress made by the Company and by our 56 Portfolio Companies. We approached 2022 mindful of the ever-evolving nature of ESG frameworks and regulations, and the challenges of data collection. We take pride in the close engagement we have maintained with each of our assets. We continue to focus our efforts to make improvements in key areas such as GHG emissions monitoring and reduction, climate-risk assessments, health and safety standards, biodiversity and human rights. Our ESG strategy is underpinned by a culture of robust governance and stringent compliance, promoting accountability and transparency, with a focus on delivering positive outcomes for all stakeholders.

Sustainability Highlights

Our purpose is to deliver social infrastructure for healthier, safer and more connected societies, while creating sustainable value for all stakeholders.

Our portfolio is focused on creating long-term positive impacts for society, by investing in infrastructure assets that provide citizens with access to essential services, such as: health, education, security, clean energy, social housing, public services and safe transportation. The sustainable and resilient portfolio of 56 social infrastructure investments that we manage is aligned with our SFDR Article 8 classification, where we promote social characteristics in combination with good governance practices.

To support our SFDR-related social investment objective, each of our investments is aligned with at least one of six focused SDGs where we can make the greatest contribution. By maintaining social infrastructure assets for our public sector clients, our portfolio aims to:

- Facilitate education, healthcare and well-being of local communities (SDG 3 and 4).
- Provide access to affordable housing (SDG 11).
- Support safe and accessible travel on roads and public transport (SDG 9 and 11).
- Facilitate access to public services, provide safety to local populations and promote the rule of law (SDG 16).
- Connecting communities through reliable transportation networks and support the transition to renewable energy sources (SDG 9).
- Remaining resilient and capable of sustaining potential damages caused by climate change (SDG 13).

While we are proud to provide well-maintained infrastructure that serves society, we recognise that building and operating physical assets such as schools, hospital, roads and hydroelectric plants can harm the environment, impact surrounding biodiversity and are subject to climate hazards. As stewards of these assets, our public sector clients entrust us with safeguarding them during our concession period. Our ESG approach systematically integrates: greenhouse gas emissions monitoring, climate-risk assessment, and initiatives to restore natural ecosystems, so that our portfolio does not significantly harm other environmental objectives.

Duncan Ball — Frank Schramm
Co-CEO — Co-CEO
29 March 2023
On behalf of the ESG Committee

Strategic ESG integration	• ESG fully integrated in strategy and business model. • Management remuneration tied to ESG targets within both STIP and LTIP awards. • 100 per cent of staff received ESG training.
Social characteristics in combination with good governance	• Portfolio aligned with the social investment objective of our SFDR Article 8 product. • 100 per cent of our investments align with at least one of SDGs 3, 4, 9, 11 or 16 and have a 'do no significant harm' objective aligned to SDG 13. • Social safeguards screening based on UN Global Compact Ten Principles.
ESG monitoring	• Continuous engagement with all Portfolio Companies and strong ESG oversight. • All Portfolio Companies completed a 100+ questions proprietary ESG KPI survey. • 75 per cent of our assets have a sustainability certification.
Climate resilient portfolio	• Voluntary disclosures aligned with TCFD. • Portfolio demonstrates a high degree of climate resilience. • Climate risk scores shared with over 98 per cent of Portfolio Companies' boards and 80 per cent of clients.
Net zero	• Net zero targets for our Corporate and Financed emissions.[xx] • Certified as carbon neutral for Corporate Emissions Scope 1, 2 and 3. • Financed emissions (Portfolio Companies) to be disclosed in June 2023.
External ratings	• UN PRI signatory: 5/5 stars (Investment & Stewardship policy); UN PRI signatory: 4/5 stars (Direct Infrastructure). • Sustainalytics ESG Risk Rating 2021: negligible (8.3). • ISS Corporate ESG Rating 2022: Prime B- (Decile Rank: 1).

Contribution to Sustainable Development Goals

The SDGs inform our entire ESG and social impact management process. Specifically, our investment strategy seeks to create measurable impacts facilitated by our investments and future acquisitions.

The SDGs are used to assess, measure and monitor that we keep investing beyond mere alignment and make a verifiable contribution to positive social and environmental outcomes. We acknowledge that through our direct operations and investment portfolio we can also create negative impacts and we address some of these impacts in the relevant sections of this report.

Our social infrastructure investment strategy is focused on six SDGs and creates real-world outcomes from the portfolio we invest in:

	Sustainable Development Goals	Sustainability indicators		Impacts	
Create positive social outcomes	**Target 3 Good health and well-being**	41 healthcare facilities 26 fire stations	c. 600,000 m^2 managed c. 33,000 m^2 managed	c. 4 million patients c. 800,000	Hospitals, mental-health clinics and primary healthcare centres provide access to healthcare delivery for c. four million patients per year and over 2,400 beds. Fire stations provide c. 800,000 people with protection against fire-related injuries and fatalities and mitigation of air, water and soil pollution caused by fire incidents. Fire stations also play a critical role as part of a first responders' network, supporting local populations.
	Target 4 Quality education	33 schools and colleges	c. 430,000 m^2 managed	c. 36,000 pupils	Schools and colleges provide c. 36,000 pupils with access to primary, secondary and adult education in an effective learning environment.
	Target 9 Industry, innovation and infrastructure	19 roads and bridges One hydroelectric generation station	c. 2,800 single-lane kms operated 132 MW installed	c. 290 million vehicles c. 80,000 homes	Roads and bridges provide local population with reliable and resilient transport, and reduce travel times for c. 290 million vehicles a year. The maintenance of road networks is necessary and aims for a reliable and safe access, reducing traffic congestion, and decreasing greenhouse gas emissions by reducing transit times. Maintaining road elements, signalling, surfacing, and other security measures is crucial for a safe journey. Hydroelectric power station supports the access to clean and reliable electricity for over 80,000 homes, while providing flood control and domestic water supply.
	Target 11 Sustainable cities and communities	One fully electric public transit line Three affordable residential housing and Two community centres	c. 39 kms c. 17,000 m^2 / 100 units	c. 32 million passengers c. 200 people	Urban rail transport is a safe and sustainable means of public transport for c. 32 million passengers per year, given the fully autonomous nature of the transit system, which is powered by electricity. Residential housing units support the access to affordable housing for c. 200 people per year, complemented by sport and leisure centres for the local community.
	Target 16 Peace, justice and strong institutions	Four police stations Three modern correctional facilities Two public administration buildings	c. 16,000 m^2 managed c. 190,000 m^2 managed 37,000 m^2 managed	c. 1.5 million people c. 2,500 detainees c. 500,000 people	Police stations promote the rule of law and provide safety for c. 1.5 million people per year. Modern correctional justice facilities promote the rule of law and are a necessary link in the functioning of judicial systems for c. 2,500 detainees a year. Public administration buildings provide c. 500,000 people with access to public services.
Do no significant harm	**Target 13 Climate action**	100 per cent of the portfolio	56 assets		100 per cent of assets screened for resilience and adaptative capacity to climate related hazards and natural disasters.

Case study: Creating lasting positive impact through initiatives for local vulnerable and disadvantaged people and communities in or around our Liverpool & Sefton Clinics

BBGI and its partners have worked together for several years to support initiatives that aim to create a positive impact on vulnerable and disadvantaged communities in and around their Liverpool & Sefton Clinics. These clinics are part of the LIFT programme, established in 2001 by the UK Government, creating long-term public-private sector partnerships that provide better healthcare and social care facilities for local communities.

To make their buildings an integral part of their communities, Liverpool & Sefton Clinics have in the past provided spaces for community groups and fundraising activities. In recent years, the Portfolio Company established a foundation with a dedicated budget to support initiatives that benefit local communities and create a lasting impact.

In 2022, BBGI proudly collaborated with Liverpool & Sefton Clinics to fund and provide space at the Kensington Health Centre for the 'Liverpool Through Our Lens' photography programme, which enabled vulnerable and disadvantaged people to enjoy specially adapted photography lessons. The programme was delivered in partnership with Community Integrated Care (CIC is one of UK's largest and most successful social care charities) and Liverpool's Open Eye Gallery, a recognised expert on socially engaged photography. The participants of the programme were volunteers with some of the biggest health and social issues from CIC's Inclusive Volunteering Programme, each supported by a carer/worker to ensure their individual needs were met.

The photography programme ran from October to early November 2022, coinciding with the World Gymnastics Championships held in Liverpool. This programme enabled the volunteers to engage socially, access and explore their community, and learn new life skills and passions. The participants created stunning photographs of the city that were displayed for a week at a professional gallery in the Fan Zone at the Championships, attended by approximately 50,000 people. Participants also had the opportunity to see the games, meet gymnasts, manage the gallery display, and participate in a wider supplementary programme of inclusive activities at the World Gymnastics Championships.

The photographs were also exhibited to approximately 5,000 people at the Rugby League World Cup and will be permanently displayed at the Kensington Health Centre. The programme made a lasting positive impact on the lives of 30 people in need, giving them new skills and inspiring them to be more active and engaged. The programme is an excellent example of how public-private partnerships can provide a positive impact on local communities, supporting individuals and organisations in achieving their goals.

Ian Tayler, Director at BBGI said: *"Based on the success of this amazing programme, it will progress further throughout 2023, building on the positive impact provided to this group of volunteers. We are also continuing to explore how we can deliver similar community initiatives based out of our other health centres."*

John Hughes, Director of Partnerships and Communities at CIC, commented: *"Much more than learning how to use a camera, the project inspires independence, encouraging people to go out and visit their city and share their photography experiences with the group and carrying this skill on for the rest of their lives."*

Nuria Rovira Terradas, Assistant Creative Producer at Open Eye Gallery, said: *"It's been great to see the volunteers grow in their confidence as they learn more skills and share their photographs and experiences with other people. Every photograph tells a powerful story, but it's the stories behind the lens that have the greatest impact."*

Stakeholder Engagement

As stewards of important social infrastructure investments, there are many stakeholders impacted by our actions: users of the infrastructure, communities living in the vicinity of our assets, our staff, investors, public sector clients, subcontractors, the environment, and society at large. We take this responsibility seriously.

Our stakeholders increasingly expect us to consider and act on a broad range of sustainability issues. We are guided by our values of good governance, and our responsible mindset drives what we do both at the corporate level and Portfolio Companies' level. We expect all our staff and executives to always engage with our stakeholders while keeping these guiding principles in mind.

We have summarised below BBGI's general engagement approach with its key stakeholders, representing the main groups that benefit, are influenced by, or interact with our business activities. In addition, in 2021, we performed a comprehensive materiality assessment (AA10000 Stakeholder Engagement Standard) to identify the most material sustainability issues that are priorities for our stakeholders and where the impact of our operations is most significant. As part of this assessment, we engaged with key internal and external stakeholders. Our stakeholder engagement focused on our employees, investors, clients, partners and subcontractors. The ten most material topics define our ESG framework, each tracked by a performance indicator and more information is provided in our 2022 ESG report.

As a member of the AIC, BBGI acknowledges Provision 5 of the AIC Code's expectation for all members to comply with the continuing requirement under Section 172(1) CA2006 for boards to take stakeholder interests into account, and to report how they have done so when performing their duties. Details of how we adopt the spirit of those provisions and consider our stakeholders are outlined below:

Who are the Company's key stakeholders? **Why are these stakeholders important?**	**What actions are the Company taking to build and maintain strong relationships with its key stakeholders?**	**What are the types of engagement and the metrics used by management, to monitor and assess relationships with stakeholders?**	**How has this stakeholder impacted upon, and been taken into consideration in the board decision-making process?**
Our people Our people are the driving force behind our purpose. They are well positioned to bring their expertise to our clients, subcontractors and partners and deliver the results expected by our investors.	Our relatively flat hierarchy allows our talented people to be empowered to successfully deliver our purpose. We promote an inclusive work environment where all people are treated equally and supported to achieve their potential.	– Annual and mid-year assessments – Direct liaison with the Management Board – Regular meetings – Well defined expectations and targets, including ESG targets for all executives – Regular training – Training metrics – Whistleblower hotline	– Feedback from the individual assessments are regularly discussed by the Management Board – Adjusted our teleworking policy in response, allowing our people to better balance their work and personal lives, improving their well-being and job satisfaction.
Our public sector clients Satisfied public sector clients are critical to our business model.	We aim to build trust by delivering well-maintained and safe social infrastructure facilities and services such that our public sector clients are satisfied.	– Regular client meetings – Service quality feedback – Sharing results of our climate risk monitoring – Ongoing reporting – Net Promoter Score survey	– Meetings with our clients drives our asset management approach and feeds directly into our decision-making process; lessons learned from one asset are adapted and applied across the portfolio. – Examples include early initiatives to implement LED lighting and solar panels on some of our assets, providing a sound business case and encouraging further adoption on other assets.
Our subcontractors Our long-term subcontractors are critical to ensure that we provide our public sector clients with operational and available assets. We monitor our subcontractors to ensure that they conduct their business according to the high standards of ethics and integrity that we expect.	Our Portfolio Companies collaborate with the subcontractors and strive to develop mutually beneficial long-term relationships.	– Sub-contractor monitoring – ESG onboarding – Annual ESG KPI survey – Ongoing ESG engagement topics and joint initiatives	– Enhancing our monitoring of ESG practices across all portfolio companies and their supply chain through pre-existing channels, such as the ESG KPI survey. – Additionally, the Company led a series of webinars for our subcontractors to assist them in the process of gathering GHG-related data. That data will assist us in our goal to deliver positive ESG impacts.
Our communities and users The positive experience of the people who use our assets and the communities who live near to our assets are vital to ensuring our success as a responsible global infrastructure investment company.	We maintain critical social infrastructure assets upon which people rely on a daily basis.	– Client satisfaction discussed at corporate and Portfolio Companies' level – Partnership, sponsorship and donations – Community engagement initiatives	– Supporting projects that benefit the communities living near to our assets. – In 2022, our Portfolio Companies donated £150,000 to local charities, and offered various employees volunteering.

			– Please refer to the case study on Liverpool and Sefton Health Centres for one such example.
Our investors Our investors provide capital, feedback on our business model, and help shape our future plans.	Our goal is to generate long-term, predictable, and inflation-linked returns for our investors. We measure progress against key KPIs.	– Investor relations activities, including meetings, roadshows and discussions with senior executives – Close interactions and feedback with our Corporate Brokers – Annual General Meeting – Annual Report – ESG Report – Website	– Focused engagement with selected ESG ratings providers to ensure shareholders have accurate and up-to-date insights into BBGI's ESG credentials – The Board continually keep under review the returns we offer to our investors, along with our ability to continue to deliver those returns. This forms the basis of discussions when determining dividends. – The roadshows provide the Co-CEOs with an opportunity to speak directly with our investors, including on the topic of ESG, to better understand their expectations of us.

Sustainable Finance Disclosure Regulation

The EU Sustainable Finance Disclosure Regulation ('SFDR') is a set of regulations that aim to increase transparency and standardisation of disclosures within financial markets. SFDR aims to ensure that investors can make informed decisions and have a clear understanding of the sustainability characteristics of the financial products in which they invest. We welcome this legislation because the financial sector can make an important contribution to a more sustainable economy.

BBGI promotes social characteristics. In accordance with its Article 8 SFDR classification, a minimum proportion of 75 per cent of our investments qualify as sustainable investments with a social objective, while 100 per cent of our investments do not significantly harm any environmental or social objective and follow good governance practices.

In 2022, BBGI updated its sustainability-related disclosures to comply with SFDR Level II requirements.

BBGI has disclosed how we consider the social characteristics of any potential acquisitions when making our investment decisions, as well as the extent to which each asset is aligned with at least one of our six focused SDGs. We also have disclosed the methodology used to assess the social characteristics of our investments, how they do no significant harm to any other environmental objective and promote good governance practices. This includes any indicators or metrics used, and how they are integrated into investment decisions. In addition, we have provided more detailed information on how we engage with Portfolio Companies on sustainability issues, and the extent of sustainability risk considerations influence our remuneration policies.

- The Pre-contractual disclosure for SFDR specifically address the Company's disclosure obligations under Article 8 of SFDR, supplemented by Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 and Commission Delegated Regulation (EU) 2023/363 of 31 October 2022.
- The Entity level, sustainability risks and principal adverse impacts disclosure for SFDR specifically address the Company's disclosure obligations under Articles 3, 4, 5, 6, and 7 of SFDR.
- The Product level disclosure for the SFDR specifically address the Fund's disclosure obligations under Article 10 of SFDR, supplemented by Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022.
- The Periodic disclosure for SFDR specifically address the Company's disclosure obligations under Article 11 of SFDR, supplemented by Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 and Commission Delegated Regulation (EU) 2023/363 of 31 October 2022. A copy of the Periodic disclosure is available at:
  www.bb-gi.com/esg/sustainability-related-disclosures/sfdr/periodic-disclosure/2022

For BBGI's SFDR disclosures, please visit the dedicated Sustainability-related disclosures page in the ESG section of our website; **www.bb-gi.com/esg/sustainability-related-disclosures/**.

As of June 2023, there will be a requirement to disclose our consideration of principal adverse indicators through the disclosure of a Statement on principal adverse impacts of investment decisions on sustainability factors, which we will make available on our website.

Pathway to net zero

We remain committed to achieving our net zero ambitions and supporting our portfolio companies in their transition to be net zero emissions by 2040.

During the year, we continued to explore net zero measurement frameworks and considered how to best apply them to BBGI's asset class. There is no one-size-fits-all solution to the climate challenge, and the nature of each business dictates the specific goals and path taken. Our pathway to net zero will not be linear, but we remain committed to reporting on the progress against our targets as we work towards the ambitions of the Paris Agreement.

Net zero targets

BBGI's corporate targets to reach net zero emissions by 2040 align to the Science Based Targets initiative ('SBTi') framework dedicated to Small and Medium Enterprises ('SMEs'). As signatories to the Net Zero Asset Managers Initiative ('NZAM'), BBGI's targets to reach net zero emissions across our portfolio by 2050 or sooner were set in line with the Paris Aligned Investment Initiative ('PAII') Net Zero Investment Framework ('NZIF') and the specific guidance for the Infrastructure sector, following a 1.5°C reduction pathway.

While the guidance and tools to assess financed emissions and track progress towards net zero will evolve, we recognise our responsibility to ensure GHG emissions are fully and adequately accounted for across our operations ('Corporate Emissions') and Portfolio Companies' emissions ('Financed Emissions'). Our targets were validated and approved by the Institutional Investors Group on Climate Change (IIGCC) in March 2023.

Emissions profile

The most significant source of GHG emissions comes from our Financed Emissions. While our own Corporate Emissions have negligible impact compared with those of our Portfolio Companies, we recognise our responsibility to ensure our own business operations are fully accounted for.

Engagement

To achieve the decarbonation of our portfolio, our greatest leverage is through engagement with our key stakeholders. The main driver for achieving Financed Emissions reduction targets will come from the increasing alignment of Portfolio Companies with net zero pathways. BBGI rarely has operational control at its Portfolio Companies, so the achievement of the targets and objectives ultimately relies on shared ambitions and collaboration with our public sector clients.

Remuneration tied to net zero targets

The Management Board has remuneration targets tied to GHG emission reduction pathways. Having our executive team consider climate change in their decision-making process is an effective and transparent incentive for meeting long-term objectives. In 2022 additional remuneration targets for the Management Board were introduced tied to targets related to our Portfolio Companies. 20 per cent of LTIP remuneration is now tied to ESG targets.

Climate solutions

Investing in climate solutions that provide tangible reductions in emissions, and which are mitigation solutions to climate change is another real opportunity to achieve our targets. Our long-term and forward-looking approach to portfolio diversifications led us to invest in a renewable energy infrastructure asset in 2022.

Carbon neutrality and offsetting

BBGI has been carbon neutral since 2021 and will maintain its carbon neutrality going forward. Corporate emissions for 2019 and 2020, which were calculated in 2021, were retrospectively offset by planting trees and purchasing verified offsets. Our GHG emissions have been independently verified each year since our 2019 inventory. BBGI is a certified CO_2 Assessed organisation.

Despite all our efforts to join the collective efforts to reduce GHG emissions, some emissions will remain unabatable. A successful approach to net zero is to actively reduce our footprint where possible, and compensate unavoidable emissions with credible nature-based removal solutions, until technological solutions become more viable. As a general principle, we do not use purchased offsets at the portfolio level to achieve our decarbonisation goals. We also do not offset emissions in one part of our portfolio through accounting for avoided emissions in another part. When using offsets, it is only where there are no technologically or financially viable alternatives to eliminate emissions.

BBGI's success in achieving its net zero pathway will continue to evolve, along with the progresses made by all other participants in the industry. We commit to keeping our net zero targets a strategic priority, in order to support global decarbonisation goals, protect societies from uncertainties ahead and build a more resilient economy.

Find out more in our ESG Report.

Biodiversity

As investors, we recognise that most negative impacts on biodiversity are locked in and mitigated when the project is built. Encouraging nature-based restoration measures during expansion and operation phases can be effective.

Our assets are built in compliance with local regulations and various nature preservation measures are in place such as:

- Noise and pollution reduction measures.
- Designs to minimise impacts on local species' natural habitats.
- Wildlife crossing corridors.

During the concession period, we focus on promoting restoration efforts to improve degraded or removed ecosystems that act as natural carbon sinks and can improve resilience to climate-related damages, such as:

- Habitats for indigenous species (i.e. bat boxes, insect hotels, beehives, wild bee hotels, fish ladders).
- Expansion of green spaces in urban areas (i.e. planting indigenous tree species, shrubs and flower meadows).

As part of our standard set of policies, we have also started to roll out a biodiversity policy across our portfolio since 2021, which 93 per cent of our Portfolio Companies currently have implemented.

Case study: Supporting the growth in bee populations and improving biodiversity across our assets

BBGI is committed to increasing the creation of suitable new and improved nesting and feeding areas for bees at many of our assets, which are vital sources of habitat and food for bee species. These initiatives help to grow bee and insect populations and increase biodiversity. We have good support from our public sector clients for our initiatives.

BBGI has access to large extensions of land alongside its transport projects, which lend themselves perfectly to creating new bee habitats, and we have launched such initiatives at some of our transport projects. Examples of such initiatives include the E18 motorway (Norway), Northwest Anthony Henday (Edmonton, Canada), Northeast Stoney Trail (Calgary, Canada), and Golden Ears Bridge (Vancouver, Canada). Additionally, some of our social assets initiated the creation of bee hotels on their roofs or surrounding areas, being Rodenkirchen schools (Cologne, Germany) and Liverpool & Sefton clinics (Liverpool area, UK). Altogether, these initiatives have already created approximately 150 bee habitats, which are homes to c. 10 million bees.

A critical factor in the success of restoring bee numbers and habitats is the creation, improvement and growth of surrounding vegetation for them to feed. Across our assets approximately 200 acres were set aside and planted with wildflowers and forage areas. Examples of such initiatives include: wild flowers field planted on one of Rodenkirchern school's rooftops. At E18 the green areas around the road are mowed only once in late summer, resulting in increasing wildflowers and their density. Along North East Stoney Trail and Northwest Anthony Henday we created approximately 80 hectares of ponds, drawing wildlife and vegetation back to the area, allowing native vegetation and birds to flourish.

The 125 beehives at E18 produce on average six metric tonnes of wild flower honey, and 2022 was an exceptional year with approximately 11 metric tonnes produced. BBGI works with a local beekeeper, who manages the hives. The honey is collected and packaged to meet local health standards, with donations made to a local food bank in Luxembourg.

Trond Heia, Director E18 Portfolio Company, said: *"We are proud to support the expansion of nesting and feeding areas for bees and insects. Based on the success from these initiatives, we plan to share our learnings across BBGI and explore the feasibility of implementing similar programmes in other locations".*

Climate-related risks

We remain committed to aligning our business with the TCFD recommendations, and over the past year, we have made progress in several areas related to climate strategy, risk management, and metrics and targets. These initiatives include:

- Deepening our understanding of our portfolio's risk exposure through a deep dive analysis of 20 assets with the highest risk exposure or strategic importance to us.
- Conducting a sensitivity analysis on each asset, integrating site-level mitigation already in place and engineering of our assets to refine modelled physical risk severities and financial impacts.
- Quantifying the revised risk exposure to each asset and the portfolio as a whole.
- Starting a GHG inventory across all our Portfolio Companies, to assess BBGI's Financed Emissions, in line with the GHG Protocol.
- Producing a bespoke climate factsheet for each asset, providing a summary of the overview risk exposure and the key driving perils identified.
- Sharing climate factsheets with public sector clients with the objective of a collective action through influence and stewardship where necessary (e.g. mitigation, risk transfer).
- Setting net zero targets in line with science-based targets to achieve global net zero emissions by 2050, or sooner.
- Expanding the use of metrics and targets, including those related to GHG emissions, into our Management Boards' remuneration targets.
- Publishing our Net Zero Plan, which focuses on reducing our carbon footprint in our Corporate and Financed Emissions.
- Formalising our internal ESG due diligence process to identify and evaluate material climate risks and opportunities for all new acquisitions.

TCFD Disclosures

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

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

We are pleased to present our third voluntary disclosure against all 11 of the recommended TCFD disclosures

Governance

	TCFD Recommendation	Progress to date
1	Describe the Board's oversight of climate-related risks and opportunities.	Our Supervisory Board and Management Board recognise the importance of climate-related risks and opportunities. The Management Board has established an executive-led ESG Committee as a sub-committee, comprising the Co-CEOs, the CFO, the ESG/Sustainability Director and the Corporate Secretary to govern all climate and ESG-related activities. The Management Board considers climate-related issues when setting strategy, considering new investment opportunities, approving annual budgets, monitoring performance metrics and targets and approving climate change-related disclosures. The Supervisory Board's constituted Remuneration Committee designs reward structures for our Management Board to foster long-term value-creation and reinforce the organisation's ability to achieve its climate change goals and targets. In 2022, the Remuneration Committee added additional ESG targets to the LTIP award which, since 2021, has contained objectives related to reducing GHG emissions. **More details on our remuneration policy are provided in the Remuneration Report section of our Annual Report.**
2	Describe management's role in assessing and managing climate-related risks and opportunities.	The ESG Committee meets at least quarterly, in relation to environmental matters and reviews both the climate-related risks facing the Company and its GHG emissions reductions targets. The Risk Manager and the Management Board ensure that any risks/opportunities can be addressed through the Company strategy, risk management procedure and responsible investment approach. Our ESG Committee is led by our dedicated ESG Director, and, together with the Management Board, maintains our ongoing commitment to manage the dual impacts of both physical risk events on our assets and the transition towards becoming a low-carbon business. The Management Board's roles covers the following areas: – The **investment decisions** incorporate ESG and climate-related risks and opportunities assessments during the due diligence phase for new acquisitions. All existing and all new investment opportunities are screened for climate risks and ESG factors. – The **Risk Management Function** assesses the firm's exposures across all risks compared with its stated risk appetite, including the long-term consequences of climate change along our asset's concession periods. – **Corporate governance** obligations and oversight responsibilities in relation to climate-related risks and the review of the Company's approach to disclosures, including those relating to climate change. – The **Compliance** Function undertakes an internal compliance monitoring programme, including our policies relating to sustainability including climate change. **Full responsibilities of our ESG Committee are outlined in our ESG Committee Terms of Reference:** www.bb-gi.com/esg/policies.

Strategy

TCFD Recommendation | **Progress to date**

3 Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

Physical risk insights

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

- Out of 56 assets modelled, only two have a high risk under a 'high emissions' scenario by 2050. The potential exposure identified from flood risk, coastal inundation and extreme winds only extends to one specific building within the two asset and the theoretical impact on the NAV is not considered material. For both assets, we note that our concession period terminates between 2035 and 2050, and thus we do not expect them to have material impacts on our wider portfolio.
- Under a 'Paris-Aligned' scenario there are no assets with a high-risk exposure across the same timeline.
- All 20 of BBGI's top 20 assets have a low or very low risk exposure today and in 2050 under 'Paris-Aligned' and 'High emissions' scenarios once existing resilience and mitigation measures are considered.
- The risk profile of BBGI's portfolio remains constant for 52 assets over the next 30 years; the climate risk profile of BBGI's portfolio remains relatively constant for most assets, particularly when overlaying our concession periods, which do not extend beyond 2051 for any asset.
- Beyond 2051, the period when our concessions end and assets revert to public sector clients, climate risk is projected to increase for 17 assets, most notably under a 'high emissions' scenario. While BBGI will not have a financial interest in the assets during this future period, it may create opportunities for BBGI to propose and invest in climate mitigation and adaptation measures.
- Under a 'Paris-Aligned' scenario BBGI may take advantage of opportunities arising from energy transition investment plans from the public sector, during planned retrofit interventions or for additional investments.

Our assessment considered climate impacts over short (1-5 years), medium (5-10 years) and long-term (10+ years) time horizons up until 2050, covering the maximum investment life duration of our current portfolio. We note that modelling currently only considers present-day government-funded defence infrastructure in place. When local mitigation measures are also considered, the exposure of our assets to climate change may reduce further.

Transition risk insights

We recognise the effects transition risks have on our business. BBGI are working to understand the impact transition risks will have on the portfolio, particularly where rapid, unexpected changes in legislation or government policy occur.

In the table below, we outline the potential impacts of policy, technology, reputational and market risks across the infrastructure sector.

Transition risk category	Industry trends	Mitigating actions
Policy and legal risk Legislation enacted by national and local governments to price and penalise GHG emissions.	We anticipate that, as society attempts to reduce global warming, the cost of carbon taxation will increase and potentially impact businesses. Carbon pricing and exposure to litigation may also increase globally, encouraging businesses to reduce their own GHG emissions.	We are actively seeking ways to reduce our carbon footprint in order to align with our net zero targets. Our main focus is on reducing Corporate and Financed Emissions, and our Net Zero Plan provides more details on this: https://www.bb-gi.com/media/2226/bbgi-net zero-plan-dec-2022-final.pdf.
Technology risk Disruptive technology changes in key sectors of the economy responding to changing energy needs.	Technology risks may arise across infrastructure assets where changes and adaptations to new, low-carbon materials and technologies arise.	To achieve our goals, we are exploring the use of more sustainable and environmentally friendly materials in our assets. This includes low-carbon alternatives for road surfaces, electric vehicles charging infrastructure, and energy-efficient or motion sensor equipment. Additionally, we are investigating the possibility of energy purchase contracts prioritising renewable sources of energy.
Reputational risk Investor and client sentiment influenced by Company's actions to manage climate change risk.	Globally, there is increasing focus on businesses to minimise their carbon footprint. Reputational risk may arise where companies do not take sufficient action to decarbonise or integrate sustainability across their operations.	We have set a target of achieving net zero by 2050 or sooner. To achieve this, we are also working with our public sector clients.
Market risk Market disruption, changes in client preferences, cost of capital and valuation changes as investors prioritise returns from low-carbon companies.	Transitioning into a low-carbon society has potential implications on client and investor appetite and demand.	In order to comply with investor priorities and ESG and sustainability regulations, we report in line with SFDR Level II requirements, make voluntary TCFD disclosures, and monitor future ESG and sustainability regulations and reporting requirements to maintain our compliance.

4 Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

We are committed to ensuring our investment strategy, financial planning and decision-making accounts for climate-related risks and opportunities, ensuring we work with our clients to consider appropriate risk mitigation, adaptation and resilience measures where necessary.

In 2021-2022 we engaged with a climate modelling specialist firm, leveraging their expertise in climate risk, to conduct a detailed climate change impact assessment for our entire portfolio to identify and assess climate-related risks and opportunities across various climate scenarios. The results of this in-depth exercise continue to inform our long-term strategy and has set the foundation.

During the same period, we also commissioned an independent carbon footprint assessments and verification of our Corporate Scope 1, 2 and 3 GHG emissions.

The results of the quantitative climate change assessment have fed into our Company's strategy in a number of ways. It informs us on the type of climate risk each of our assets is exposed to, the magnitude of that risk (from low risk to high risk, if any) and the corresponding reinstatement value (i.e. the potential cost of damage from physical climate risks).

There is currently no climate-related cost forecasted in our financial models but this may change in relation increased insurance premiums; however, there is a degree of contractual protection from increased insurance costs.

The screening of physical climate-related risks is systematically embedded for each asset in the due diligence and monitoring phases of our investment cycle.

The results of the deep dive assessments materialised in a bespoke factsheet which we have started to share with our public sector clients and across the Portfolio Companies' boards, helping to raise awareness and drive our engagement initiatives on mitigation measures where physical risks may materialise.

Our Net Zero Plan lays the foundation of how BBGI intends to transition to a low-carbon business as we leverage the outcomes of the quantitative climate-change assessment to set our targets and objectives, as well as inform future acquisition screening and strategic portfolio construction.

Our Net Zero Plan can be found here: [https://www.bb-gi.com/media/2226/bbgi-net zero-plan-dec-2022-final.pdf](https://www.bb-gi.com/media/2226/bbgi-net-zero-plan-dec-2022-final.pdf)

5 Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Portfolio-level findings from the quantitative climate change assessment confirm a high-degree of resilience to climate change impacts under the various scenarios tested.

The climate modelling demonstrates that our investment strategies focus our investments into infrastructure assets which are built to the latest engineering standards and which, due to the long-term nature of these assets, consider the long-term effects of climate change when they are built. In our capacity as an investor we are developing our resilience by transitioning to net zero through a mix of portfolio decarbonisation, engagement with key stakeholders and an ESG integrated investment approach. A transition to a lower carbon economy may also presents a number of opportunities for client-supported change orders and new investment, should the business case support it.

Risk Management

TCFD Recommendation | **Progress to date**

6 Describe the organisation's processes for identifying and assessing climate-related risks.

The Company's approach to internal controls is risk based. All material risks are identified, analysed, assessed, reported and managed. Since outlining our goal to better improve our understanding of climate-related risks and opportunities we have chosen to focus on two areas: 1) embedding climate due diligence into our on boarding process for new acquisitions, and 2) better quantifying our corporate GHG emissions footprint to support identification of future risks as well as opportunities for engagement arising as we develop our decarbonisation strategy.

In accordance with our commitment to executing due diligence on new acquisitions, within six months of an asset integrating into our portfolio we perform a systematic screening for various risks and identification of climate-related risks is carried out through physical risk due diligence. A summary of the risk exposure is provided under a 'Paris-Aligned' scenario and a 'High emissions' scenario from today and then in decadal time steps until 2100. The output from the screening is a bespoke climate factsheet.

To ensure our portfolio remains resilient to climate risk, we continue to embed these insights into our investment screening process, ensuring physical climate risk impacts are assessed for all new investments.

7 Describe the organisation's processes for managing climate-related risks.

Climate risks identified through our climate risk modelling are managed by our Risk Manager and the Management Board with work continuing to ensure climate risk considerations are formally embedded within risk management procedures.

Recognising that climate risk cuts across both our value-driven asset management approach and the essential infrastructure we provide to our clients, work is ongoing to ensure climate risks, where identified, will be shared with public sector clients with the objective of a collective action through influence and stewardship where necessary (e.g. mitigation, risk transfer). It should be noted that BBGI rarely has operational control at its Portfolio Companies, so achieving the targets and objectives is highly dependent on successfully influencing stakeholders (typically our public sector clients) into taking action.

We have systematically reviewed all existing investments for physical climate change exposure against eight climate perils[5] through quantitative scenario-analysis.

- In Q1 2022, we conducted further work on 20 assets performing deep dives. For each asset, a bespoke climate factsheet was produced, providing a summary of the risk exposure.
- In Q4 2022, we extended our systematic review for physical climate change exposure to also include our two new acquisitions. We expect to continue this due diligence process for all new acquisitions.

By voluntarily applying the TCFD regulatory framework, BBGI is gradually reinforcing numerous aspects of sustainability: risk and opportunities identification, management of climate-risk exposure and disclosure of relevant metrics and targets.

8 Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Climate-related risks have been integrated into our risk management procedures.

Where material climate risks are identified, these are escalated where necessary to the Management Board, ensuring risks can then be appropriately assessed, managed and monitored per our risk management procedure.

To ensure our portfolio remains resilient to climate risk, we will embed our findings into our investment screening process which ensures physical climate risk impacts are assessed for all new investments.

Metrics and Targets

TCFD Recommendation | **Progress to date**

9 Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Through scenario analysis conducted in 2021 and 2022, we continue to embed enhanced physical risk metrics across our risk management processes and climate-related risks and opportunities in line with our strategy.

- We have quantified both physical severity risk scores and potential projected financial impacts from 2020 to 2100 for every asset under each warming scenario assessed.
- For each time horizon and for each warming scenario, each asset is scored with a climate risk score, on a scale from very low to very high.
- For the 20 assets which have undergone a deep-dive assessment, we conducted a further sensitivity analysis that considers all existing resilience measures and the engineering of our assets in the climate risk score.

We recognise the importance of continually improving both our climate scenario analysis methodology and the metrics we use to track and monitor exposures across our portfolio. We will review and update our results and key metrics as necessary to ensure we maintain an up-to-date picture of climate risk across our investments and future acquisitions.

More information about our climate modelling methodology can be found in the 'Climate-related risks' section of our ESG report.

BBGI is required to comply with SFDR. As of June 2023, BBGI will disclose the following climate-related metrics in line with SFDR Level II requirements, as part of its Principal Adverse Impact Statement:

- GHG emissions;
- Carbon footprint;
- GHG intensity of portfolio companies;
- Exposure to companies active in the fossil fuel sector;
- Share of non-renewable energy consumption and production;
- Energy consumption as per high impact climate sector; and
- Breakdown of energy consumption by type of non-renewable sources of energy.

More information about our SFDR disclosures can be found here:
https://www.bb-gi.com/esg/sustainability-related-disclosures/

10 Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks

Corporate Emissions

- BBGI's total market-based Corporate Emissions are 242.53 tCO_2e (location-based are 240.80 tCO2e).
- The most significant emission source is flights accounting for 67 per cent of the total market-based Corporate Emissions.
- Total market-based Corporate Emissions have decreased by 13.7 per cent against the baseline year (2019), largely due to the reduction in flights.

Scope	**Activity**	**2022 Tonnes CO_2e**
Scope 1	Gas	9.90
Scope 1 Sub Total		**9.90**
Scope 2	Electricity (location-based)	5.24
	Electricity (market-based)	6.98
Scope 2 Sub Total (location-based)		**5.24**
Scope 2 Sub Total (market-based)		**6.98**
Scope 3	Flights	162.37
	Well-to-tank	28.12
	Employee commuting	13.00
	Computing	11.98
	Personal vehicles for business purposes	4.86
	Home-working	2.08
	Taxi travel	1.23
	Waste	0.73
	Hire cars	0.56
	Electricity transmission & distribution	0.43
	Paper	0.18
	Rail travel	0.07
	Water (and wastewater)	0.04
	Bus travel	0.02
Scope 3 Sub Total		**225.65**
Location-based total tonnes of CO_2e		**240.80**
Market-based total tonnes of CO_2e		**242.53**

Financed Emissions

		– In 2022, we worked in direct collaboration with our Portfolio Companies and subcontractors to feed our proprietary ESG KPI survey with the necessary data inventory, to adequately calculate a GHG inventory across all our investments. – As of June 2023, we will be disclosing annually our Portfolio Companies' Scope 1, 2 and where relevant material Scope 3 emissions (Financed Emissions) in line with the GHG Protocol operational control approach. – The disclosures will be part of our Principal Adverse Impact Statement disclosure, in line with SFDR Level II requirements.
11	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	**Climate-risk targets:** In 2022, we performed deep dives on our assets with the greatest risk exposure and those that are strategically important investments for BBGI. For 20 of our assets, a bespoke climate factsheet was produced, which we continue to utilise when engaging with clients. To date we have shared the climate factsheet or the climate risk score in the following circumstances: – Portfolio Company's boards: 100 per cent of projects – Public sector clients: 84 per cent of projects – Formal meeting with client to discuss conclusions of climate modelling and potential joint 'next steps' - 14 per cent of projects **Net zero targets:** **Corporate emissions (Scope 1, 2 and 3):** BBGI commits to reduce absolute Scope 1, 2 and 3 GHG emissions 50 per cent by 2030 from a 2019 baseline and to reach net zero by 2040. BBGI has aligned its approach with the SBTi guidance for Private Equity Sector and the SBTi guidance for SMEs, BBGI has not taken the steps to have its targets officially approved as there are no applicable industry standards for infrastructure investment at this time. However, BBGI has used the SBTi target setting tool to model its targets in line with SBTi approved criteria and methods. **Financed Emissions (Portfolio Companies' Scopes 1, 2 and material Scope 3)** We aim for 70 per cent of our Financed Emissions to be 'net zero', 'aligned', or 'aligning' to net zero by 2030. This means that by 2030, 70 per cent of AUM (portfolio companies by value) will have a long-term goal to be net zero by 2050 or sooner. We have a goal to have 100 per cent of our Financed Emissions to be 'net zero' or 'aligned', by 2040. BBGI has set its targets in line with the Paris Aligned Investment Initiative Net Zero Investment Framework and the specific guidance for the Infrastructure sector. **Read more on our net zero targets in our ESG Report.**

Note on TCFD disclosures

The purpose of climate scenario analysis is to support an understanding of potential future risk outcomes rather than 'predict' absolute future impacts. Current modelling takes into account individual asset archetypes. Archetypes are used to assess the vulnerability of different asset components to physical risk and building-specific characteristics (e.g. a hospital's typical building materials, number of storeys, type of construction) and embeds present-day government-funded defence infrastructure in place; local/site-specific mitigations have not been included within the model due to limited data availability. With this in mind, we recognise that scenario analysis is a gradual process to be improved iteratively as models themselves improve and our own asset portfolio requires it. The methodology outlined in this Report has been structured to offer both quantitative and qualitative perspectives on future physical risk outcomes and enables us to repeat our analysis as necessary.

We note that while internally we have granular, component-based outputs to support decision making and inform risk management processes, for the purposes of simplifying our reporting here, we have aggregated our risk scoring to the asset level. Asset-level physical risk scores are calculated using a weighted representation of total risk which reflects both each individual component risk severity and its rebuild value.

Both physical and transition risk are key considerations for BBGI. We also note that many of our investments are relatively new and benefit from having climate change considerations incorporated into the design and construction of the infrastructure. Many of the financial consequences resulting from climate-related perils have been mitigated by having insurance in place.

The results presented in this Report are based on best-available data and judgements of subject-matter experts both internally and externally, where required. Climate scenario models may differ in meaningful ways from traditional macroeconomic scenarios; they are neither forecasts nor predictions and should be used for "insights, not numbers".

Corporate Governance

Relevant Application of European Union and Luxembourg Law

BBGI 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 Fund Managers Directive ('AIFMD') into national legislation.

AIFM

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

Material risk takers

There has been no change in our material risk takers, who are the members of the Management Board, in accordance with Luxembourg's AIFM law of 12 July 2013.

Governance at a glance

Compliance statement

As an internally managed investment company, effective internal controls secure the sound financial and operational performance of our investments.

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

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

For the most part, we have complied with the Principles and Provisions of the AIC Code and where we do not, we have provided an explanation. We have outlined below the specific Provisions where we do not comply, with a section reference for an accompanying explanation:

- AIC Provision 17 (in relation to establishing separate Management Engagement Committee): See Committees of the Supervisory Board.
- AIC Provision 23 (All directors should be subject to annual re-election by the shareholders): See Management Board - General section.

Biographies of Directors

Supervisory Board

Sarah Whitney

Chair, Supervisory Board and Nomination Committee

Sarah Whitney has a 35-year career advising on strategy, corporate finance, real estate, and economic matters. Her executive roles include Corporate Finance Partner at PwC; she set up and led the Government & Infrastructure Team at CB Richard Ellis; and before that was Head of Consulting & Research at DTZ Holdings plc (now Cushman & Wakefield).

For over 20 years, Ms Whitney's career has focused on providing consultancy services to national and local governments, investors, and real estate companies on real estate, economic growth, infrastructure, and investment. In her early career, she was an investment banker advising major corporates on M&A transactions.

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

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

Ms Whitney serves as a non-executive director at JPMorgan Global Growth & Income plc (where she also serves as Chair of the Audit Committee), Tritax EuroBox plc (where she also serves as Senior Independent Director) and Bellway plc, (where she also serves as Senior Independent Director). She is a Member of the Council of University College London.

Andrew Sykes

Chair, Remuneration Committee and Senior Independent Director

Andrew Sykes has a wealth of financial services and non-executive experience and spent 26 years of his executive career at Schroders plc. He was Chair of SVG Capital plc from 2012 until 2017, serving on the Board from 2010. He was also Chair of Smith & Williamson from 2013 to 2020.

He is an experienced director of UK-listed companies with deep knowledge of the financial services sector and of Corporate Governance requirements.

Mr Sykes holds a Master's degree in Modern Languages from Oxford University.

Mr Sykes is currently a non-executive director and Senior Independent Director of Intermediate Capital Group plc.

Mr Sykes additionally serves as the Deputy Chair of the Governing Body of Winchester College.

Mr Sykes was appointed by shareholders at the Company's 2022 AGM as a Non-Executive Director, and became Senior Independent Director and Chair of the Remuneration Committee on 29 April 2022.

Jutta af Rosenborg

Chair, Audit Committee

Jutta af Rosenborg has extensive experience in management and strategy from her background as an Executive and from senior operational roles.

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

Ms af Rosenborg became a Non-Executive Director on 1 July 2018 and Chair of the Audit Committee on 31 August 2018.

Ms af Rosenborg holds an MSc in Business Economics and Auditing from Copenhagen Business School and qualified as a state-authorised public accountant in 1992.

Ms af Rosenborg is an experienced non-executive director of listed companies and serves currently on three other listed companies; RIT Capital Partners plc, Nilfisk Holding A/S and JP Morgan European Growth & Income plc.

Chris Waples

Independent Director

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

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

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

Mr Waples became a Non-Executive Director at BBGI on 1 May 2021.

Mr Waples does not hold any non-executive director positions at any other listed company.

June Aitken

Independent Director

June Aitken has over 30 years of experience in global equity markets as an institutional stockbroker. She has held numerous senior roles at HSBC Bank plc, London, including as Global Head of Emerging Market Equity Distribution and Head of Strategy Management. Previously, Ms Aitken was a Managing Director at UBS (AG), Head of Global Equity Product, and Global Head of Asian Equities. Ms Aitken was a founding partner and investor of Osmosis Investment Management LLP, a specialist investment manager focused on environmental and responsible investment mandates for pension funds and endowments globally.

Ms Aitken has been involved in establishing fund structures in multiple jurisdictions and has previously served on a number of financial services and fund boards.

Ms Aitken holds a degree in Politics, Philosophy and Economics from Oxford University, is a member of the Chartered Banker Institute and acts as a mentor to female entrepreneurs.

Ms Aitken was appointed by shareholders at BBGI's 2022 AGM as a Non-Executive Director from 29 April 2022.

Ms Aitken is a non-executive director at CC Japan Income & Growth Trust plc, JPMorgan Asia Growth and Income plc, Greengage Global Holding and Schroder Income Growth Fund plc. She is Chair of PEAL Capital Partners UK Limited.

Management Board

Duncan Ball

Co-CEO and member of the Management Board

Duncan Ball has been Co-CEO of BBGI since its inception. He was actively involved in its IPO in 2011 and BBGI's subsequent growth from 19 assets to 56 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 BBGI's overall strategy and management. He is one of three members of the Management Board and sits on the Group's Investment and ESG Committees. He also is a shareholder representative and holds directorships in key investments of BBGI.

Frank Schramm

Co-CEO and member of the Management Board

Frank Schramm has been Co-CEO of BBGI since its inception. He was actively involved in its IPO in 2011 and BBGI's subsequent growth from 19 assets to 56 assets at the end of the reporting period.

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

Michael Denny

CFO and member of the Management Board

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

He joined BBGI in early 2012, shortly after its IPO. As CFO of the Group, he is primarily responsible for all corporate financial matters including 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.

Board leadership and purpose

Our governance structure

BBGI is internally managed and operates with a two-tier governance structure, comprising a Management Board and a Supervisory Board. The respective responsibilities of each Board are outlined below.

Management Board

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

In carrying out the function of investment manager via the Management Board, we do not engage an external investment manager to provide investment management services. Accordingly, as Executive Directors, none of the Management Board sit on the Supervisory Board, nor on its formally constituted Committees.

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

Supervisory Board

The duties of the Supervisory Board are:

(a) to appoint and, where relevant, dismiss members of the Management Board;

(b) to supervise the Company's management by the Management Board, without being authorised to interfere with the management; and

(c) to exercise its powers attributed by our Articles, including:

●	Supervising and monitoring the appointment of our service providers and those of our subsidiaries.
●	Reviewing remuneration and compensation levels and structure, and other benefits and entitlements of our Management Board officers and BBGI employees.
●	Considering any prospective issues, purchases, or redemptions of shares proposed by the Management Board.
●	Reviewing and monitoring compliance with our corporate governance framework and financial reporting procedures.
●	Reviewing and (if thought fit) approving interim and annual financial statements.
●	Providing general supervisory oversight to the Management Board and Group operations.

The Supervisory Board consists of independent Non-Executive Directors and the Chair, who was considered independent at the time of her appointment. The directors on the Management and Supervisory Boards are accountable under the Listing Rules, as the Listing Rules do not distinguish between different types of directors.

While BBGI'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 a publicly-listed company (or where recommendation is customarily given). Any responsibility applied to directors under the Listing Rules applies to all our directors.

Stakeholder engagement

Effective engagement with our stakeholders is a key part of realising our vision and purpose. While 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, we recognise the value added by all our stakeholders. BBGI acknowledges the continuing requirement under Section 172(1) CA2006 for boards of UK large or publicly-listed companies to take stakeholder interests into account, and to report how they have done so when performing their duties. Furthermore, as a member of the AIC, we recognise the stated intention of the AIC Code that the matters set out in Section 172 are reported on by all companies, irrespective of domicile, provided this does not conflict with local company law.

Under AIC Code Provision 3, the Co-CEOs of the Management Board regularly engage with our major shareholders to understand their views on significant matters. The Chairs of the Supervisory Board and its delegated Committees are also always available to engage at our shareholders' request.

Details of how we adopt the spirit of those provisions, consider our stakeholders, and our commitment to generating positive and sustainable outcomes for all our stakeholders are outlined in the ESG section of this Annual Report.

General Meetings

2022

The AGM was held on 29 April 2022. There were no other shareholder meetings held during the year.

2023

BBGI's next AGM will be held on Friday 28 April 2023. The Notice of Meeting, proposed Resolutions and Explanatory Notes, and the associated Proxy Form, will be circulated to shareholders in accordance with the regulatory deadlines, and available on our website.

Substantial shareholdings

As at 31 December 2022, BBGI had 713,331,077 shares in issue. Pursuant to DTR5 of the FCA's Disclosure Guidance and Transparency Rules, we had received notice of substantial interests (five per cent or more) in the total voting rights of BBGI as follows, in compliance with DTR 7.2.6R:

Name	Held	% of total share capital[1]
M&G plc	59,502,903	9.42%
Schroders plc	56,304,964	8.48%
Newton Investment Management Limited	39,947,825	8.46%
Investec Wealth & Investment Limited	31,569,569	5.01%
Evelyn Partners	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 BBGI may have changed since that date.

Board members and other interests

The Management Board members 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. No other Group member held service or management contracts during 2022. Notice periods to and from the Company of 12 months apply for each Management Board member. No loan has been granted to, nor any guarantee provided for the benefit of, any director by the Company.

Ms Whitney, Mr Sykes, Ms af Rosenborg, Mr Waples and Ms Aitken are all considered independent Board members, as they:

(i) Have not been employees of BBGI.

(ii) Have not had material business relationships with BBGI.

(iii) Have not received performance-based remuneration from BBGI.

(iv) Do not have family ties with any of BBGIs 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.

(vii) Have not served on the Board for more than nine years.

Details of Directors' holdings in BBGI's shares are disclosed in the Remuneration Report.

Internal controls

The Management Board has established an ongoing process and system of robust internal controls to help BBGI manage risks. We have processes to manage risk, oversee the internal control framework, and determine the nature and extent of principal risks we are willing to take to achieve our long-term strategic objectives. As well as ongoing monitoring, we review these policies and procedures at least annually.

We recognise 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 unable to provide absolute assurance against material misstatement or loss.

During 2022, our Compliance and Risk functions reviewed, assessed, and reinforced our robust governance and risk controls frameworks. With the general removal of COVID-19 restrictions, many of our colleagues have resumed undertaking delegates and due diligence process monitoring through in-person meetings and on-site attendance at delegates' offices.

- The Supervisory Board monitors our investment performance against our stated objectives and reviews our activities on a quarterly basis, to ensure that our Management Board is adhering to our investment policy and guidelines, including clearly defined investment criteria, return targets, risk profile and compliance framework. During these meetings, the Management Board reports KPIs on operating performance, cash projections, investment valuations and corporate governance matters.
- The Head of Compliance and Risk presents our Interim and Annual Risk Report and quarterly Compliance Reports separately to the Management Board and Supervisory Board, or to the Audit Committee, with all directors of both Boards present.
- The ESG Committee oversees the management of material ESG activities, including climate-related issues, and reports to the Management Board on any recommendations and proposed actions following each Committee meeting. The ESG Committee meets at least quarterly, and membership comprises the Co-CEOs, the CFO, the Director ESG/Sustainability, and the Company Secretary. Through the ESG Committee, the Management Board remains informed about the dual risks to BBGI of transitioning to a low-carbon economy (with associated increased regulation) and the risk of financial, operational, and direct, physical impacts of climate change on our portfolio assets.

We perform Internal Audit reviews as part of our triennial audit plan, as agreed by the Management Board and Audit Committee and communicated to the CSSF. The nature, timing, and extent of our internal audit procedures are determined by assessing the risk related to specific activities, and the complexity and sophistication of our operations and systems, including how we control information processing. The Internal Audit Summary Report is presented to the Audit Committee in March each year and then submitted to the CSSF.

Division of Responsibilities

Supervisory Board

General

The Supervisory Board has five Non-Executive Directors, all of whom are independent. All Supervisory Board members are elected for a period ending at the Company's AGM in April each year, when they are required to retire, in accordance with the Articles. The members can offer themselves for re-election by shareholders. However, re-appointment is not automatic.

The Supervisory Board meets at least four times a year and between these formal meetings, the Management Board and the Company's corporate brokers have regular contact. Where necessary, both Supervisory and Management Board members have access to independent professional advice at BBGI's expense. It considers items laid out in the Notices and Agendas of meetings, which are formally circulated to its members before each meeting as part of the Board papers. At each meeting, members must advise of any potential or actual conflicts of interest before discussion.

It also meets at least quarterly to review investment performance and associated matters, compliance and risk profile, the performance of key service providers, investment and financial controls, marketing and investor relations, general administration, peer group information, industry issues and other matters relevant to fulfil its oversight remit.

The Supervisory Board has formally established Audit, Remuneration and Nomination Committees. Further details are below and in each Committee Report.

Management Board

General

The Management Board comprises three members, each contractually engaged by BBGI Management HoldCo S.à r.l., a direct consolidated 100 per cent-held BBGI subsidiary. 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 meets the independence criteria set out in Provision 10.

While our two-tier structure is not explicitly covered by the AIC Code, our independent Supervisory Board ensures we are compliant with AIC Code Provision 10.

The Company's Articles require the re-election of the Management Board's members every year by the Supervisory Board, and not by shareholders. This does not meet the requirements of AIC Code Provision 23, which requires that directors are 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 are subject to annual election by shareholders, who may also dismiss any member. We consider this procedure satisfies the requirements of AIC Code Provision 23.

Performance evaluation and re-appointment

As stated above, the Management Board carries out the functions of BBGI's investment manager. Management Board Directors are appointed by the Supervisory Board for a year, and these appointments are then renewed. Mr Ball and Mr Schramm were both appointed on 5 October 2011 for BBGI's IPO, with Mr Denny appointed to the Management Board on 30 April 2013.

Delegated functions

We are required to have dedicated Risk Management, Compliance, and Internal Audit functions under AIFM Law; and each function must be functionally and hierarchically separate from our operating unit functions. Accordingly, we have appointed Grant Thornton Vectis as Internal Auditor, for the year ended 31 December 2022.

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

Our Management Board has overall responsibility for the correct and effective operation of the delegated functions.

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

Our shares trade on the main market of the London Stock Exchange. In this context, Link is our depository, receiving agent and UK transfer agent. During 2022, and in accordance with the Dematerialisation Law, our remaining shares issued in registered form were converted into dematerialised form.

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

BBGI is registered under the UK's National Private Placement Regime ('NPPR'), allowing us to continue to market our shares in the UK.

Board attendance

As at 31 December 2022

Name	Function	Independence	Age	Original appointment	Next renewal date	Attendance at Meetings (total meetings held in the year)			
Supervisory Board						**Supervisory Board (5)**	**Audit Committee (5)**	**Nomination Committee (4)**	**Remuneration Committee (5)**

Sarah Whitney[i]	Chair of Supervisory Board and Nomination Committee	Independent	59	01-May-19	28-Apr-23	5/5	3/3	4/4	5/5
Andrew Sykes[ii]	Senior Independent Director and Chair of the Remuneration Committee	Independent	65	29-Apr-22	28-Apr-23	3/3	2/2	2/2	3/3
Jutta af Rosenborg[iii]	Chair of Audit Committee	Independent	64	01-Jul-18	28-Apr-23	5/5	5/5	4/4	4/5
Chris Waples	Director of the Supervisory Board	Independent	64	01-May-21	28-Apr-23	5/5	5/5	4/4	5/5
June Aitken[iv]	Director of the Supervisory Board	Independent	63	29-Apr-22	28-Apr-23	3/3	2/2	2/2	2/2
Howard Myles [v]	Senior Independent Director	Independent	73	03-Oct-11	n/a	3/3	3/3	2/2	2/2

[i]Ms Whitney stepped down from her membership of the Audit Committee on 29 April 2022, having attended all prior Committee meetings. Ms Whitney continues to be invited to attend the Audit Committee meetings as an observer.

[ii]Mr Sykes was appointed with effect from 29 April 2022, and attended all meetings held following his appointment.

[iii]Ms af Rosenborg was unable to attend one meeting of the Remuneration Committee due to a prior engagement.

[iv]Ms Aitken was appointed with effect from 29 April 2022, and attended all meetings held following her appointment.

[v]Mr Myles retired from the Supervisory Board and all Committee roles on 29 April 2022, having attended all meetings held prior to his retirement.

Name	Function	Independence	Age	Original appointment	Next renewal date	Attendance at Meetings
Management Board						**Management Board (20)**
Duncan Ball	Member of the Management Board	Non-independent	57	05-Oct-11	05-Oct-23	20/20
Frank Schramm	Member of the Management Board	Non-independent	54	05-Oct-11	05-Oct-23	20/20
Michael Denny	Member of the Management Board	Non-independent	45	30-Apr-13	30-Apr-23	20/20

These tables set out the expiry dates of the current terms of the Directors' appointments, and Committee meeting attendance. All appointments may be renewed in accordance with the provisions of the Company's Articles.

Audit Committee

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

The Audit Committee operated throughout 2022 in accordance with the AIC Code and within clearly defined terms of reference, which are regularly reviewed, including all matters indicated by DTR 7.1 and the AIC Code.

The Audit Committee reports its findings to the Supervisory Board, identifying matters where it recommends action or improvement. If there is a conflict between the provisions of the AIC Code and the provisions of the law on the Audit Profession, we comply with the provisions of the law on the Audit Profession, and disclose any conflict.

As External Auditor, PWC attends specific Audit Committee meetings to consider BBGI's Annual and Interim Financial Statements, where PWC presents the conclusions of its work, and whenever the Audit Committee considers necessary.

The Audit Committee meets at least three times per year, and whenever the Audit Committee Chair may require. Any member of the Audit Committee, or the External Auditor may request additional meetings. Other Directors and third parties may be invited by the Audit Committee to attend meetings when appropriate. Sarah Whitney, as the Chair of the Supervisory Board is not a member of the Committee but is invited to attend each of its scheduled meetings.

Remuneration Committee

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

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

The Remuneration Committee meets at least twice a year, and whenever the Remuneration Committee Chair may require. Additional meetings may be requested by any member of the Remuneration Committee, if necessary. Other Directors and third parties may be invited by the Remuneration Committee to attend meetings as and when appropriate.

Nomination Committee

In accordance with AIC Code provision 22, the Company has a formally constituted Nomination Committee, to which the Supervisory Board has delegated its responsibilities for appointing the members of the Management Board and the appointment of any further Supervisory Board members.

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

In recruiting new directors, the Nominations Committee actively seeks greater diversity by gender, ethnicity, nationality, and other criteria, and is committed to selecting members based on merit, who possess relevant and complementary skills to help BBGI maximise stakeholder value.

The Nomination Committee meets at least two times a year, and at other times as the Nomination Committee Chair requires, in accordance with its Terms of Reference. If necessary, Nomination Committee members can request additional meetings. Other Directors and third parties may be invited by the Nomination Committee to attend meetings when appropriate.

The Chair does not chair any Committee meeting where her succession is discussed, in accordance with AIC Code provision 22.

Further details on the roles of each Committee and their activities during 2022 are set out in the individual Committee reports which form part of this Annual Report. The respective Committee Chairs attend each Company AGM where they are available to respond to any shareholder queries on their Committee's activities.

Management Engagement Committee

Oversight of delegates and key service providers is highly regulated by the Luxembourg CSSF, including formal reporting structures, regular oversight visits and compliance monitoring plans, in accordance with the Company's Oversight of Delegated Activities framework. Given the Management Board's primary involvement in the process, the internal management of the Company, and the size of the Supervisory Board, the Supervisory Board conducts the functions of a management engagement committee, with Ms Whitney as Chair. As a result, we consider it unnecessary to have a separate management engagement committee, as prescribed under AIC Code Provision 17, as there is no material benefit to BBGI and our shareholders.

In its role as Management Engagement Committee, the Supervisory Board met four times in 2022 to consider, together with the Management Board, the performance, effectiveness and appropriateness of the ongoing appointments of our third-party service providers under Principle H of the AIC Code. During these meetings, the Management Board provided feedback and key findings from any onsite meetings with third-party service providers, as part of our programme of oversight of delegates and key service providers.

Composition, Succession and Evaluation

We believe all Supervisory Board members have an appropriate combination of skills, experience, and knowledge to fulfil their obligations. They also have a breadth and diversity of experience relevant to BBGI, and we believe any future changes to the composition of the Supervisory Board can be managed without undue disruption to the Company. We are unaware of any circumstances that are likely to impair, or could appear to impair, the independence of any of the Supervisory Board members.

Board composition, tenure, and diversity

The Nomination Committee and the Management Board regularly review BBGI's succession plans, but ultimate decision making rests with the Supervisory Board. As part of our structured succession plan, Non-Executive Directors are expected to retire on a staggered basis. Since IPO, we have recruited new Non-Executive Directors to retain and enhance our Board's knowledge and experience. At the conclusion of our 2022 Annual General Meeting, Mr Howard Myles retired as a member of the Supervisory Board and each of the Committees, including his role as Senior Independent Director and Chair of the Remuneration Committee. He had served as an independent Non-Executive Director since our IPO. He was replaced by Andrew Sykes, who was appointed Non-Executive Director at the same AGM. Mr Sykes also took on the roles of Senior Independent Director and Chair of the Remuneration Committee. At our 2022 AGM, our shareholders appointed Ms June Aitken as an Independent Non-Executive Director. Both Ms Aitken and Mr Sykes are members of each of our Committees.

Our Management and Supervisory Boards take the gender and ethnic diversity of their composition into full consideration. We fully acknowledge the goals of FTSE Women Leaders (formerly the Hampton-Alexander Review on Women on Boards) and the Parker Review on Ethnic Diversity on Boards. Female representation on our Supervisory Board at the reporting date stood at 60 per cent, exceeding the FTSE Women Leaders target of at least 40 per cent representation of women on the Boards of FTSE 350 companies. We also meet the target set by the Parker Review for FTSE 250 companies to have at least one director from a minority ethnic group on the Board by 2024.

We are one of the few FTSE 350 companies with both a female Chair and Audit Committee Chair. As part of our commitment to the FTSE Women Leaders and the Parker Review's goals, the Nomination Committee also regularly reviews our policies on diversity, equity and inclusion.

Our gender composition goals include our Management Board, and their direct reports. As at 31 December 2022, our 26 colleagues included 17 different nationalities. Given our relatively low employee turnover and the small number employed across the Group, the Management and Supervisory Boards are mindful of the naturally limited opportunities to promote greater diversity of gender and ethnicity to senior roles within BBGI, but we still take all reasonable and practical steps to evolve diversity throughout the Group.

Further details on Board composition, tenure, and diversity are given in the Nomination Committee Report.

Re-election of Supervisory Board members

In accordance with the Articles, Supervisory Board members are elected for a period ending each AGM, when they are eligible for reappointment. All members of the Supervisory Board will offer themselves for re-election at our forthcoming AGM in 2023 and, as a result of the successful performance evaluation, the Supervisory Board recommends the re-election of each of its members.

Re-election of Management Board members

The Supervisory Board evaluates the performance of the Management Board and its Directors annually to ensure they operate effectively and efficiently, and that the appointment of the individual Directors is in the best interests of BBGI and its shareholders. Satisfied with the evaluations carried out in 2022, the Supervisory Board resolved to renew Mr Denny's appointment for a further year with effect from 30 April 2022, and those of Mr Ball and Mr Schramm for a further year with effect from 5 October 2022.

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 our website. Refer to www.bb-gi.com/investors/policies/articles-of-association/.

Nomination Committee Report

Annual statement from Nomination Committee Chair

I am pleased to present the Nomination Committee (the 'Committee') report for the financial year ended 31 December 2022 on behalf of the Supervisory Board.

Responsibilities

The Committee and its Chair are appointed by the Supervisory Board. Membership is confined to Independent Non-Executive Directors. Each of the five Independent Non-Executive Directors is a Committee Member. The Nomination Committee's responsibilities include reviewing:

- The renewal of the appointments of the Management Board members (appointments are renewable annually for one year only).
- The composition of the Supervisory Board and the appointment of new Supervisory Board members (subject to annual shareholder approval).
- Succession planning for the Management and Supervisory Boards.
- The annual performance evaluation of the Supervisory Board and its formally constituted Committees.

Key activities during the year

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

Supervisory Board composition, tenure and diversity

As was reported in last year's Annual Report, in accordance with our succession plans, Howard Myles retired as a Non-Executive Director of the Supervisory Board and his respective Committee appointments at the 2022 AGM, with Andrew Sykes appointed to serve as his replacement on the Supervisory Board. Mr Sykes also succeeds Mr Myles as Senior Independent Director, Chair of the Remuneration Committee and as a member of the Audit and Nomination Committees.

Ms June Aitken was also appointed at the 2022 AGM, as an additional member of the Supervisory Board, and additionally serves as a member of the Audit, Nomination and Remuneration Committees. We are grateful for the support received from shareholders in favour of their appointments, which we believe complement existing Board members and provide us with a well-balanced and experienced Supervisory Board and Committees, allowing us to effectively serve our shareholders in carrying out our duties of oversight of the Company and Management Board.

We strongly support initiatives and regulatory changes to encourage gender and ethnic equality within publicly-listed corporate entities, including the FTSE Women Leaders and Parker Reviews. We believe the Supervisory Board's effectiveness is greatly enhanced by our diversity, and are proud of having 60 per cent female representation, as well as being one of the few FTSE 350 companies with both a female Chair of the Supervisory Board and a female Audit Committee Chair. During the year we also achieved the Parker Review target for FTSE 250 companies to have at least one director from an ethnic minority background on the board, two years ahead of the 2024 deadline. Notwithstanding any regulatory requirements, we remain committed to ensuring that the members of our Board and Committees bring a varied range of skills and expertise to the benefit of the Company's stakeholders and we have achieved this whilst also meeting these additional expectations of diversity.

Succession planning

During the year, the Committee reviewed its former policy on the Appointment and Tenure of the Supervisory Board Chair. Following a reassessment of the Board's position on succession planning, we decided to revise the existing policy and extend its application to all members of the Supervisory Board all members. The Committee recognises that the AIC does not explicitly preclude a director from serving more than nine years, but states that serving over nine years is one of several factors that could lead to a director losing independent thinking. Separately, the Committee members recognise market sentiment towards excessive periods of tenure beyond nine years - the stated limit in the FCA's Corporate Governance Code. Our Supervisory Board Tenure policy limits the tenure of its members and the Chair to nine years from their first appointment to the Board, although we will allow an extension of the Chair in exceptional circumstances to facilitate an effective succession plan and the development of a diverse Board.

The Committee reviewed the composition and membership of the Management Board, the Supervisory Board, and their formally constituted Committees. The Committee has determined that, with the addition of Mr Sykes and Ms Aitken, further appointments are not necessary.

Every year, we consider and formally discuss the issue of succession, both at the directorship levels and below, reporting into the Management Board. We consider existing skills and experience, potential future departures, and key person risks, as well as supporting and nurturing talent within the Company. Where necessary, the Committee will engage external recruitment consultants to assist with identifying suitable candidates. The Management Board is tasked with the general recruitment of colleagues, including all senior positions below Board-level, and it regularly keeps the Committee and Supervisory Board appraised of existing and potential future human resourcing requirements.

The process of appointing any new Directors is led by the Nomination Committee. Our approach is to make appointments across all levels based on the merit, and the strengths, skills and experience that individual candidates bring to the composition and balance of the Management and Supervisory Boards, or Company.

Annual Committee planning and member development

During the year, the Committee formalised annual commitments and activities into an annual committee plan. This ensures individual Committee members regularly consider all material matters, and that the Committee allocates sufficient time to discuss any matters at respective meetings.

The Committee also re-evaluated the induction process for new Non-Executive Directors, referring to positive feedback on the process from Mr Sykes and Ms Aitken. We have enhanced the NED induction plan by expanding on the content covered during meetings and presentations for new directors.

We maintain an internal register of training undertaken by all colleagues and Directors. Members of the Supervisory Board are required to provide evidence of relevant training undertaken in the year and are additionally encouraged to take part in staff-wide training, such as cyber-security and Anti-Money Laundering ('AML') and Counter-Terrorism Financing ('CTF'), if they have not done similar training externally. The Committee also reviews training undertaken to determine the ongoing commitment and suitability of each Supervisory Board member as an independent Non-Executive Director of the Company. I am pleased to say that each Supervisory Board member has undertaken training to remain up-to-date with the latest regulatory and operational developments relevant to BBGI's business.

Annual performance evaluation

Progress made against the actions identified by the 2021 performance evaluation of the Board's effectiveness is detailed below:

Area of focus	Actions taken
Greater ESG expertise required on the Supervisory Board	The Supervisory Board was enlarged by one member, and a search undertaken for an appropriately skilled individual, resulting in the appointment of June Aitken Individual board member training undertaken where appropriate
Committee work planning	All Committees now have annual workplans in place setting out the year's business.

During the year, the Supervisory Board conducted its own annual evaluation, as well as that of its Chair and each of the Committees, and considered the term and independence of each member. Having undertaken an external evaluation in 2020, the 2022 evaluation was conducted internally. It consisted of a detailed questionnaire covering the Supervisory Board and its Chair, and its three Committees: the Audit Committee, the Nomination Committee, and the Remuneration Committee. All members of the Supervisory Board formally considered and discussed the conclusions from each evaluation.

The 2022 evaluation concluded that the Supervisory Board and its Committees comprise an appropriate balance of experience, skills and knowledge to enable them to discharge their responsibilities properly, and the Board has operated effectively throughout the year. The new Board and Committee structure and the annual work programmes introduced last year are functioning well, and the two newly appointed directors benefited from the improved induction programme. Some minor changes to the management of the Board's business will be implemented to improve the effective working of the Board. In the changing macroeconomic environment, the evaluation process recognised the need to keep the Company's strategy and risk management processes in focus.

As the Senior Independent Director, Mr Sykes evaluated my performance as Chair of the Supervisory Board, in accordance with provision 14 of the AIC Code, and he concluded that I continue to perform my role effectively.

I have also evaluated the performance of each Supervisory Board member, and concluded that each member performed their duties effectively throughout the reporting period, and has sufficient capacity to carry out their duties properly, with no single member over-boarded by other directorships.

Renewal of Executive Director mandates

The Supervisory Board reviewed the performance of each Management Board member. Each member is considered to have performed their duties effectively, and has been reappointed for another year.

The Committee reviewed the plans for all senior positions for succession planning. These plans are regularly updated by the Management Board and reviewed by the Nomination Committee at least annually.

The year ahead

The Committee will meet regularly in 2023 to assess capacity within the organisation, key man risk and the continuous development of appropriate succession plans, which continue to be key focus areas for the Management and Supervisory Boards. The Committee will strive to achieve the best results for all stakeholders in 2023, including the selection process for engaging an independent third party to facilitate the external performance evaluation process in 2023, in accordance with AIC Code provision 26, and in actioning the outcomes of the 2022 evaluation.

Approval

This Report was approved by the Board on 29 March 2023 and signed on its behalf by:

Sarah Whitney
Nomination Committee Chair

Audit Committee Report

Annual statement from Audit Committee Chair

I am pleased to present the Audit Committee (the 'Committee') report for the financial year ended 31 December 2022 on behalf of the Supervisory Board.

Terms of Reference

The Committee functioned throughout 2022 according to its defined Terms of Reference, which are prepared in accordance with the Disclosure and Transparency Rule 7.1 and the AIC Code, which are reviewed at each formal meeting scheduled by the Committee and are available to view on the Company's website. Any amendments recommended on the Terms of Reference are referred to the Supervisory Board for approval. The roles and responsibilities of the Committee, as set out in its Terms of Reference, are reviewed at least annually, and consider relevant regulatory changes and recommended best practice. There were no material amendments to the Terms of Reference during 2022.

Committee membership

The Committee and its Chair are appointed by the Supervisory Board. The Committee currently consists of four Independent Non-Executive Directors, all of whom sit on the Supervisory Board, and membership is at all times confined to Independent Non-Executive Directors. Ms June Aitken and Mr Andrew Sykes were appointed as Committee members from 29 April 2022, with Mr Howard Myles and Ms Sarah Whitney stepping down from the Committee on the same day. Ms

Whitney remains a Non-Executive Director. As Chair of the Supervisory Board, she is invited to attend each Committee meeting as an observer. The biographies of each Committee member are 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.

Responsibilities

The key responsibilities of the Committee include:

- Advising 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 Group'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, satisfy themselves that the financial statements are compliant with relevant accounting standards and that any significant financial reporting issues and judgements raised by the External Auditors are appropriately considered.
- Reviewing the semi-annual valuations of BBGI's investment portfolio.
- Reviewing the effectiveness of the Group's internal financial controls and risk monitoring including consistency of accounting policies and practices on a year-to-year basis, the Group's internal control and risk management systems, including reviewing the Internal Auditors' Annual Regulatory Report.
- Reviewing and monitoring the effectiveness of the Group's Internal Audit function, including the appointment and removal of the third-party service provider of Internal Audit and review and approve the tri-annual internal audit plan.
- Formally reporting and making recommendations to the Supervisory Board for resolutions to be put to shareholders at the AGM, to approve the appointment, re-appointment, and removal of the External Auditor, and keep under review 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.
- Ensuring implementation of a policy on non-audit services, considering relevant guidance and legislation regarding the provision of non-audit services by the external audit firm.
- Reviewing the adequacy and security of the Group's arrangements for its employees and stakeholders to raise concerns, in confidence via BBGI's whistleblower hotline, about possible wrongdoing in financial reporting, fraud, bribery and other matters.

These responsibilities form the basis of the Committee's annual work plan. The Committee is authorised to seek any information it requires from the Management Board, and external parties and to investigate issues or concerns as it deems appropriate. The Committee may also obtain independent professional advice at the Company's expense, in order to perform its duties. No independent advice was required in 2022.

The External Auditor is invited to attend Committee meetings where we consider the Annual and Interim Reports, and they meet the Committee or some of its members, without representatives of the Management Board being present. The Committee has direct access to PwC as our External Auditor, and to members of the Management Board, and reports its findings and recommendations to the Supervisory Board.

Key activities during the year

At these meetings, the Committee considered, *inter alia*:

- The Committee's Terms of Reference.
- The Committee's annual plan.
- The Semi-Annual Valuation Reports with respect to our investment portfolio, including assumptions used, sensitivity scenarios, External Auditor and third-party independent valuation specialist observations.
- Management's proposals for the interim dividends, including any benchmarking conducted against market peers.
- Our 2021 Annual Report, 2022 Interim Report and the appropriateness and consistency of our accounting policies.
- The relevance of changes to IFRS reporting standards.
- The change in External Auditor, including PwC's terms of appointment and remuneration, and overseeing their independence, particularly the provision of non-audit services and legacy services pre-dating its appointment as External Auditor.
- The effectiveness of the audit and recommendation to the Supervisory Board for approval of the External Auditor's plan for the financial year and the key business risks relevant to the audit.
- The External Auditor's reports to the Committee.
- Discussions with management on our existing tax structure and tax risks.
- The introduction of more comprehensive climate-related disclosures.
- Our overall Risk Profile and Key Risk Indicators, and the effectiveness of our risk monitoring.
- An annual review of the Charters and Policies relevant to the Committee.
- The effectiveness of our Internal Auditor, the Internal Auditor's Annual Regulatory Report for 2021 and scope of review for the 2020-2022 triennial internal audit plan.
- The Russian invasion of Ukraine and the potential macroeconomic consequences, in particular the impact on interest rates and inflation.
- Following the revocation of most of the health measures in relation to COVID-19 in March 2022, a reflection on the overall non-financial impact of the pandemic, and in particular the effectiveness of our business continuity plan throughout.
- The effectiveness of an externally conducted cyber-security risk assessment for BBGI and a review of controls in place and adaptations made to mitigate the global escalation in cyber-attacks.
- Initial expectations around the impact and relevance of the UK BEIS Audit and corporate governance reforms, considering our size and UK listing.
- The Committee, with the presence of all Supervisory Board members, received quarterly presentations from the Head of Compliance and Risk on the work undertaken by the Compliance function, including;
  - Discussions around our AML/CFT controls and new reporting requirements from the Luxembourg regulator, which required support from outgoing External Auditor.
  - A look through exercise on the beneficial ownership of our share capital in response to the significant level of sanctions imposed by regulators on Russia and Russian-related interests.
  - Whistleblowing arrangements.
  - Periodic updates on the conclusion of the process to dematerialise our share register.

Valuation of investments

During the year, the Committee discussed a range of topics with the Management Board, the External Auditor, and the Internal Auditor. Consistent with prior reporting periods, the Committee concluded that the most significant risk of material misstatement in our financial statements relates to the fair valuation of our underlying investments.

Twice a year, the Management Board carries out a valuation of the underlying investments, including NAV sensitivity analyses, which are reviewed by an independent third-party valuation expert.

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

The Committee invited the External Auditor to present and discuss the results of its audit and review procedures. The External Auditor, including its valuation specialist, has reviewed and reported on the adequacy of the valuation of the underlying investments, paying particular attention to the discount rates applied, the macroeconomic backdrop and the key assumptions used in deriving the fair valuation of the investments.

The External Auditor briefed the Committee on the outcome of its controls testing and the audit procedures performed. This risk of material misstatement is carefully considered when the Committee reviews the Annual and Interim Financial Statements.

Following this valuation process and ensuing reviews, the Committee concluded that the valuation process of our investments for 2022 had been carried out appropriately, and the value of investments was reasonable.

External Auditor independence and effectiveness

In assessing the ongoing independence of the External Auditor, the Committee:

- Reviewed the External Auditor's report outlining the extent of non-audit services provided by them and related parties to the Company and its subsidiaries.
- Received confirmation from the External Auditor as to its compliance with ethical requirements regarding independence and the application of appropriate safeguards, along with the arrangements in place to identify, manage and disclose conflicts of interest and that it has remained independent of the Group in accordance with Regulation (EU) No 537/2014.
- Considered existing engagements with the External Auditor having been entered into prior to their appointment as External Auditor, along with associated changes in personnel to maintain independence.

In assessing the ongoing effectiveness of the External Auditor, the Committee considered;

- The External Auditor's fulfilment of the agreed audit plan and variations.
- Reports highlighting the major issues that arose during the audit.
- Feedback from the Management Board evaluating the performance of the audit team.
- The Financial Reporting Councils ('FRC's) Annual Report on audit quality inspections.

The Committee is satisfied PwC has acted in accordance with its terms of engagement and that the audit process carried out by the External Auditor remains independent, objective, and effective.

Non-audit services

The Committee considered the level of non-audit services provided by the External Auditor. To the extent that non-audit services are not prohibited, the Committee will continue to review and, where appropriate, approve non-audit service engagements performed by the External Auditor on controlled subsidiaries.

As a general principle, we will not use the External Auditor for non-audit services, unless there is a valid and specific justification.

For the financial year ended 31 December 2022, the External Auditor provided us with limited non-audit services related to ESMA Annex IV reporting. This arose as the result of a legacy engagement pre-dating PwC's appointment as the External Auditor. Fees for this service in 2022 amounted to c. £5,000. We have since performed the production of this reporting in-house. There were no other non-audit related fees paid to PwC during the year ended 31 December 2022.

Internal controls and risk management

The Committee review the effectiveness of the Group's internal financial control systems.

The Committee considers the three lines of defence model to assess the effectiveness of the internal control systems. The **first line of defence**, management controls, is monitored on an ongoing basis by the compliance and risk management functions, which make up the **second line of defence**. The **third line of defence** is the internal audit function.

- <u>Risk management:</u> The Committee members attended the presentation of the Annual Risk Report and the Semi-Annual Risk Report presented by BBGI's Risk Manager. Committee members had the opportunity to challenge the Risk Manager and members of the Management Board, enabling an appropriate level of direct oversight. Additionally, the Committee reviews regular risk profile updates and related key risk indicators during the year, prepared by the Risk Manager.
- <u>Compliance:</u> The Committee members received and considered the quarterly compliance reports prepared by BBGI's Head of Compliance, describing the work performed by the compliance function, and covering all compliance topics, including, but not limited to, AML/CTF, delegate oversight, conflicts of interest, training, regulatory watch, data protection, fraud, cyber-security, implementation and update of policies, ESG and personal transactions. The Management Board members and other representatives were available to respond to the Committee members' queries and requests for further clarification. The Head of Compliance additionally presented the Annual Compliance Report for the Financial Year ended 31 December 2021, required to be submitted to the CSSF. This report was presented at a Committee meeting where all directors, including the Supervisory Board Chair, were in attendance.
- <u>Internal audit:</u> As described in the responsibilities section above, the Committee undertook a review of the Internal Auditor's effectiveness, the 2021 Internal Auditor's Annual Regulatory Report and the 2020-2022 triennial internal audit plan. As part of this process, the Committee received a presentation from the Internal Auditor, which covered their specific approach to engagement, a detailed outline of their scope of work, the audit objectives and their conclusions resulting from the 2021 engagement.

Members of the Committee are presented with the information required to monitor the effectiveness of all three functions. For 2022, the Committee concluded that Risk Management, Compliance, and Internal Audit had performed effectively with adequate processes in place.

Annual Committee planning

During the year, the Committee formalised its activities into an Annual Committee Plan. Individual Committee members deliberate all material matters requiring the Committee's regular consideration, and we allocate sufficient time to these issues when they are discussed at meetings.

The adoption of the formalised Annual Committee Plan facilitates the Committee's ability to regularly undertake further analysis of topics of current relevance or material interest to Committee members or the Company's stakeholders.

Cyber-security risk assessment

With two new members, and a new External Auditor, the Committee has benefitted from fresh perspectives on the effectiveness of existing controls for cyber-security. The Management Board has a considerable understanding of risks within and outside the business, and has effective controls in place and a Business Continuity Plan to address cyber-threat risks, including additional measures implemented during the reporting period. As a result, the Committee considers a robust control environment is in place, and the Management Board, through the support of external cyber-security experts, are well informed of potential cyber-threats and are taking appropriate action to mitigate those risks to the extent possible.

Tax

The Committee recognise the relevance of local and global tax initiatives to the Group, with an increasing trend for greater transparency around tax policies and reporting requirements. Mitigation of our tax-related risks, and the adoption of any active policies on tax management sits with the Management Board. In 2023, as part of its annual plan, the Committee will continue to receive updates from the Management Board on the topic of taxation as it impacts upon the Group.

Going concern and viability statements

Having regard to our assets and liabilities (refer to the Consolidated Statement of Financial Position for more detail), the Committee considered the Viability and Management Board Responsibilities Statements, and processes and assumptions underlying the statements, considering:

- BBGI's investment policy and investment pipeline.
- The long-term and contractual nature of BBGI's investments.
- Investment reviews.
- BBGI's risk profile and key risk indicators (including principal risks and uncertainties) and mitigating actions put in place.
- Relevant financial and economic information and long-term assumptions.
- Scenario testing.
- Annual and semi-annual valuations of the investments.
- Whether the Management Board has diligently carried out its responsibilities in:
  - 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 that disclose with reasonable accuracy the Group's financial position and enable it to ensure the financial statements comply with all relevant regulations.
- safeguarding the Group's assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Having considered all the above, and discussions held with the Management Board, the Committee is satisfied the Viability Statement and the Management Board Responsibilities Statement are prepared on an appropriate and reasonable basis.

Regulatory environment

The Committee was kept informed of regulatory changes throughout 2022, including changes in scope or interpretation by the regulator, and potential future developments. This monitoring and update process is facilitated by our Regulatory Watch, maintained by our Compliance Function and included in the regular compliance reporting to Committee members by the Head of Compliance and Risk and the Designated Management Board Member for Compliance.

Focus for 2023

In addition to monitoring the integrity of our financial disclosures, the effectiveness of the internal and external audit functions, and our response to material regulatory changes, a key focus for the Committee during 2023 will be the continued oversight of PwC's engagement as External Auditor.

Additionally, as part of its implemented annual plan, the Committee will undertake further analysis of relevant topics, being ESG and tax strategy in 2023.

Notwithstanding the official lifting of health measures and restrictions in response to COVID-19 in March 2022, and our proven robust business model, we will continue to monitor closely the effectiveness of our business continuity plan and controls to mitigate potential risks.

The Committee will also continue to evaluate the impact of political, tax and regulatory developments in relevant geographies, in particular developments in the UK around audit and corporate governance reforms, and developments relating to ESG both in the UK and Europe.

Together with all Committee members, I am available at the AGM to respond to any shareholder questions regarding the Audit Committee's activities.

Approval

This report was approved by the Board on 29 March 2023 and signed on its behalf by:

Jutta af Rosenborg
Committee Chair

Remuneration Committee Report

Annual Statement from Remuneration Committee Chair

I am pleased to present the Remuneration Committee (the 'Committee') report for the financial year ended 31 December 2022 on behalf of the Supervisory Board.

Composition of the Committee

The Committee consists of a minimum of three members. The Supervisory Board appoints Committee members and the Chair (who cannot be the Supervisory Board Chair) and membership is confined to independent non-executive directors.

On 29 April 2022, I was appointed as Chair of the Committee when Howard Myles retired from the Board. June Aitken was also appointed as a member of the Committee. Each of our five Independent Non-Executive Directors is also a Committee member. Refer to our biographies are in the Biographies section of this Annual Report.

Key activities during the year

The Committee met five times during the year.

Responsibilities

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

This Remuneration Report has been prepared in compliance with reporting obligations outlined in the relevant Luxembourg legislation. To provide greater transparency to shareholders and employees alike, we have again voluntarily disclosed additional remuneration detail beyond our legal reporting obligations. We continue to comply with the provisions of the AIC Code on remuneration.

Performance in 2022

Despite the challenging economic environment, BBGI's portfolio continued to perform well with no reported lock-ups in Portfolio Companies, a strong increase in NAV per share and robust dividend cover. Rising inflation, particularly in the second half of the year, has highlighted the importance of high-quality inflation linkage in the portfolio. Preserving and enhancing the value of the portfolio was a key management focus.

BBGI's proven investment strategy and the management team's proactive management of low-risk, inflation linked, availability-based assets supported a 6.7 per cent increase in NAV to £1,069.2 million and a 6.6 per cent increase in NAV per share in 2022. We met our full-year dividend target of 7.48pps, an increase of 2 per cent compared to the prior year, with strong coverage of 1.47x.

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

Further progress on ESG was made during the year, including establishing the framework to achieve our strategic ESG objectives. The year saw some notable milestones such as completion of the portfolio level climate risk assessment, our designation as an Article 8 Company under SFDR for reporting on the criteria for a socially beneficial investment, the development of BBGI's Net Zero Plan, and the publication of the Company's first ESG report in March 2022.

Key decisions during the year

The Committee commissioned an independent review of BBGI's overall remuneration framework in 2020/21 and we continued to work within this framework in 2022.

The Committee's work in 2022 included the following key decisions:

- Approval of the annual Remuneration Committee cycle.
- Approving Management Board salary increases, taking account of the inflationary environment and the framework and approach to pay increases for BBGI employees.
- Assessing performance against the 2021 STIP targets and approving the outcome.
- Formalising the assessment of the 2018 LTIP outcome.
- Setting ESG metrics for the 2021 LTIP award and considering the inclusion of additional ESG metrics in the 2022 LTIP award.[xxi]
- Reviewing and approving an increase to Supervisory Board fees.

• Reviewing and updating the Company's Remuneration Policy.

We will carry out an independent review of the Management Board's remuneration in 2023.

Detailed decisions of the Committee

Salary increases

The Committee reviewed Management Board salaries with effect from 1 May 2022, considering salary levels relative to the market, and the level of pay increases for BBGI employees. It also considered the impact of the volatile and inflationary macroeconomic environment on all our employees. Management Board members were awarded a salary increase of 5 per cent for 2022, which is below the average increase we awarded to our employees.

Annual bonus (FY2022) outcome

For the financial year ended 31 December 2022, the Co-CEOs and CFO were each eligible for a maximum bonus of 150 per cent of base salary as at 31 December 2022. The Committee assessed the award of this annual bonus against a range of stretching financial and strategic KPIs (see further in this report) The Management Board delivered excellent performance and progress against targets, with the annual bonus outcomes at 100 per cent of the maximum opportunity for the 2022 financial year. One-third of the earned bonus will be used to purchase shares, to be held for three years.

LTIP outcome (2019 award)

In December 2019, 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-CEOs, and EUR 100,000 for the CFO, and were based on stretching TSR and NAV growth targets. The 2019 awards will be released following the publication of the Company's 2022 audited accounts, vesting at 43.1 per cent and 50 per cent of the maximum for the Co-CEOs and CFO respectively. These reflect performance against targets for the three-year period to 31 December 2022.

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

Supervisory Board remuneration

As Supervisory Board fees had not been changed since 2017, they were reviewed in 2022. Following this review, the Chair's base fee was increased to £80,000, and the Non-Executive Director base fee to £55,000, with effect from 1 October 2022. Further details are provided later in this report.

Andrew Sykes
Remuneration Committee Chair
29 March 2023

Remuneration at a glance

Key remuneration principles

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

The objectives of the Company's Remuneration Policy are to:

- 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, executing our investment policy and fulfilling our investment objectives.
- Support strategy and promote our long-term sustainable success.
- Establish performance goals that, if met, are accretive to long-term shareholder value.
- Link compensation to performance goals and provide meaningful rewards for achieving these goals. This incorporates both financial and non-financial performance indicators, including key ESG goals and health and safety factors.

In considering Management Board remuneration during 2022, the Committee acknowledged the principles of transparency, clarity, simplicity, risk management, proportionality and alignment to culture.

Risk and conduct

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

- Implementing a sound governance structure for establishing goals and for communicating performance goals to colleagues to ensure transparency.
- Including financial and non-financial objectives in performance and result assessments.
- Ensuring an appropriate mix of fixed and variable compensation to discourage inappropriate risk-taking.

Ex-post risk adjustment mechanisms, in the form of market standard malus and clawback arrangements, are in place for the Management Board, who are all identified as material risk takers, in accordance with Luxembourg's AIFM law of 12 July 2013.

In evaluating the components of variable remuneration, we consider long-term performance, and current and future risks associated with it, and the lifetime of the assets under management.

During the year, the Committee reviewed the remuneration policy and its implementation, and concluded that the relevant remuneration processes and procedures were implemented in accordance with the policy. Furthermore, the Committee concluded that the remuneration policy remains consistent with and promotes sound and effective risk management, and does not encourage risk-taking, which is inconsistent with the risk profile of BBGI.

Management Board remuneration framework summary

Element		
Base salary	Base salaries effective from 1 May 2022: Co-CEOs: C$ 902,839 and € 596,035[xxii]	CFO: € 381,754

Pension and benefits	Co-CEOs and CFO: 15 per cent of salary (cash allowance). The Co-CEOs receive a monthly car allowance.
Annual bonus (STIP)	Co-CEOs and CFO: performance measures established entitling beneficiaries to 50 per cent of salary at threshold performance, 75 per cent of salary at target and 150 per cent at maximum. One-third of bonus is used to purchase shares to be held for three years. STIP is based on a balance of strategic, financial, operational, compliance and ESG, metrics, with robust quantitative and qualitative performance requirements set for threshold, target, and maximum performance.
Long-Term Incentive Plan (LTIP)	Co-CEOs: performance measures established entitling beneficiaries to 50 per cent of salary at threshold performance, 100 per cent of salary at target and 200 per cent at maximum. CFO: threshold: 50 per cent of salary, target: 75 per cent of salary, maximum: 150 per cent of salary. Performance is measured over three years. For the 2022 LTIP awards, 80 per cent of the award is subject to stretching NAV Total Return targets; 10 per cent is subject to reducing corporate GHG emissions and 10 per cent subject to progress in the implementation of net zero targets related to BBGI's Portfolio Companies.
Shareholding requirements	All Management Board members are required to build and maintain a minimum holding of BBGI shares with a value of 200 per cent of salary[xxiii] . *Post-employment shareholding requirements*: Management Board members are required to hold 100 per cent of salary in shares for two years after leaving BBGI.

Below we have set out total remuneration for each Management Board member for the year ending 31 December 2022[xxiv].

Single figure table - Management Board

In Sterling	Duncan Ball (Co-CEO)		Frank Schramm (Co-CEO)		Michael Denny (CFO)	
	2022	2021	2022	2021	2022	2021
Salary	553,435	495,275	500,097	484,872	320,307	310,555
Benefits	15,594	13,956	14,032	13,605	-	-
Annual bonus	843,542	728,093	762,245	712,799	488,210	456,540
Pension	84,354	74,804	76,225	73,233	48,821	46,905
LTIP[1]	239,942	490,259	240,822	522,452	40,134	95,170
Other	-	-	-	-	-	-
Total fixed	*653,384*	*584,035*	*590,354*	571,709	*369,128*	357,460
Total variable	*1,083,484*	*1,218,352*	*1,003,067*	1,235,252	*528,343*	551,710
Total remuneration	1,736,868	1,802,387	1,593,421	1,806,961	897,471	909,170

[1] The 2019 LTIP vests by reference to performance in the three-year period to 31 December 2022. The associated shares will be released to the Management Board members following the publication of BBGI's 2022 audited accounts.

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

(a)	Base salary	Salary earned over the year, shown in the reporting currency of the Group (Sterling). Both Mr Denny and Mr Schramm receive all cash entitlements in Euro. Mr Ball receives all cash entitlements in Canadian Dollars. The Sterling amounts are converted using the average exchange rate for the respective financial year. For the year ended 31 December 2022, the relevant average exchange rates were £1 = C$1.6054 and £1 = €1.1729.
(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: one-third will be paid in shares and held for three years. Below we describe achievements against the performance measures for the latest financial year.
(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 2019 LTIP award multiplied by the average share price over the last quarter of the year ended 31 December 2022 (£1.58).

Additional disclosures for the single figure table

Management Board members receive an annual base salary, payable monthly in arrears. The Committee reviewed Management Board salaries from 1 May 2022, considering salary levels relative to the market and pay increases for BBGI employees generally. Executive Directors were awarded an increase of 5.0 per cent, which is below the average increase awarded to our employees.

Base salary

	Base salary at 31 December 2022	Base salary at 31 December 2021
Duncan Ball	£551k	£501k
Frank Schramm	£528k	£477k

Michael Denny	£338k	£305k

Both Mr Denny and Mr Schramm receive salaries in Euro (€381,754 and €596,035 respectively from 1 May 2022). Mr Ball receives his salary in Canadian Dollars (C$902,839 from 1 May 2022). The figures in the table above are reported in Sterling, the Group's reporting currency, and therefore, on a comparative basis, reflect not only the base salary increase of 5.0 per cent, but also the impact of exchange rate movements.

The combined annual base salary received by the members of the Management Board during the year ended 31 December 2022 was £1,373,839 (2021: £1,290,702).

Taxable benefits and pension-related benefits

The Co-CEOs received a car allowance amounting to a total amount of £29,627 (2021: £27,561) for 2022. The Co-CEOs and the CFO also received an annual cash payment for pension, retirement, or similar benefits, equating to 15 per cent of their annualised base salary as at 31 December 2022.

BBGI has less than 30 employees across six different countries and individual pension arrangements across the team vary by location. In Luxembourg, where most of our colleagues are located, normal pension contributions are made up of: 8 per cent of salary from the employer, 8 per cent of salary from the state and 8 per cent from the employee.

STIP - annual bonus for year ended 31 December 2022

The following table summarises the STIP performance metrics and achievements in respect of the financial year ended 31 December 2022. The maximum STIP opportunity for the Co-CEOs and the CFO is 150 per cent of base salary. 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 and as a result achieved the maximum outturn. No payment under the STIP is made if performance is below the threshold criteria.

Assessment and performance criteria and weighting

Performance measure	Assessment and performance achievement			Weighting	Outturn (% of maximum)
	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)		
Key financial targets - *dividends*	• A dividend of 7.48pps was declared for 2022, representing dividend growth of 2 per cent.			**15%**	**100%**
Key financial targets - *NAV per share*	• For 2022, distributions from Portfolio Companies exceeded forecasts, with NAV increasing by 6.7 per cent to £1,069.2 million and NAV per share increasing by 6.6 per cent to 149.9 pence.				
Operational financial targets - *ongoing charge, cash management and budgetary controls*	• BBGI maintained the lowest comparative ongoing charge in its sector at 0.87 per cent, through efficient and cost-effective internal management. • Cash management was consistently effective, maintaining appropriate cash balances, ensuring robust dividend cover while also limiting potential cash drag. • Expenses were well controlled, with an outturn below budget in line with maximum performance.			**10%**	**100%**
Disciplined growth	The Committee assessed the value and quality of projects considered and acquired during the year, in line with the Company's strategy to grow and diversify our portfolio while maintaining strategic discipline. The Committee considered BBGI's performance was strong in: • Investment of approximately £64 million during 2022, including two new projects in Canada and Germany, which all earn availability-based revenue in return for providing essential public services. • All new investments screened for factors, including climate-change resiliency and alignment with six UN Sustainable Development Goals. • Appropriate discipline in rejecting certain opportunities, which did not meet BBG's strict acquisition criteria, thereby further reinforcing the alignment of interest between the Company's management and shareholders.			**25%**	**100%**
Portfolio management	The Committee considered management performance against key metrics including portfolio controls; organisational effectiveness; and project risk management. The Committee considered that performance continued to be very strong in the following key areas: • High levels of asset availability at 99.9 per cent. • No material lockups or defaults. • 100 per cent availability-based revenue stream.			**25%**	**100%**
Compliance and regulation	The Committee considered management's compliance with AIFMD and other regulatory requirements during the year. Achievements include the following: • Strong risk management with high-quality reporting of regulatory risks. • Effective oversight of key delegates. • Full and continued compliance with AIFMD. • Strong regulatory performance relating to FATCA, IFRS, CSSF and UKLA. • Proactive planning for potential future regulatory challenges.			10%	**100%**
ESG	The Committee considered the significant progress against the Company's ESG objectives during the reporting period, including the following achievements: • Strong ratings from UN PRI on our Transparency Report. • Completed a climate risk assessment deep dive for all assets. The findings from which demonstrate that the portfolio is very resilient to climate hazards. • BBGI's Net Zero Plan published. • Full compliance with the Sustainable Finance Disclosure Regulation. • Voluntary compliance with TCFD disclosure requirements.			15%	**100%**
Overall bonus out-turn (% of maximum)					**100%**

For 2022, awards of 150 per cent of base salary were achieved by the Co-CEOs and CFO. One-third of the earned bonus will be settled in shares, with the net number of shares after settling the associated tax liability to be held for a period of three years. The remaining STIP awards will be paid in cash after the release of the annual results for financial year ended 31 December 2022. During the year ended 31 December 2022, the total amount accrued in respect of the 2022 STIP amounted to £2,093,997 (2021: £1,897,433). Cash payments under the STIP are made in Canadian Dollars and Euros.

LTIP - awards granted with effect during the financial year

LTIP awards of 200 per cent of base salary were granted to the Co-CEOs in February 2023 with effect from December 2022. The CFO's maximum LTIP award is set at 150 per cent of base salary. All awards granted are within the approved limits under the current LTIP Plan.

For awards issued in February 2023, 80 per cent of the performance target will be subject to stretching Net Asset Value ('NAV') Total Return targets. NAV Total Return reflects both capital returns generated and dividends returned to shareholders.

20 per cent of the award will be linked to key climate-related environmental metrics, comprising (i) 10 per cent linked to a reduction in corporate GHG emissions (Scopes 1, 2 & 3) (against a 2019 baseline) and (ii) 10 per cent linked to progress in the implementation of net zero targets related to BBGI Portfolio Companies (Financed Emissions) by value, in accordance with published targets related to BBGI's commitments as a signatory of the Net Zero Asset Managers Initiative.

Performance metric	Threshold performance	Target performance	Maximum performance
NAV growth per share + dividends paid *(expressed as a percentage of opening NAV)* (80% of weighting)	15%	17%	22%
ESG - percentage of corporate GHG emissions (Scope 1, 2 & 3) (10% weighting)	GHG emissions as a percentage of 2019 baseline (at 31 December 2025)		
	73%	70%	67%
ESG - the implementation of net zero plans across BBGI assets (by value) (10% weighting)	The percentage of asset by value meeting the criteria for 'net zero', 'aligned' or 'aligning'		
	23%	26%	30%

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

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

A key feature of these awards is that they will be settled entirely in BBGI shares and not cash. All LTIP awards settled by shares, fall under the scope of IFRS 2 'Share-Based Payments' and its specific reporting requirements. We continue to engage Ernst & Young to value our LTIP awards falling under the scope of IFRS 2. Refer to Note 20 of the Consolidated Financial Statements for further details on share-based payments.

In line with previous years, no expense was accrued for the LTIP awards granted with effect in December 2022.

During the year ended 31 December 2022, we settled our 2018 award obligation by issuing the respective share entitlement to each Management Board member. In total, we issued and allotted 346,203 shares by way of settlement, which equated to the net entitlement after taxes.

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 Management Board members.

Total basic and variable remuneration for the financial year

The total basic remuneration paid to all employees (including Management Board) during 2022 was £3.37 million (2021: £3.15 million). The total amount accrued for cash-settled variable remuneration at 31 December 2022 was £1.97 million. The total variable remuneration paid in cash in 2022 relating to the 2021 financial year was £1.79 million (2021: £1.75 million).

Restricted share plan

We operate a restricted share plan for most employees (excluding the Management Board members) with ordinary BBGI shares awarded, subject to a three-year vesting period. During 2022, we recorded an expense of £0.2 million (2021: £0.1 million) for these restricted share awards. The primary vesting condition is continued employment at BBGI.

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

In 2022, we made no payments for loss of office and no payments to any former Management Board member.

Single total figure table - Supervisory Board

The Supervisory Board members are our Independent Non-Executive Directors and they are paid a fixed quarterly fee in GBP. 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; except for reasonable out-of-pocket expenses and *ex gratia* fees, which were considered for an exceptional or substantial increase in the members' workload.

Single total figure of remuneration - Supervisory Board

During the year ended 31 December 2022, the Supervisory Board received fees totalling £259,190 (2021: £220,000). The table below outlines the fees paid in Sterling to each of the Supervisory Board members.

	Base fee		Senior Non-Executive Director		Committee Chair		Other - additional fees[1]		Total	
June Aitken[2]	32,788	-	-	-	-	-	-	-	32,788	-
Howard Myles[3]	14,835	45,000	1,648	5,000	1,648	5,000	-	5,000	18,132	60,000
Jutta af Rosenborg	47,500	45,000	-	-	5,000	5,000	-	5,000	52,500	55,000
Andrew Sykes[4]	32,788	-	3,365	-	3,365	-	-	-	39,519	-
Chris Waples	47,500	30,000	-	-	-	-	-	5,000	47,500	35,000
Sarah Whitney	68,750	65,000	-	-	-	-	-	5,000	68,750	70,000
Total	**244,162**	**185,000**	**5,014**	**5,000**	**10,014**	**10,000**	**-**	**20,000**	**259,190**	**220,000**

[1] In addition to the standard fees, each of the sitting Directors was entitled to an additional fee in 2021 in relation to an equity issue.

[2] June Aitken was appointed to the Supervisory Board with effect from 29 April 2022.

[3] Howard Myles retired from the Supervisory Board with effect from 29 April 2022.

[4] Andrew Sykes was appointed to the Supervisory Board with effect from 29 April 2022. Mr Sykes replaced Mr Myles as Senior Non-Executive Director and as Chair of the Remuneration Committee.

Supervisory Board fees

Details of Supervisory Board fees are below.

Chair	80,000	65,000
Non-Executive Director	55,000	45,000
Senior Independent Director[1]	5,000	5,000
Committee Chair[1]	5,000	5,000

[1] These additional fees are paid to the Senior Independent Director, Remuneration Committee Chair and the Audit Committee Chair.

Supervisory Board fees were unchanged since 2017. During the year the members of the Remuneration Committee, except for Sarah Whitney who abstained in accordance with Company's Remuneration Policy, approved an increase in the Supervisory Board Chair fee from £65,000 to £80,000 per annum. Furthermore, the Supervisory Board Chair, after consultation with the Co-CEOs, approved an increase in the base fee of the Non-Executive Directors from £45,000 to £55,000 per annum. All fee increases were with effect from 1 October 2022. Under this revised fee arrangement *ex gratia* fees will no longer be paid to the Non-Executive Directors for the additional work associated with equity capital raises.

The fees paid to the Supervisory Board are subject to a shareholder approved maximum aggregate remuneration cap of £400,000.

Share interests and statement of Directors' shareholdings

Total share interests as at 31 December 2022

The Directors' interests and those of their connected persons in BBGI's ordinary shares as at 31 December 2022 are below.

Shares owned by Directors:

Duncan Ball	870,983	635,660
Michael Denny	504,004	412,415
Frank Schramm	829,184	600,000
June Aitken[1]	31,000	-
Howard Myles[2]	n/a	-
Jutta af Rosenborg	-	-
Andrew Sykes[1]	40,000	-
Chris Waples	17,321	17,321
Sarah Whitney	39,000	39,000

[1] Appointed with effect 29 April 2022.

[2] Retired from the Supervisory Board with effect 29 April 2022.

Awards under share plans:

	Award	At 31 December 2021[(1)]	Granted in the year[(2)]	Vested in the year	Lapsed or forfeited in the year	At 31 December 2022
Management Board						
Duncan Ball	LTIP	1,866,080	697,693	(281,567)	(87,578)	2,194,628
Frank Schramm	LTIP	1,891,648	662,556	(300,057)	(93,328)	2,160,819
Michael Denny	LTIP	658,142	318,270	(54,657)	(3,001)	918,774

(1) Reflects maximum potential number of shares under all the awards granted, including the 2018 award settled in May 2022.

(2) This LTIP award was announced in February 2023 with effect in December 2022.

Shareholding guidelines:

The Committee has adopted a shareholding guideline for the Management Board, which requires a shareholding equivalent to 200 per cent of salary. The respective Management Board members achievement of this guideline at 31 December 2022 is summarised below:

Management Board	Shares counting towards the guideline at 31 December 2022	Required shareholding to achieve[(1)]	Percentage of shareholding requirement achieved
Duncan Ball	870,983	576,190	151.2%
Frank Schramm	829,184	576,190	143.9%
Michael Denny	504,004	375,000	134.4%

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

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

Other information

Advisers

Deloitte LLP is engaged to provide independent advice to the Committee as required. Deloitte is a member of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. Deloitte LLP's fees for providing remuneration advice to the Committee were £13.1k for 2022. The Committee regularly assesses if Deloitte's appointment remains appropriate or should be put out to tender, while considering the Remuneration Consultants' Group Code of Conduct.

Consideration by the Directors of matters relating to Directors' remuneration

Committee responsibilities and composition

BBGI's Remuneration Committee comprises five members: Andrew Sykes, Sarah Whitney, Jutta af Rosenborg, June Aitken and Chris Waples. Andrew Sykes was appointed as Remuneration Committee Chair in April 2022, succeeding Howard Myles, who retired as a Supervisory Board member at the conclusion of the 2022 AGM. The Terms of Reference for the Remuneration Committee are available here www.bb-gi.com/investors/policies/remuneration-committee-terms-of-reference/

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

There were five 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 for 2022.

Employee remuneration

BBGI provides development opportunities for 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.

Our remuneration components combine to ensure an appropriate and balanced remuneration package that reflects our business units, the job grade and professional activity, as well as market practice.

Statement of implementation of Directors' Remuneration Policy for the financial year commencing 1 January 2023

Base salary
Management Board salaries were reviewed with effect from 1 May 2022 and are as follows:

Duncan Ball	Co-CEO	£551k
Frank Schramm	Co-CEO	£528k
Michael Denny	CFO	£338k

The next expected review will be in May 2023. As previously noted, both Mr Denny and Mr Schramm receive salaries in Euro (€381,754 and €596,035 respectively from 1 May 2022). Mr Ball receives his salary in Canadian Dollars (C$902,839 from 1 May 2022).

Annual bonus (STIP)

The maximum bonus opportunity for 2023 will remain at 150 per cent of salary for the Co-CEOs and the CFO. The target opportunity will be 50 per cent of maximum. One-third of any bonus earned will be used to buy BBGI shares, to be held for a period of three years.

Payment of the annual bonus is subject to stretching financial and strategic targets, which are commercially sensitive and therefore remain confidential. However, the Committee will disclose an overview of the bonus performance measures and out-turns in the 2023 Directors' Remuneration Report.

LTIP

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

Approval

This Report was approved by the Board on 29 March 2023 and signed on its behalf by:

Andrew Sykes
Chair of the Remuneration Committee

Viability

Viability statement

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

While the average remaining life of the portfolio of assets is 20.2 years, we continue to consider that five years is an appropriate and acceptable length of time to consider the risks of BBGI continuing in existence. In making this judgement, the Management Board consider detailed information provided at Board meetings, including:

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

This judgement forms part of BBGI's overall annual risk review process. All principal risks and uncertainties, detailed descriptions of the areas and factors of the risks, and the processes by which the Management Board monitors, reviews, and assesses them, are in the Risk section of this Annual Report.

We have a robust risk and internal controls framework to reduce the likelihood and impact of poor decision making, risk-taking above agreed levels, and human error.

Our Management Board regularly reviews and assesses the principal risks we face, including those that could threaten our business model, strategy, solvency, liquidity, and future performance. All risks we identify are assessed based on:

- Probability or likelihood of occurrence.
- Impact.
- Mitigation measures.

They are then scored and ranked in accordance with remaining residual risk and monitored on an ongoing basis by the Management Board.

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

A key part of the viability assessment is analysing how our NAV could be impacted in stressed macroeconomic scenarios. This provides further insight into how BBGI could perform if affected by variables and events outside the control of our Management Board and our risk management framework. A more detailed description of the valuations, assumptions and stress-testing applied is in the Valuation section of the Strategic Report.

Following the assessment, the Management Board has a reasonable expectation that BBGI will be able to continue in operation and meet all its liabilities as they fall due, up to March 2028. 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 that may be due; and that BBGI's investments are not materially affected by changes to government policy, laws, regulations, or other risks that we do not consider material or probable.

BBGI is also subject to a biennial shareholder continuation vote, and the next is scheduled to take place at the AGM on 28 April 2023.

Management Board Responsibilities Statement

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

- 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.
- Give a true and fair view of the development and performance of the business and the position of the Group.
- 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 BBGI complies with applicable company law and other UK or Luxembourg applicable laws and regulations.

In preparing these 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 that disclose with reasonable accuracy the Groups financial position 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.
- The Chair's Statement and the Report of the Management Board ('Strategic Report') include a fair review of the development and performance of the business and the position of the Company and Group included in the consolidation, together with a description of the principal risks and uncertainties that it faces.

Luxembourg, 29 March 2023

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

AUDIT REPORT

To the Shareholders of
BBGI Global Infrastructure S.A.

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of BBGI Global Infrastructure S.A. (the "Company") and its subsidiaries (the "Group") as at 31 December 2022, 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 the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated income statement for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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 as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for 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. We have fulfilled our other ethical responsibilities under those ethical requirements.

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 period. These matters were addressed in the context of our 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.

Key audit matter	How our audit addressed the key audit matter
Investments at fair value through profit or loss Refer to the consolidated financial statements (Note 3, summary of significant accounting policies; Note 9, Investments at FVPL). Investments at fair value through profit or loss, GBP 1.1 billion, is the most significant balance on the consolidated statement of financial position. It consisted of availability-style social infrastructure investments through public private partnership and/or public finance initiatives or similar procurement models ("investments") generating long-term predictable cash flows. The valuation of the investments is determined using the discounted cash flow methodology. It relies on significant unobservable inputs and requires significant judgments from the Management Board. A small change in these assumptions could result in a significant impact on the fair value of the investments. As a consequence, there is an inherent risk that the fair value of these investments may not be appropriate. Taking this into account, coupled with the magnitude of the amounts involved, we consider this area as a key audit matter.	In assessing the valuation of investments at fair value through profit or loss, we performed the procedures outlined below: We assessed that the investments valuation policy was in compliance with the applicable accounting framework. We understood and evaluated the design and implementation of key controls, including relevant information technology systems and controls, in place around the valuation of investments at fair value through profit or loss. We tested key controls performed in the valuation process of investments in relation to the financial data included in the valuation models, the "look back" comparison of the forecast vs actual cash flows for the previous financial year, as well as other investment model review controls. The key controls on which we placed reliance for the purposes of our audit were appropriately designed and implemented and were operating effectively. In addition, we obtained substantive audit evidence over the valuation of investments at fair value through profit or loss as follows: - We inquired into the qualification of the Management Board and its internal valuation team and concluded that they have sufficient experience and expertise. - We obtained the overall fair value reconciliation of opening to closing fair value and corroborated significant fair value movements during the year, thereby assessing the reasonableness and completeness of the movement in fair value for the year. - With the support of our own valuation experts, we assessed that the Group's valuation methodology was in compliance with the International Private Equity and Venture Capital Valuation Guidelines and market practice based on our knowledge of the investments held by the Group and experience of the industry in which the Group operates. - For a sample of assets selected via risk and value-based targeted sampling, we assessed that the key macroeconomic assumptions such as inflation, deposit rates, corporate tax rates, base discount rate setting were appropriate and/or within acceptable ranges based on market search. We also checked that the selected asset specific discount rates were within acceptable ranges. - We obtained and read the valuation report prepared by Management's external valuation expert which confirmed that the portfolio value prepared by the Management Board was appropriate. - Finally, for the entire portfolio, we obtained external confirmation over the existence and percentage of ownership of the investments held by the Group.

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 audit report 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 identified above 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 that fact. We have nothing to report in this regard.

Responsibilities of the Management Board and those charged with governance 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 as adopted by the European Union, 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 of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism throughout the audit. We also:

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

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

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

- conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report 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 audit report. 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 communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 28 March 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is one year.

PricewaterhouseCoopers,Société coopérative Luxembourg, 29 March 2023
Represented by

Consolidated Income Statement
For the year ended 31 December 2022

In thousands of Sterling	Note	2022	2021
Income from investments at fair value through profit or loss	9	**159,545**	75,443
Other operating income		**83**	734
Operating income		**159,628**	76,177
Administrative expenses	6	**(11,756)**	(10,234)
Other operating expenses	7	**(12,781)**	(2,492)
Operating expenses		**(24,537)**	(12,726)
Results from operating activities		**135,091**	63,451
Net finance result	8	**(2,005)**	(1,974)
Net loss on balance sheet hedging	18	**(10,572)**	(782)
Profit before tax		**122,514**	60,695
Tax expense - net	11	**(3,472)**	(2,698)
Profit for the year		**119,042**	57,997
Earnings per share			
Basic earnings per share (pence)	14	**16.70**	8.47
Diluted earnings per share (pence)	14	**16.68**	8.46

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

Consolidated Statement of Other Comprehensive Income
For the year ended 31 December 2022

In thousands of Sterling	Note	2022	2021
Profit for the year		**119,402**	57,997
Other comprehensive loss for the year that may be reclassified to profit or loss in subsequent periods (net of tax)			
Exchange difference on translation of foreign operations	13	**(450)**	(595)
Total comprehensive income for the year		**118,592**	57,402

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

Consolidated Statement of Financial Position
as at 31 December 2022

In thousands of Sterling	Note	2022	2021
Assets			
Property and equipment		**123**	68
Investments at fair value through profit or loss	9,18	**1,102,844**	975,225
Deferred tax assets	11	**153**	-
Other non-current assets	15	**275**	1,417
Non-current assets		**1,103,395**	976,710
Trade and other receivables	20	**909**	1,024
Other current assets	12	**994**	761
Derivative financial assets	18	**2,885**	907
Cash and cash equivalents	10	**31,157**	26,862
Current assets		**35,945**	29,554
Total assets		**1,139,340**	1,006,264
Equity			
Share capital	13	**850,007**	847,858
Additional paid-in capital	21	**2,502**	1,833
Translation and other capital reserves	13	**14,371**	(8,809)
Retained earnings		**202,298**	159,661
Equity attributable to the owners of the Company		**1,069,178**	1,000,543
Liabilities			
Loans and borrowings	15	**56,390**	-
Derivative financial liabilities	18	**5,687**	429
Non-current liabilities		**62,077**	429
Loans and borrowings	15	**230**	246
Trade and other payables	16	**3,242**	2,956
Derivative financial liabilities	18	**3,006**	717
Tax liabilities	11	**1,607**	1,373
Current liabilities		**8,085**	5,292
Total liabilities		**70,162**	5,721
Total equity and liabilities		**1,139,340**	1,006,264
Net asset value attributable to the owners of the Company	13	**1,069,178**	1,000,543
Net asset value per ordinary share (pence)	13	**149.89**	140.50

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

Consolidated Statement of Changes in Equity
For the year ended 31 December 2022

In thousands of Sterling	Notes	Share capital	Additional paid-in capital	Translation and other capital reserve	Retained earnings	Total equity
As at 1 January 2021		770,942	1,517	(378)	143,759	915,840
Total comprehensive income for the year ended 31 December 2021						
Profit for the year		-	-	-	57,997	57,997
Exchange difference on translation of foreign operation		-	-	(8,431)	7,836	(595)
Total comprehensive income for year		-	-	(8,431)	65,833	57,402
Transactions with the owners of the Company, recognised directly in equity						
Issuance of shares from placing of ordinary shares - net of issue cost	13	73,893	-	-	-	73,893
Scrip dividends	13	1,978	-	-	(1,978)	-
Cash dividends	13	-	-	-	(47,953)	(47,953)
Equity settlement of share-based compensation	13,21	1,045	(1,045)	-	-	-
Share-based payment	21	-	1,361	-	-	1,361
Balance as at 31 December 2021		847,858	1,833	(8,809)	159,661	1,000,543

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

In thousands of Sterling	Notes	Share capital	Additional paid-in capital	Translation and other capital reserve	Retained earnings	Total equity
Balance as at 1 January 2022		**847,858**	**1,833**	**(8,809)**	**159,661**	**1,000,543**
Total comprehensive income for the year ended 31 December 2022						
Profit for the year		-	-	-	119,042	119,042
Exchange difference on translation of foreign operation		-	-	23,180	(23,630)	(450)
Total comprehensive income for year		-	-	23,180	95,412	118,592
Transactions with the owners of the Company, recognised directly in equity						
Scrip dividends	13	1,092	-	-	(1,092)	-
Cash dividends	13	-	-	-	(51,683)	(51,683)
Equity settlement of share-based compensation	13,21	1,084	(1,068)	-	-	16
Share-based payment	21	-	1,737	-	-	1,737
Share issuance costs	13	(27)	-	-	-	(27)
Balance as at 31 December 2022		**850,007**	**2,502**	**14,371**	**202,298**	**1,069,178**

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

Consolidated Statement of Cash Flows
For the year ended 31 December 2022

In thousands of Sterling	Notes	2022	2021
Operating activities			
Profit for the year		**119,042**	57,997
Adjustments for:			
Depreciation expense	6	**34**	23
Net finance results	8	**2,005**	1,974
Income from investments at fair value through profit or loss	9	**(159,545)**	(75,443)
Loss on derivative financial instruments - net	18	**21,899**	1,797
Foreign currency exchange loss (gain) - net	7	**840**	(448)
Share-based compensation	21	**1,737**	1,361
Tax expense - net	11	**3,472**	2,698
Working capital adjustments:			
Trade and other receivables		**(506)**	691
Other assets		**(508)**	1,045
Trade and other payables		**92**	214
Cash used in operating activities		**(11,438)**	(8,091)
Interest paid and other borrowing costs		**(1,870)**	(1,356)
Interest received		**172**	-
Realised gain(loss) on derivative financial instruments - net	18	**(3,779)**	3
Taxes paid		**(3,391)**	(2,667)

Net cash flows used in operating activities		**(20,306)**	(12,111)
Investing activities			
Acquisition of/additional investments at fair value through profit or loss	9	**(64,407)**	(79,163)
Distributions received from investments at fair value through profit or loss	9	**96,333**	75,055
Realised loss on derivative financial instruments - net	18	**(12,550)**	(1,543)
Acquisition of property and equipment		**(89)**	(33)
Net cash flows from/(used in) investing activities		**19,287**	(5,684)
Financing activities			
Issuance of share capital through placing (net of issuance cost)	13	**-**	73,893
Dividends paid	13	**(51,683)**	(47,953)
Repayment of loans and borrowings	15	**(17,000)**	(67,000)
Proceeds from the issuance of loans and borrowings	15	**72,512**	67,000
Debt and equity instrument issue cost		**(26)**	(1,608)
Net cash flows from financing activities		**3,803**	24,332
Net increase in cash and cash equivalents		**2,784**	6,537
Impact of foreign exchange on cash and cash equivalents		**1,511**	(207)
Cash and cash equivalents at 1 January		**26,862**	20,532
Cash and cash equivalents at 31 December	10	**31,157**	26,862

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

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022

1. Corporate information

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

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

The Company's registered office is EBBC, 6E, route de Trèves, L-2633 Senningerberg, Luxembourg and is registered with the Registre du Commerce et des Sociétes of Luxembourg under the number B 163879.

The Company is a closed-ended investment company that invests, through its subsidiaries, principally in a diversified portfolio of Public Private Partnership ('PPP')/Private Finance Initiative ('PFI') infrastructure or similar style assets ('PPP/PFI portfolio'). At 31 December 2022, the Group has one investment that is under construction (31 December 2021: one).

As at 31 December 2022, the Group employed 25 staff (31 December 2021: 25 staff).

Reporting period

The Company's reporting period runs from 1 January to 31 December each year. The Company's consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows include comparative figures as at 31 December 2021.

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 29 March 2023.

2. Basis of preparation

Statement of compliance

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

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

The consolidated financial statements have been prepared using the going concern principle, under the historical cost basis, except for investments at fair value through profit or loss ('Investments at FVPL') and derivative financial instruments that have been measured at fair value.

Changes in accounting policy

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

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs that do not relate directly to a contract are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group had not identified any existing contract as onerous or loss-making so these amendments had no significant impact on the consolidated financial statements of the Group.

IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no significant impact on the consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

Functional and presentation currency

These consolidated financial statements are presented in 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 portfolio procurement models. Each of these assets is valued at fair value. The valuation is carried out on a six-monthly basis as at 30 June and 31 December each year.

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

a) it has more than one investment - as at 31 December 2022, the Company has 56 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

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).

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

The shares in some of these consolidated subsidiaries have been pledged as a security under the Company's multi-currency Revolving Credit Facility ('RCF') (see note 15 for the RCF terms). As such, the financial covenants of the RCF includes the financial position and net results of the consolidated subsidiaries. Furthermore, the assets and liabilities of the consolidated subsidiaries used in the preparation of these consolidated financial statements, closely approximates its fair value due either to: (i) the short-term nature of their assets and liabilities or; (ii) their underlying investments of these consolidated subsidiaries are already measured at fair value through profit and loss.

Transactions eliminated on consolidation (consolidated subsidiaries)

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

b) Foreign currency transactions

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

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

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

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

Initial recognition and measurement

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.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The Group's financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows which represents solely payments of principal and interests.

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

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

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

Financial assets at amortised cost (debt instruments)
The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and

- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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 income statement 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 EIR.

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.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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 Portfolio Companies as Investments at FVPL. The valuation is determined using the discounted cash flow methodology. The cash flows forecasted to be received by the Company or its consolidated subsidiaries, generated by each of the underlying assets, and adjusted as appropriate to reflect the risk and opportunities, have been discounted using asset-specific discount rates. The valuation methodology is unchanged from previous reporting periods.

The fair value of other financial assets and liabilities, other than current assets and liabilities, is determined by discounting future cash flows at an appropriate discount rate and with reference to recent market transactions, where appropriate. Further information on assumptions and estimation uncertainties are disclosed in Note 18.

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

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

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

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

f) Provisions
A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to a liability. The unwinding of such discount is recognised as a 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 and share-based payment arrangements
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 EIR 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 EIR rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

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

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

and an estimate of costs to dismantle and remove any improvements made to office premises.

m) Tax

i) Subcription 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.

ii) Income tax

Income tax on the consolidated subsidiaries' profits for the year comprises current and deferred tax. Current and deferred tax is recognised in the consolidated income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in the consolidated statement of other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- Temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

n) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

4. Significant accounting judgements, estimates and assumptions

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

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

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

4.1 Assessment as an investment entity

Refer to Note 2 for the discussion on this topic.

4.2 Fair value determination

Refer to Note 3 d) for the discussion on this topic.

4.3 Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of equity-settled transactions for the Long-Term Incentive Plan ('LTIP'), the Group uses a Monte Carlo simulation model for the market-based performance condition element of the awards. Non-market based performance conditions are not taken into account in the valuation of the unit fair value per share of the LTIP. Instead, the number of shares is adjusted at each reporting date to take into account the actual level of non-market based performance condition.

For the measurement of the fair value of equity-settled transactions for the Deferred Short-Term Incentive Plan ('Deferred STIP'), the Group recognises a portion of the annual estimated bonus of the Management Board. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 20.

4.4 Going concern basis of accounting

The Group's portfolio is more than 99 per cent operational and relies on availability-style revenues. At the time of producing these consolidated financial statements, there was no evidence to suggest of material disruption to the operations of the Group and financial performance is not expected to be materially affected.

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 (determined to be the chief operating decision makers or CODM), the Group has identified five reportable segments based on the geographical concentration risk. The main factor used to identify the Group's reportable segments is the geographical location of the asset. The Management Board has concluded that the Group's reportable segments are:

(1) UK; (2) North America; (3) Australia; (4) Continental Europe; and (5) Holding Activities. These reportable segments are the basis on which the Group reports information to the Management Board

Segment information is presented below:

For the year ended 31 December 2022 **In thousands of Sterling**	**UK**	**North America**	**Australia**	**Continental Europe**	**Holding Activities**	**Total Group**
Income from investments at FVPL (note 9)	**66,910**	**72,902**	**10,707**	**9,026**	**-**	**159,545**
Administrative expenses	**-**	**-**	**-**	**-**	**(11,756)**	**(11,756)**
Other operating expenses - net	**-**	**-**	**-**	**-**	**(12,698)**	**(12,698)**
Results from operating activities	**66,910**	**72,902**	**10,707**	**9,026**	**(24,454)**	**135,091**
Net finance result	**-**	**-**	**-**	**-**	**(2,005)**	**(2,005)**
Net loss on balance sheet hedging	**-**	**-**	**-**	**-**	**(10,572)**	**(10,572)**
Tax expense - net	**-**	**-**	**-**	**-**	**(3,472)**	**(3,472)**
Profit or loss for the year	**66,910**	**72,902**	**10,707**	**9,026**	**(40,503)**	**119,042**

For the year ended 31 December 2021 **In thousands of Sterling**	**UK**	**North America**	**Australia**	**Continental Europe**	**Holding Activities**	**Total Group**
Income from investments at FVPL (note 9)	4,718	65,061	1,509	4,155	-	75,443
Administration expenses	-	-	-	-	(10,234)	(10,234)
Other operating expenses - net	-	-	-	-	(1,758)	(1,758)
Results from operating activities	4,718	65,061	1,509	4,155	(11,992)	63,451
Net finance result	-	-	-	-	(1,974)	(1,974)
Net loss on balance sheet hedging	-	-	-	-	(782)	(782)
Tax expense - net	-	-	-	-	(2,698)	(2,698)
Profit or loss for the year	4,718	65,061	1,509	4,155	(17,446)	57,997

Statement of financial position per segment information as at 31 December 2022 and 2021 are presented below:

As at 31 December 2022 **In thousands of Sterling**	**UK**	**North America**	**Australia**	**Continental Europe**	**Holding Activities**	**Total Group**
Assets						
Property and equipment	-	-	-	-	**123**	**123**
Investments at FVPL	**354,002**	**504,408**	**112,414**	**132,020**	**-**	**1,102,844**
Other non-current assets	-	-	-	-	**428**	**428**
Current assets	-	-	-	-	**35,945**	**35,945**
Total assets	**354,002**	**504,408**	**112,414**	**132,020**	**36,496**	**1,139,340**
Liabilities						
Non-current	-	-	-	-	**62,077**	**62,077**
Current	-	-	-	-	**8,085**	**8,085**
	-	-	-	-		
Total liabilities	-	-	-	-	**70,162**	**70,162**

as at 31 December 2021 **In thousands of Sterling**	**UK**	**North America**	**Australia**	**Continental Europe**	**Holding Activities**	**Total Group**
Assets						
Property and equipment	-	-	-	-	68	68
Investments at FVPL	319,324	456,690	110,242	88,969	-	975,225
Other non-current assets	-	-	-	-	1,417	1,417
Current assets	-	-	-	-	29,554	29,554
Total assets	319,324	456,690	110,242	88,969	31,039	1,006,264
Liabilities						
Non-current	-	-	-	-	429	429
Current	-	-	-	-	5,292	5,292
Total liabilities	-	-	-	-	5,721	5,721

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

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

The Group maintains a well-diversified portfolio with no major single asset exposure.

6. Administrative expenses

In thousands of Sterling	**Year ended 31 December 2022**	**Year ended 31 December 2021**
Personnel expenses		
Short-term benefits	**5,919**	5,334
Share-based compensation expenses	**1,737**	1,361
Supervisory Board fees	**260**	220
	7,916	6,915
Legal and professional fees	**2,630**	2,496
Office and other expenses	**1,176**	800
Depreciation expense	**34**	23
	11,756	10,234

Short-term benefits relate to the Management Board and staff, and include basic salaries, Short-Term Incentive Plan ('STIP'), staff bonus, social security contributions and other related expenses.

The Group has engaged certain third parties to provide legal, depositary, custodian, audit, tax and other services. 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 £383,000 (2021: £459,000).

During the year, the Company and its consolidated subsidiaries obtained the following services from the external auditors.

	Year ended	**Year ended**

In thousands of Sterling	31 December 2022	31 December 2021
Group auditor remuneration:		
Statutory audit fees	**238**	177
Audit-related fees	**56**	65
Non-audit-related fees	**5**	-
	299	242
Audit and audit-related fees from non-Group auditor	**65**	33
	364	275

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

7. Other operating expenses

In thousands of Sterling	Year ended 31 December 2022	Year ended 31 December 2021
Loss on derivative financial instruments at FVPL - net (Note 18)	**11,326**	1,015
Foreign currency exchange loss - net	**840**	-
Acquisition-related (including unsuccessful bid costs)	**615**	1,477
	12,781	2,492

8. Net finance results

In thousands of Sterling	Year ended 31 December 2022	Year ended 31 December 2021
Finance costs on loans and borrowings (Note 15)	**(2,177)**	(1,905)
Other finance costs	**-**	(69)
Interest income on bank deposits	**172**	-
	(2,005)	(1,974)

9. Investments at FVPL

In thousands of Sterling	31 December 2022	31 December 2021
Balance at 1 January	**975,225**	895,674
Acquisitions of/additions in Investments at FVPL	**64,407**	79,163
Income from investments at FVPL[(i)]	**159,545**	75,443
Distributions received from Investments at FVPL	**(96,333)**	(75,055)
Balance at 31 December	**1,102,844**	975,225

(i) This account reflects the unrealised gain on valuation of investments.

Income from investments at FVPL include the impact of foreign exchange gains or losses for the year ended 31 December 2022 amounted to a net gain of £34.2 million (year ended 31 December 2021: net loss of £3.2 million). Refer to Note 18 of the consolidated financial statements for further information on Investments at FVPL.

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

As at 31 December 2022 and 2021, loan and interest receivable amounts from unconsolidated subsidiaries is embedded within Investments at FVPL.

The valuation of Investments at FVPL considers all future cash flows related to each individual underlying asset.

Interest income, dividend income, asset-related management fee income and other income, recorded under the accrual's basis or when the right to receive the payment is established at the level of the consolidated subsidiaries for the year ended 31 December 2022, amounted to £80,434,000 (31 December 2021: £67,046,000). The associated future cash flows deriving from these items are considered when fair valuing the investments.

During the year, the Group made the following acquisitions:

John Hart Generating Station Replacement Project (Canada): In February 2022, BBGI completed the acquisition of an investment in InPower BC General Partnership, the entity responsible for delivering the John Hart Generating Station Replacement Project ('John Hart Generating Station'), an investment delivered through the existing strategic partnership between the Company and SNC-Lavalin Group Inc. The PPP consists of the design, construction, financing, maintenance and rehabilitation of a new three-turbine, 132-MW hydroelectric power generation station on the Campbell River, British Columbia, including a three generating unit underground powerhouse, 2.1 kilometres of water passage tunnels and a water bypass system to protect downstream fish habitat. The acquisition price was approximately £24 million.

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

A7 German motorway (Germany): In September 2022, BBGI completed the acquisition of a 49 per cent interest in Via Solutions Nord GmbH & Co. KG, the project company for the A7 motorway PPP near Hamburg in Germany. The asset is classified as availability-based under the investment policy of the Company and aligns with BBGI's ESG principles.

The project consists of the design, construction, financing, operation, maintenance and rehabilitation, of 65 km widening of a section of the A7 motorway between Neumünster and Hamburg. The project includes 11 interchanges, six parking facilities and four rest areas, various civil engineering structures and a 550-meter noise enclosure tunnel. Availability payments are received from Federal Republic of Germany, represented by the Free City of Hamburg and the Federal State of Schleswig-Holstein, rated AAA/Aaa by S&P and Moody's respectively. Construction completion was achieved in December 2019 and the concession runs until 2044.

The increased efficiency of the A7 motorway seeks to minimise any increase in exhaust emissions from the higher traffic load by reducing congestion and traffic jams and is expected to achieve a consistent traffic flow and uniform driving speeds. Environmental impact assessments (EIA) have been performed. During the EIA procedure, all potentially affected Natura 2000 sites, habitats and species have been analysed, including habitats and species placed beyond Natura 2000 sites.

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*, 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.*, BBGI KVH Holdings 2 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 John Hart Generating Station	Canada Canada Canada Canada Canada Canada	80% 40% 26.7% 80% 40% 80%	2017 2017 2017 2017 2018 2022
BBGI Stanton Holdings Inc.*	Stanton Territorial Hospital	Canada	100%	2018 and 2020
BBGI 104 GP Inc.	Highway 104	Canada	50%	2020
BBGI Champlain Holding Inc.*	Champlain Bridge	Canada	25%	2020
Kreishaus Unna Holding GmbH*	Unna Administrative Centre	Germany	90%	2012 and 2020
PJB Beteiligungs-GmbH*	Burg Correctional Facility	Germany	90%	2012
Hochtief PPP 1 Holding GmbH & Co.KG*	Cologne Schools Rodenkirchen Schools Frankfurt Schools Fürst Wrede Military Base	Germany Germany Germany Germany	50%	2014
BBGI PPP Investment S. à r.l.	A7 Motorway	Luxembourg	49%	2022
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 Holding B.V*	A1/A6 Motorway	Netherlands	37.1%	2018 and 2019
Agder OPS Vegselskap AS	E18 Motorway	Norway	100%	2013 and 2014
Folera TH Holdings Limited	Poplar Affordable Housing & Recreational Centres	Jersey	100%	2021
Kent Education Partnership (Holdings) Limited*	Kent Schools	UK	50%	2012
Healthcare Providers (Gloucester) Limited*	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 Dagenham & Havering) Limited*	Barking Dagenham & Havering Clinics (LIFT)	UK	60%	2012
East Down Education Partnership (Holdings) Limited*	East Down Colleges	UK	100%	2012 and 2018
Scottish Borders Education Partnership (Holdings) Limited*	Scottish Borders Schools	UK	100%	2012
Coventry Education Partnership Holdings Limited*	Coventry Schools	UK	100%	2012
Fire Support (SSFR) Holdings Limited*	Stoke & Staffs Rescue Service	UK	85%	2012
GB Consortium 1 Limited*	North London Estates Partnership (LIFT) Liverpool & Sefton Clinics (LIFT)	UK UK	60% (both)	2012, 2014 and 2018
Mersey Care Development Company 1 Limited*	Mersey Care Hospital	UK	79.6%	2013 and 2014
MG Bridge Investments Limited*	Mersey Gateway Bridge	UK	37.5%	2014
Tor Bank School Education Partnership (Holdings) Limited*	Tor Bank School	UK	100%	2013
Lagan College Education Partnership (Holdings) Limited*	Lagan College	UK	100%	2014
Highway Management (City) Holding Limited*	M1 Westlink	UK	100%	2014
Blue Light Partnership (ASP) Holdings Limited*	Avon and Somerset Police HQ	UK	100%	2014, 2015 and 2016
Northwin Limited	North West Regional College	UK	100%	2015
Northwin (Intermediate) (Belfast) Limited*	Belfast Metropolitan College	UK	100%	2016
Fire and Rescue NW Holdings Limited	North West Fire and Rescue	UK	100%	2021
Woodland View Holdings Co Limited	Ayrshire and Arran Hospital	UK	100%	2021
Aberdeen Roads Holdings Limited	Aberdeen Western Peripheral Route	UK	33.3%	2021
BBGI East End Holdings Inc.*	Ohio River Bridges	US	66.7%	2014 and 2019

*and its subsidiary companies.

10. Cash and cash equivalents

Cash and cash equivalents relate to bank deposits amounting to £31,157,000 (31 December 2021: £26,862,000).

11. Taxes

In thousands of Sterling	Year ended 31 December 2022	Year ended 31 December 2021
Current tax:		
Income tax and other taxes	**3,705**	2,470

Subscription tax	**515**	459
	4,220	2,929
Deferred tax:		
Relating to origination and reversal of temporary differences	**(748)**	(231)
	3,472	2,698

The Company, as an undertaking for collective investment, is exempt from corporate income tax in Luxembourg and instead pays an annual subscription tax of 0.05 per cent on the value of its total net assets. Moreover, the Company as a SICAV is not subject to taxes on capital gains or income. All other consolidated subsidiaries are subject to taxation at the applicable rate in their respective jurisdictions.

Reconciliation of tax expense and the accounting profit multiplied by the Company's effective corporate tax rate for the year is as follows:

In thousands of Sterling	Year ended 31 December 2022	Year ended 31 December 2021
Profit before tax	**122,514**	60,695
Income tax using the Luxembourg domestic tax rate of 24.94%	**30,555**	15,137
Subscription tax during the year	**515**	459
Reconciling difference mainly due to fair valuation of assets, net of gain/loss on derivatives (unrealised)	**(27,598)**	(12,898)
Tax charge for the year	**3,472**	2,698

A significant portion of the profit before tax results from fair valuation of Investments at FVPL. The net income of the unconsolidated subsidiaries is taxed in their respective jurisdictions.

As a consequence of the adoption of IFRS 10, the Company is classified as an Investment Entity (see Note 2), meaning the tax expenses of the unconsolidated subsidiaries are not included within these consolidated financial statements. Therefore, the consolidated tax expense and tax assets/liabilities, if any, do not include those of the Portfolio Companies. The tax liabilities of the Portfolio Companies are embedded in the fair value calculation of Investments at FVPL.

The Group recognise a deferred tax asset during the year amounting to £153,000 (31 December 2021: £nil). Furthermore, the Group has additional tax losses carried forward amounting to £18,032,000 (2021: £7,229,000) for which no deferred tax asset was recognised.

Tax liability as at 31 December 2022 amounted to £1,607,000 (31 December 2021: £1,373,000).

12. Other current assets

In thousands of Sterling	31 December 2022	31 December 2021
Prepaid taxes	**537**	587
Prepaid expenses	**227**	11
Others	**230**	163
	994	761

13. Capital and reserves

Share capital

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

In thousands of Sterling	31 December 2022	31 December 2021
Share capital as at 1 January	**847,858**	770,942
Issuance of ordinary shares through placing	**-**	75,000
Share capital issued through scrip dividends	**1,092**	1,978
Equity settlement of share-based compensation (Note 20)	**1,084**	1,045
Shares issuance costs	**(27)**	(1,107)
	850,007	847,858

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 2022	31 December 2021
In issue at beginning of the year	**712,126**	664,691
Shares issued through placing of ordinary shares	**-**	45,181
Shares issued through scrip dividends	**649**	1,155
Shares issued as share based compensation - net[i]	**556**	1,099
	713,331	712,126

[i] - Being the net share entitlement after adjustments to settle taxes

Gross number of ordinary shares entitlement, before the settlement of taxes, as share based compensation amounted to the following:

In thousands of shares	31 December 2022	31 December 2021
LTIP	**636**	353
STIP	**367**	746
	1,003	1,099

All of the ordinary shares issued rank pari passu. 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 and other capital 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 amounting to a credit balance of £14,153,000 (31 December 2021: debit balance of £9,028,000) comprises foreign currency differences arising from the translation of the financial statements of foreign operations. The remaining balance of Other capital reserve relates to statutory amounts required to be allocated to this reserve account and which may not be distributed.

Dividends

The dividends declared and paid by the Company during the year ended 31 December 2022 are as follows:

In thousands of Sterling except as otherwise stated	31 December 2022
2021 2nd interim dividend of 3.665 pence per qualifying ordinary share - for the period 1 July 2021 to 31 December 2021	**26,099**
2022 1st interim dividend of 3.740 pence per qualifying ordinary share - for the period 1 January 2022 to 30 June 2022	**26,676**
Total dividends declared and paid during the year	**52,775**

The 31 December 2021 2nd interim dividend was paid in April 2022. The value of the scrip election was £964,000, with the remaining amount of £25,135,000 paid in cash to those investors that did not elect for the scrip.

The 30 June 2022 1st interim dividend was paid in October 2022. The value of the scrip election was £127,000 with the remaining amount of £26,548,000 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 2021 are as follows:

In thousands of Sterling except as otherwise stated	31 December 2021
2020 2nd interim dividend of 3.590 pence per qualifying ordinary share - for the period 1 July 2020 to 31 December 2020	23,863
2021 1st interim dividend of 3.665 pence per qualifying ordinary share - for the period 1 January 2021 to 30 June 2021	26,068
Total dividends declared and paid during the year	49,931

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

The 30 June 2021 1st interim dividend was paid in October 2021. The value of the scrip election was £1,464,000 with the remaining amount of £24,604,000 paid in cash to those investors that elected for a cash dividend.

Net Asset Value ('NAV')

The consolidated NAV and NAV per share as at 31 December 2022, 31 December 2021 and 31 December 2020 were as follows:

In thousands of Sterling/pence	2022	2021	2020
NAV attributable to the owners of the Company	**1,069,178**	1,000,543	915,840
NAV per ordinary share (pence)	**149.89**	140.50	137.78

14. Earnings per share

a) Basic earnings per share

The basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding.

In thousands of Sterling / in thousands of shares	Year ended 31 December 2022	Year ended 31 December 2021
Profit for the year	**119,042**	57,997
Weighted average number of ordinary shares in issue	**712,917**	684,569
Basic earnings per share (in pence)	**16.70**	8.47

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 2022	Year ended 31 December 2021
Shares outstanding as at 1 January	**712,126**	664,691
Effect of shares issued on placing of ordinary shares	**-**	18,825
Effect of scrip dividends issued	**443**	366
Shares issued as share based compensation	**348**	687
Weighted average - outstanding shares	**712,917**	684,569

b) Diluted earnings per share

The diluted earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding, after adjusting for the effects of all potential dilutive ordinary shares. There were no items of the consolidated income statement accounts which have a dilutive effect on the profit for the year.

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 2022	Year ended 31 December 2021
Weighted average number of ordinary shares for basic earnings per share	**712,917**	684,569
Effect of potential dilution from share-based payment	**852**	985
Weighted average - outstanding shares	**713,769**	685,554

The price of the Company's shares for the purpose of calculating the potential dilutive effect of award letters (see Note 21) was based on the average market price for the year ended 2022 and 2021, during which period the awards were outstanding.

15. Loans and borrowings

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

Outstanding borrowings under the RCF as at 31 December 2022 amounted to £57.5 million (31 December 2021: nil). As at 31 December 2022, the Group has utilised £1.3 million (31 December 2021: £1.2 million) of the £230 million RCF, which was being used to cover letters of credit.

The interest and other related fees payables under the RCF as at 31 December 2022 amounted to £230,000 (31 December 2021: £246,000).

The RCF unamortised debt issuance cost amounted to £1,094,000 as at 31 December 2022 (2021: £1,417,000). The unamortised debt issuance cost is presented as part of 'Loans and borrowings' in the Consolidated Statement of Financial Position (2021: as part of 'Other non-current assets').

The total finance cost incurred under the RCF for the year ended 31 December 2022 amounted to £2,171,000 (31 December 2021: £1,927,000) which includes amortisation of debt issuance costs of £549,000 (31 December 2021: £549,000).

Changes in liabilities arising from financing activities

In thousands of Sterling	1 January 2022	Proceeds	Repayment	Foreign exchange	Others	31 December 2022
Loans and borrowings_non-current	**-**	**72,512**	**(17,000)**	**1,972**	**(1,094)**	**56,390**

In thousands of Sterling	1 January 2021	Proceeds	Repayment	Foreign exchange	Others	31 December 2021
Loans and borrowings_non-current	-	67,000	(67,000)	-	-	-

Pledges and collaterals

As of 31 December 2022, and 31 December 2021, the Group has provided a pledge over shares issued by consolidated subsidiaries, pledge over receivables between consolidated subsidiaries and a pledge over the bank accounts of the consolidated subsidiaries.

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

The Group operated comfortably within covenant limits of the RCF during the year.

16. Trade and other payables

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

17. Financial risk review and management

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. This note also presents the result of the review performed by management on the above-mentioned risk areas.

Risk management framework

The Management Board has overall responsibility for the establishment and control of the Group's risk management framework.

Credit risk

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

1) impairment or reduction in the amounts recoverable from receivables and other current and non-current assets; and
2) non-recoverability, in part or in whole, of cash and cash equivalents deposited with banks.

Exposures to credit risks

The Group is exposed to credit risks on the following items in the consolidated statement of financial position:

In thousands of Sterling	31 December 2022	31 December 2021
Derivative financial assets	**2,885**	907
Trade and other receivables	**909**	1,024
Cash and cash equivalents	**31,157**	26,862
	34,951	28,793

The maximum exposure to credit risk on receivables that are neither overdue nor impaired as of 31 December 2022, amounts to £909,000 (2021: £1,024,000).

As of 31 December 2022, the Group is also exposed to credit risk on the loan receivable, interest and other receivable components of Investments at FVPL (loans provided to Portfolio Companies) totalling to £282,378,000 (2021: £262,822,000).

Cash and cash equivalents and foreign currency forwards

The cash and cash equivalents and foreign currency forward contracts (recorded either as 'derivative financial assets' or 'derivative financial liabilities') are maintained with reputable banks with ratings that are acceptable based on the established internal policy of the Group. Based on the assessment of the Management Board, there are no significant credit risks related to the cash and cash equivalents and foreign currency forward contracts maintained. The main counterparty banks of the Group have S&P/Moody's credit rating of A+/A1 and AA-/AA1.

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 2022 In thousands of Sterling	Carrying amount	Contractual cash flows Total	Within 1 year	1-5 years
Loans and borrowings (Note 15)	**56,620**	**65,112**	**19,907**	**45,205**
Trade and other payables	**3,242**	**3,242**	**3,242**	**-**
Net derivative liability	**5,808**	**5,808**	**121**	**5,687**
	65,670	**74,897**	**8,503**	**66,394**

31 December 2021 In thousands of Sterling	Carrying amount	Contractual cash flows Total	Within 1 year	1-5 years
Loans and borrowings (Note 15)	246	5,801	1,326	4,475
Trade and other payables	2,956	2,956	2,956	-
	3,202	8,757	4,282	4,475

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 2022 and 2021, the Group was not in breach of any of the covenants under the RCF.

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

All external financial liabilities of the Group have maturities of less than one year except for loans and borrowings, which have a maturity of more than one year. The Group has sufficient cash and cash equivalents and sufficient funding sources to pay and/or refinance currently maturing obligations.

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

Currency risk
The Group buys derivative financial instruments, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within certain internal guidelines. The Group, via its hedge counterparty, reports all trades under these hedging instruments, for European Market Infrastructure Regulations purposes, to an EU branch of the derivative repository.

The Group is exposed to currency risk as a result of its underlying Investments at FVPL and cash and cash equivalents being denominated in currencies other than 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 Sterling, the Group's policy is to ensure that its net exposure is kept at an acceptable level. The Company accepts that risk from foreign exchange exposure is an inherent aspect of holding an international portfolio of investments. However, the Management Board believes that, in addition to the hedging program in place, this risk is further mitigated by having exposure to a number of different currencies including the Australian dollar, Canadian dollar, US dollar, Euro and Norwegian krone, all of which can provide diversification benefits. The Management Board spends considerable time reviewing its hedging strategy and believes it remains both appropriate and cost effective to continue with its four-year rolling hedge policy.

The summary of the quantitative data about the Group's exposure to foreign currency risk are as follows:

31 December 2022 In thousands of Sterling	A$	C$	€	NOK	US$
Financial assets measured at fair value					
Investments at FVPL	**112,414**	**386,678**	**106,655**	**25,365**	**117,730**
Financial assets measured at amortised cost					
Cash and cash equivalents	**18**	**10,117**	**579**	**3**	**101**
Trade and other receivables	**148**	**467**	**76**	**-**	**201**
	166	**10,584**	**655**	**3**	**302**
Financial liabilities measured at amortised cost					
Trade and other payables	**17**	**688**	**877**	**-**	**80**

31 December 2021 In thousands of Sterling	A$	C$	€	NOK	US$
Financial assets measured at fair value					
Investments at FVPL	110,242	347,921	64,199	24,770	108,769
Financial assets measured at amortised cost					
Cash and cash equivalents	15	13,615	736	2	160
Trade and other receivables	484	241	1	-	103
	499	13,856	737	2	263
Financial liabilities measured at amortised cost					
Trade payables and other payables	(10)	(1,224)	(1,367)	-	(29)

The significant exchange rates applied during the year ended 31 December 2022 and 31 December 2021 are as follows:

	31 December 2022	
	Average £	Spot rate £
A$ 1	**0.562**	**0.564**
C$ 1	**0.623**	**0.610**
€ 1	**0.853**	**0.885**
NOK 1	**0.084**	**0.084**
US$ 1	**0.811**	**0.827**

	31 December 2021	
	Average £	Spot rate £
A$ 1	0.546	0.537
C$ 1	0.580	0.583
€ 1	0.860	0.840
NOK 1	0.085	0.084
US$ 1	0.727	0.740

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 scenario assumes that all other macroeconomic assumptions remain constant.

Interest rate risk
Except for the loans and other receivables from Portfolio Companies which are included as part of Investments at FVPL, the Group does not account for other fixed-rate financial assets and liabilities at fair value through profit or loss. For the years ended 31 December 2022 and 2021, 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 (see Note 15). 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 on deposit rates on the Group's NAV.

Investment risk
The valuation of Investments at FVPL depends on the ability of the Group to realise cash distributions from Portfolio Companies. The distributions to be received from the Portfolio Companies are dependent on cash received by a particular Portfolio Company under the service concession agreements. The service concession agreements are predominantly granted to the Portfolio Companies by a variety of public sector clients including, but not limited to, central government departments and local, provincial and state government and corporations set up by the public sector.

The Group predominantly makes investments in countries where the Management Board consider that asset structures are reliable, where (to the extent applicable) public sector counterparties carry what the Management Board consider to be an appropriate credit risk, or alternatively where insurance or guarantees are available for the sovereign credit risk, where financial markets are relatively mature and where a reliable judicial system exists to facilitate the enforcement of rights and obligations under the contracts.

The Management Board continuously monitors the ability of a particular Portfolio Company to make distributions to the Group. During the year, there have been no material concerns raised in relation to current and future distributions to be received from any of the Portfolio Companies.

Capital risk management
The Company's objective when managing capital is to ensure the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for further stakeholders and to maintain an optimal capital structure. The Company, at a Group level, views the share capital (see Note 13) and the RCF (see Note 15) as capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, avail itself of additional debt financing, pay down debt or issue new shares.

The Group regularly reviews compliance with Luxembourg regulations regarding restrictions on minimum capital. During the year, the Group complied with all externally imposed capital requirements and made no changes in its approach to capital management.

Derivative financial assets and liabilities for which hedge accounting is not applied
The Group has entered into foreign currency forwards to fix the foreign exchange rates on certain investment distributions that are expected to be received ('cash flow hedges') and on a portion of the non-Sterling and non-Euro denominated portfolio value ('balance sheet hedges'). The derivative financial instruments (asset/liability) in the consolidated statement of financial position represent the fair value of foreign currency forwards which were not designated as hedges. The movements in their fair value are directly charged/credited in the consolidated income statement within other operating expenses and net gain(loss) on balance sheet hedging.

Derivative financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position as the Group has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis. Cash flows from the settlement of cash flow hedges and balance sheet hedges are presented as part of the net cash flows in operating and investing activities, respectively.

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 (i.e. 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.

31 December 2022	Fair value			
In thousands of Sterling	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Investments at FVPL	**-**	**-**	**1,102,844**	**1,102,844**
Derivative financial assets	**-**	**2,885**	**-**	**2,885**
Financial liabilities measured at fair value				
Derivative financial liabilities	**-**	**(8,693)**	**-**	**(8,693)**

31 December 2021	Fair value			
In thousands of Sterling	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Investments at FVPL	-	-	975,225	975,225
Derivative financial assets	-	907	-	907
Financial liabilities measured at fair value				
Derivative financial liabilities	-	(1,146)	-	(1,146)

Refer to table presented in Note 9 for the reconciliation of the movements in the fair value measurements in level 3 of the fair value hierarchy for Investments at FVPL. There were no transfers between any levels during the year.

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.

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

- Discount rates and the Assumptions, as set out below, continue to be applicable.
- The updated financial models used for the valuation accurately reflect the terms of all agreements relating to the Portfolio Companies and represent a fair and reasonable estimation of future cash flows accruing to the Portfolio Companies.
- Cash flows from and to the Portfolio Companies are received and made at the times anticipated.
- Non-UK investments are valued in local currency and converted to Sterling at either the period-end spot foreign exchange rates or the contracted foreign exchange rate.
- Where the operating costs of the Portfolio Companies are contractually fixed, such contracts are performed, and where such costs are not fixed, they remain within the current forecasts in the valuation models.
- Where lifecycle costs/risks are borne by the Portfolio Companies, they remain in line with the current forecasts in the valuation models.
- Contractual payments to the Portfolio Companies remain on track and contracts with public sector or public sector backed counterparties are not terminated before their contractual expiry date.
- Any deductions or abatements during the operations period of Portfolio Companies are passed down to subcontractors under contractual arrangements or are part of the planned (lifecycle) forecasts.
- Changes to the concession period for certain investments are realised.
- In cases where the Portfolio Companies have contracts which are in the construction phase, they are either completed on time or any delay costs are borne by the construction contractors.
- Enacted tax or regulatory changes, or forecast changes with a high probability, on or prior to this reporting period-end with a future effect materially impacting cash flow forecasts, are reflected in the financial models.

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

Macroeconomic assumptions

		31 December 2022	**31 December 2021**
Inflation	UK(i) RPI/CPIH	13.4% (actual) for 2022; 5.8% for 2023 then 2.75% (RPI) / 2.0% (CPIH)	2.75% / 2.00%
	Canada	6.3% (actual) for 2022; 4.0% for 2023; 2.3% for 2024 then 2.0%	2.00% / 2.35%
	Australia	8.0% for 2022; 4.75% for 2023 3.25% for 2024 then 2.5%	2.50%
	Germany/ Netherlands(ii)	8.4% for 2022; 6.3% for 2023; 3.4% for 2024 then 2.0%	2.00%
	Norway(ii)	5.9% (actual) for 2022; 4.9% for 2023 then 2.25%	2.25%
	US	6.5% (actual) for 2022; 3.4% for 2023 then 2.5%	2.50%
Deposit rates (p.a.)	UK	2.00% to 2024, then 1.50%	0.00% to 2023, then 1.00%
	Canada	3.50% to 2024, then 1.75%	0.50% to 2023, then 1.50%
	Australia	3.25% to 2024, then 3.00%	0.25% to 2023, then 2.00%
	Germany/ Netherlands	0.50% to 2024, then 1.0%	0.00% to 2023, then 0.50%
	Norway	2.00% to 2024, then 2.00%	0.00% to 2023, then 2.00%
	US	3.75% to 2024, then 1.50%	0.00% to 2023, then 1.50%
Corporate tax rates (p.a.)	UK	19.00% until March 2023 then 25%	19.0% to Q1 2023, then 25.0%
	Canada[iii]	23.00% / 26.50% / 27.00% / 29.00%	23.0% / 26.5% / 27.0% / 29.0%
	Australia	30.00%	30.0%
	Germany[iv]	15.83% (incl. solidarity charge)	15.8% (incl. solidarity charge)
	Netherlands	25.80%	25.8%
	Norway	22.00%	22.0%
	US	21.00%	21.0%

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

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

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

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

Based on data from transactional activity, benchmark analysis with comparable companies and sectors, discussions with advisers in the relevant markets, publicly available information gathered over the year and equity risk premium over government bond yields, we have increased the weighted average discount rate to 6.9 per cent (31 December 2021: 6.6 per cent). 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. Furthermore, the Group, with the advice of external experts, has considered the impact of climate change on the value of the investments at FVPL and has concluded that no valuation adjustment was required.

Discount rate sensitivity
The weighted average discount rate 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:

	+1% to 7.9% in 2022(i)		-1% to 5.9% in 2022(i)	
Effects in thousands of Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2022	**(87,101)**	**(87,101)**	**100,702**	**100,702**
31 December 2021	(78,057)	(78,057)	89,908	89,908

(i) Based on the weighted average discount rate of 6.9 per cent (31 December 2021: 6.6 per cent).

Inflation has increased in all jurisdictions across BBGI's geographies and interest rates have risen from historical lows. In the event long-term interest rates rise substantially further, this is likely to effect on discount rates, and as a result negatively impact portfolio valuation.

Combined sensitivity: inflation, deposit rates and discount rates
It is reasonable to assume that if discount rates increase, then deposit rates and inflation would also be affected. To illustrate the effect of this combined movement on the Company's NAV, a scenario was created assuming a one percentage point increase in the weighted average discount rate to 7.9 per cent, and a one percentage point increase in both deposit and inflation above the macroeconomic assumptions.

	+1%	
In thousands of Sterling	**Equity**	**Profit or loss**
31 December 2022	**(22,796)**	**(22,796)**

31 December 2021	(23,127)	(23,127)

Inflation sensitivity

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

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

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

	+1%		-1%	
Effects in thousands of Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2022	**51,508**	**51,508**	**(45,524)**	**(45,524)**
31 December 2021	39,499	39,499	(32,622)	(32,622)

Short-term inflation sensitivity

It is reasonable to assume that inflation could be elevated for the short-term before diminishing. To illustrate the effect of persistent higher short-term inflation on the Company's NAV, three scenarios were created assuming inflation is two percentage points above our assumptions for the next one, three and five years.

	+2%	
In thousands of Sterling	**Equity**	**Profit or loss**
Inflation +2% for one year	12,008	12,008
Inflation +2% for three years	52,619	52,619
Inflation +2% for five years	65,624	65,624

Foreign exchange sensitivity

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

The following table shows the sensitivity of the NAV, by applying a change to foreign exchange rates:

	Increase by 10% (i)		Decrease by 10% (i)	
Effects in thousands of Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2022	**(23,665)**	**(23,665)**	**31,488**	**31,488**
31 December 2021	(28,372)	(28,372)	31,140	31,140

(i) *Sensitivity in comparison to the spot foreign exchange rates at 31 December 2022 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

Portfolio Companies typically have cash deposits that are required to be maintained as part of the senior debt funding requirements (e.g. six-month debt service reserve accounts and maintenance reserve accounts). The total deposits held by the Portfolio Companies exceed £400 million. 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 long-term assumptions in the table above:

	+1%		-1%	
Effects in thousands of Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2022	**20,659**	**20,659**	**(20,635)**	**(20,635)**
31 December 2021	17,260	17,260	(17,151)	(17,151)

Lifecycle costs sensitivity

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

Of the Group's 56 Investments at FVPL, 20 Investments at FVPL retain the lifecycle obligations. The remaining 36 investments have this obligation passed down to the subcontractor.

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

	Increase by 10% (i)		Decrease by 10% (i)	
Effects in thousands of Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2022	**(25,956)**	**(25,956)**	**23,459**	**23,459**
31 December 2021	(19,003)	(19,003)	19,580	19,580

(i) *Sensitivity applied to the 20 investments in the portfolio that retain the lifecycle obligation i.e. the obligation is not passed down to the subcontractor.*

Corporate tax rate sensitivity

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

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

	+1% in 2022		-1% in 2021	
In thousands of Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2022	**(11,150)**	**(11,150)**	**11,011**	**11,011**
31 December 2021	(8,760)	(8,760)	8,739	8,739

Refinancing: senior debt rate 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 debt rate.

	Margin +1%	
In thousands of Sterling	**Equity**	**Profit or loss**
2022	**(9,051)**	**(9,051)**
2021	(6,321)	(6,321)

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 2022 amounted to a net liability of £5,808,000 (31 December 2021: £239,000 - net liability). The counterparty bank has an S&P/Moody's long-term credit rating of A+/A1.

During the year, the Group recognised the following net losses on derivatives financial instruments at FVPL:

In thousands of Sterling	Year ended 31 December 2022	Year ended 31 December 2021
Realised	**16,330**	1,541
Unrealised	**5,569**	256
	21,899	1,797

19. Subsidiaries

During the year ended 31 December 2022, 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%	2011
BBGI Inv, S.à r. l.	Luxembourg	100%	2012
BBGI Investments S.C.A.	Luxembourg	100%	2012
BBGI Holding Limited	UK	100%	2012
BBGI (NI) Limited	UK	100%	2013
BBGI (NI) 2 Limited	UK	100%	2015
BBGI CanHoldco Inc.	Canada	100%	2013
BBGI Guernsey Holding Limited	Guernsey	100%	2013
BBGI Ireland Limited	Ireland	100%	2017
BBGI US Holding, Inc.(i)	US	100%	2021

(i) Dissolved during the year

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%	2012
RWH Health Partnership Pty Limited	Royal Women's Hospital	Australia	100%	2012
RWH Finance 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	Northern Territory Secure Facilities	Australia	100%	2014
BBPI Sentinel Holding Trust	Northern Territory Secure Facilities	Australia	100%	2014
BBPI Sentinel Pty Limited	Northern Territory Secure Facilities	Australia	100%	2014
BBPI Member Trust	Northern Territory Secure Facilities	Australia	100%	2014
Sentinel Partnership Pty Limited	Northern Territory Secure Facilities	Australia	100%	2014 and 2015
Sentinel UJV	Northern Territory Secure Facilities	Australia	100%	2014 and 2015
Sentinel Financing Holdings Pty Limited	Northern Territory Secure Facilities	Australia	100%	2014 and 2015
Sentinel Financing Pty Limited	Northern Territory Secure Facilities	Australia	100%	2014 and 2015
Sentinel Finance Holding Trust	Northern Territory Secure Facilities	Australia	100%	2014 and 2015
Sentinel Finance Trust	Northern Territory Secure Facilities	Australia	100%	2014 and 2015
BBGI Sentinel Holdings 2 Pty Limited	Northern Territory Secure Facilities	Australia	100%	2015
BBGI Sentinel Holding Trust 2	Northern Territory Secure Facilities	Australia	100%	2015
BBGI Sentinel 2 Pty Limited	Northern Territory Secure Facilities	Australia	100%	2015
BBGI Sentinel Trust 2	Northern Territory Secure Facilities	Australia	100%	2015
BBGI Champlain Holding Inc.	Champlain Bridge	Canada	100%	2020
BBGI SSLG Partner Inc.	Champlain Bridge	Canada	100%	2020
Golden Crossing Holdings Inc.	Golden Ears Bridge	Canada	100%	2012 and 2013
Golden Crossing Finance Inc.	Golden Ears Bridge	Canada	100%	2012 and 2013
Golden Crossing Inc.	Golden Ears Bridge	Canada	100%	2012 and 2013
Global Infrastructure Limited Partnership	Golden Ears Bridge	Canada	100%	2012 and 2013
Golden Crossing General Partnership	Golden Ears Bridge	Canada	100%	2012 and 2013
BBGI KVH Holdings Inc.	Kelowna and Vernon Hospitals	Canada	100%	2013
BBGI KVH Inc.	Kelowna and Vernon Hospitals	Canada	100%	2013
BBGI KVH Holdings 2 Inc.	Kelowna and Vernon Hospitals	Canada	100%	2020
BBGI KVH 2 Inc.	Kelowna and Vernon Hospitals	Canada	100%	2020
Infusion Health KVH General Partnership	Kelowna and Vernon Hospitals	Canada	100%	2013 and 2020
BBGI 104 GP Inc.	Highway 104	Canada	100%	2020
WCP Holdings Inc.	Women's College Hospital	Canada	100%	2013
WCP Inc.	Women's College Hospital	Canada	100%	2013
WCP Investments Inc.	Women's College Hospital	Canada	100%	2013
Women's College Partnership	Women's College Hospital	Canada	100%	2013
Stoney Trail Group Holdings Inc.	Northeast Stoney Trail	Canada	100%	2013
Stoney Trail LP Inc.	Northeast Stoney Trail	Canada	100%	2013
Stoney Trail Investments Inc.	Northeast Stoney Trail	Canada	100%	2013

Stoney Trail Inc.	Northeast Stoney Trail	Canada	100%	2013
Stoney Trail Global Limited Partnership	Northeast Stoney Trail	Canada	100%	2013
Stoney Trail General Partnership	Northeast Stoney Trail	Canada	100%	2013
BBGI NCP Holdings Inc.	North Commuter Parkway	Canada	100%	2015
BBGI Stanton Holdings Inc.	Stanton Territorial Hospital	Canada	100%	2018 and 2020
BBGI Stanton Partner 1 Inc.	Stanton Territorial Hospital	Canada	100%	2018 and 2020
BBGI Stanton Partner 2 Inc.	Stanton Territorial Hospital	Canada	100%	2020
Boreal Health Partnership	Stanton Territorial Hospital	Canada	100%	2018 and 2020
PJB Beteiligungs-GmbH	Burg Correctional Facility	Germany	100%	2012
Projektgesellschaft Justizvollzug Burg GmbH & Co. KG	Burg Correctional Facility	Germany	90%	2012
PJB Management-GmbH	Burg Correctional Facility	Germany	100%	2012
Kreishaus Unna Holding GmbH	Unna Administrative Center	Germany	100%	2012 and 2020
Projekt- und Betriebsgesellschaft Kreishaus Unna mbH	Unna Administrative Center	Germany	90%	2012 and 2020
BBGI PPP Investment S.à r.l.	A7 Motorway	Luxembourg	100%	2018
De Groene Schakel Holding B.V.	Westland Town Hall	Netherlands	100%	2018 and 2019
De Groene Schakel B.V.	Westland Town Hall	Netherlands	100%	2018 and 2019
Noaber18 Holding B.V.	N18 Motorway	Netherlands	52%	2018, 2019 and 2020
Noaber18 B.V.	N18 Motorway	Netherlands	52%	2018, 2019 and 2020
Agder OPS Vegselskap AS	E18 Motorway	Norway	100%	2013 and 2014
Bedford Education Partnership Holdings Limited	Bedford Schools	UK	100%	2012
Bedford Education Partnership Limited	Bedford Schools	UK	100%	2012
Lisburn Education Partnership (Holdings) Limited	Lisburn College	UK	100%	2012
Lisburn Education Partnership Limited	Lisburn College	UK	100%	2012
Clackmannanshire Schools Education Partnership (Holdings) Limited	Clackmannanshire Schools	UK	100%	2012
Clackmannanshire Schools Education Partnership Limited	Clackmannanshire Schools	UK	100%	2012
Primaria (Barking & Havering) Limited	Barking, Dagenham & Havering Clinics (LIFT)	UK	100%	2012
Barking Dagenham Havering Community Ventures Limited	Barking, Dagenham & Havering Clinics (LIFT)	UK	60%	2012
Barking & Havering LIFT (Midco) Limited	Barking, Dagenham & Havering Clinics (LIFT)	UK	60%	2012
Barking & Havering LIFT Company (No.1) Limited	Barking, Dagenham & Havering Clinics (LIFT)	UK	60%	2012
Scottish Borders Education Partnership (Holdings) Limited	Scottish Borders Schools	UK	100%	2012
Scottish Borders Education Partnership Limited	Scottish Borders Schools	UK	100%	2012
Coventry Education Partnership Holdings Limited	Coventry Schools	UK	100%	2012
Coventry Education Partnership Limited	Coventry Schools	UK	100%	2012
Fire Support (SSFR) Holdings Limited	Stoke & Staffs Rescue Service	UK	85%	2012
Fire Support (SSFR) Limited	Stoke & Staffs Rescue Service	UK	85%	2012
Highway Management M80 Topco Limited	M80 Motorway	UK	100%	2012
Tor Bank School Education Partnership (Holdings) Limited	Tor Bank School	UK	100%	2013
Tor Bank School Education Partnership Limited	Tor Bank School	UK	100%	2013
Mersey Care Development Company 1 Limited	Mersey Care Hospital (LIFT)	UK	100%	2013 and 2014
MG Bridge Investments Limited	Mersey Gateway Bridge	UK	100%	2014
Lagan College Education Partnership (Holdings) Limited	Lagan College	UK	100%	2014
Lagan College Education Partnership Limited	Lagan College	UK	100%	2014
Highway Management (City) Holding Limited	M1 Westlink	UK	100%	2014
GB Consortium 1 Limited	North London Estates Partnership (LIFT) and Liverpool and Sefton Clinics (LIFT)	UK	100%	2012, 2014 and 2018
East Down Education Partnership (Holdings) Limited	East Down Colleges	UK	100%	2012 and 2018
East Down Education Partnership Limited	East Down Colleges	UK	100%	2012 and 2018
Highway Management (City) Finance Plc	M1 Westlink	UK	100%	2014
Highway Management (City) Limited	M1 Westlink	UK	100%	2014
Blue Light Partnership (ASP) NewCo Limited[i]	Avon and Somerset Police HQ	UK	100%	2014 and 2016
Blue Light Partnership (ASP) Holdings Limited	Avon and Somerset Police HQ	UK	100%	2014, 2015 and 2016
Blue Light Partnership (ASP) NewCo 2[i] Limited	Avon and Somerset Police HQ	UK	100%	2015
GT ASP Limited [i]	Avon and Somerset Police HQ	UK	100%	2015
Blue Light Partnership (ASP) 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
Northwin (Belfast) Limited	Belfast Metropolitan College	UK	100%	2016
Folera TH Holdings Limited	Poplar Affordable Housing & Recreational Centres	Jersey	100%	2021
Folera Limited	Poplar Affordable Housing & Recreational Centres	Jersey	100%	2021
Woodland View Holdings Co Limited	Ayrshire and Arran Hospital	UK	100%	2021

Woodland View Intermediate Co Limited	Ayrshire and Arran Hospital	UK	100%	2021
Woodland View Project Co Limited	Ayrshire and Arran Hospital	UK	99%	2021
Fire and Rescue NW Holdings Limited	North West Fire and Rescue	UK	100%	2021
Fire and Rescue NW Intermediate Limited	North West Fire and Rescue	UK	100%	2021
Fire and Rescue NW Limited	North West Fire and Rescue	UK	100%	2021
BBGI East End Holdings Inc.	Ohio River Bridges	US	100%	2014

i in the process of liquidation

20. Related parties and key contracts

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

Supervisory Board fees

The members of the Supervisory Board of the Company were entitled to total fees of £260,000 for the year ended 31 December 2022 (2021: £220,000).

Directors' shareholding in the Company

In thousands of shares	31 December 2022	31 December 2021
Management Board		
Duncan Ball	**871**	636
Frank Schramm	**829**	600
Michael Denny	**504**	412
Supervisory Board		
Andrew Sykes	**40**	-
Sarah Whitney	**39**	39
June Aitken	**31**	-
Christopher Waples	**17**	17
	2,331	1,704

Remuneration of 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 Sterling	Year ended 31 December 2022	Year ended 31 December 2021
Short-term benefits	**2,944**	2,769
Share-based payments	**1,536**	1,224
	4,480	3,993

Trade and other receivables

As at 31 December 2022, trade and other receivables include short-term receivables from non-consolidated subsidiaries amounting to £909,000 (2021: £1,024,000).

21. Share-based compensation

Each of the members of the Management Board received award letters ('2021 Award', '2020 Award', and '2019 Award', respectively and referred collectively as 'Awards') under the Group's long-term incentive plan. These Awards are to be settled by MHC in the Company's own shares. The Awards vest by reference to a combination of performance measures linked to the Company's Total Shareholder Return ('TSR condition'), increase in the Company's Investment Basis NAV per share ('NAV condition') and decrease in Corporate Greenhouse Gas Emissions ('GHG') over the Return Periods.

2019 Award

For 2019 awards, 50 per cent of the performance target will be subject to stretching NAV Total Return and 50 per cent to the Total Shareholder Return ('TSR') targets, over a three-year period.

2020 Award

For 2020 awards, 100 per cent of the performance target will be subject to stretching NAV Total Return targets over a three-year period.

Performance metric	Threshold performance	Target performance	Maximum performance
NAV Total return (100% weighting)	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.

2021 Award

For 2021 awards, 90 per cent of the performance target will be subject to stretching NAV Total Return targets over a three-year period.

10 per cent. of the award will be linked to a reduction in corporate GHG emissions (Scope 1, 2 & 3) (against a 2019 baseline), a key climate related ESG metric linked to BBGI's Net Zero Plan.

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

The fair value of the equity instruments awarded to the Management Board was determined using the following key parameters:

	2021 Award	2020 Award	2019 Award
Share price at grant date	£ 1.760	£ 1.700	£ 1.675
Maturity	3 years	3 years	3 years
Annual target dividend (2024)	£0.0771	-	-
Annual target dividend (2023)	£0.0755	£0.0733	-
Annual target dividend (2022)	£0.0741	-	-
Annual target dividend (2020)	-	-	£0.0718
Annual target dividends (2021 to 2022)	£0.0733	£0.0733	£0.0733
Volatility	n/a	n/a	11%
Risk free rate	Between 0.38% and 0.68%	Between -0.11% and -0.05%	Between 0.53% and 0.60%

The expected volatility under the 2019 awards reflects the assumption that the historical volatility over a period similar to the life of the plan is indicative of future trends, which may not necessarily be the actual outcome.

The Group has issued restricted share awards to selected employees. The restricted share award entitles the employee to a right to receive shares in the Company upon meeting a service condition.

The fair value of the awards and amounts recognised as additional paid in capital in the Group's consolidated statement of financial position are as follows:

In thousands of Sterling	31 December 2022	31 December 2021
2021 Award	**354**	-
2020 Award	**691**	345
2019 Award	**445**	297
2018 Award	**-**	472
Deferred STIP	**708**	616
Staff Award Plan	**304**	103
Amount recognised in additional paid-in capital	**2,502**	1,833

During the year ended 31 December 2022, the 2018 Award vested, resulting in a gross entitlement before tax, of 636,281. A portion of the 2018 Award was settled in cash in order to realise sufficient funds to settle resulting tax liabilities arising from the vesting, with only the net number of shares being issued to each individual. The total accrued amount under the 2018 Award as at 31 December 2021 was £472,000. This amount was transferred from Additional paid in capital to Share capital at the settlement date plus an adjustment of £28,000 for the non-market based performance condition.

The share-based compensation expenses amount recognised as part of 'administrative expenses' in the Group's consolidated income statement are as follows:

In thousands of Sterling	Year ended 31 December 2022	Year ended 31 December 2021
2021 Award	**354**	-
2020 Award	**345**	345
2019 Award	**148**	148
2018 Award	**(28)**	157
2017 Award	**-**	25
Deferred STIP	**718**	607
Staff Award Plan	**200**	79
Amount recognised in administrative expenses	**1,737**	1,361

Deferred STIP

One-third of any bonus earned under the STIP is 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 one-third of the anticipated outcome of the annual bonus for the Management Board. The total value of the Deferred STIP as at 31 December 2022 was £708,000 (31 December 2021: £616,000).

22. 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 2022, the Group had utilised £1.3 million (31 December 2021: £1.2 million) of the £230 million RCF to cover letters of credit. Refer to Note 15 for further details on the RCF.

The BBGI Luxembourg office is leased under a cancellable operating lease agreement. The expenses incurred in relation to such lease are recognised as office and other expenses under administrative expenses (see Note 6).

23. Service Concession Agreements

As at 31 December 2022, the Group has a portfolio of 56 assets (see Note 9), with a weighted average portfolio life of 20.2 years. The Group has a diverse asset mix from which the service concession receivables are derived. All assets are availability-style. The rights of both the concession provider and concession operator are stated within the specific asset agreement.

The following table summarises the main information about the Group's outstanding service concession agreements, which are all classified as availability-style social infrastructure:

				Period of Concession (Operational Phase)	
Asset Name	% Equity Owned	Short Description of Concession Arrangement	Phase	Start Date	End Date
Kicking Horse Canyon	50%	Design, build, finance and operate a 26-km stretch of the Trans-Canada Highway, a vital gateway to British Columbia .	Operational	September 2007	October 2030
Golden Ears Bridge	100%	Design, build, finance and operate the Golden Ears Bridge that spans the Fraser River and connects Maple Ridge and Pitt Meadows to Langley and Surrey, near Vancouver, British Columbia.	Operational	June 2009	June 2041
Northwest Anthony Henday Drive	50%	Partly design, build, finance and operate a major transport infrastructure asset in Canada, a ring road through Edmonton, capital of the province of Alberta.	Operational	November 2011	October 2041
M80 Motorway	50%	Design, build, finance and operate 18 km of dual two/three lane motorway with associated slip	Operational	July 2011	September 2041

		roads and infrastructure from Stepps in North Lanarkshire to Haggs in Falkirk (Scotland).			
E18 Motorway	100%	Design, build, finance, operate and maintain a 38 km dual carriageway in Norway, including 75 bridges and structures and 75 km of secondary roads, carving through a rugged and beautiful landscape between Grimstad and Kristiansand.	Operational	August 2009	August 2034
Northeast Stoney Trail	100%	Design, build, finance, operate and maintain a 21 km section of highway, forming part of a larger ring road developed in Calgary, Alberta, Canada.	Operational	November 2009	October 2039
Ohio River Bridges	67%	Design, build, finance, operate and maintain East End Bridge asset which includes a cable-stay bridge, a tunnel and the connecting highway with a total length of 8 miles crossing the Ohio river in the greater Louisville-Southern Indiana region.	Operational	December 2016	December 2051
Mersey Gateway Bridge	38%	Design, build, finance, operate and maintain a new circa 1-km long six-lane toll cable-stay bridge (three towers) over the Mersey river to relieve the congested and ageing Silver Jubilee Bridge and upgrading works for 9.5 km of existing roads and associated structures.	Operational	October 2017	March 2044
M1 Westlink	100%	Design, build, finance, operate and maintain with significant amount of construction work completed in 2009 to upgrade key sections of approx. 60 km of motorway through Belfast and its vicinity, including O&M of the complete motorway.	Operational	February 2006	October 2036
North Commuter Parkway	50%	Design, build, finance, operate and maintain two new arterial roadways and a new river crossing located in the north area of Saskatoon, Saskatchewan, Canada, and design, construct, finance, operate and maintain a replacement river crossing located in Saskatoon's downtown core.	Operational	October 2018	September 2048
Canada Line	27%	Design, build, finance, operate and maintain a 19km rapid transit line connecting the cities of Vancouver and Richmond with Vancouver International Airport in British Columbia, Canada.	Operational	August 2009	July 2040
Southeast Stoney Trail	40%	Design, build, finance, operate and maintain a 25km section of highway, forming part of a larger ring road developed in Calgary, Alberta, Canada.	Operational	November 2013	September 2043
William R. Bennett Bridge	80%	Design, build, finance, operate and maintain a 1.1km long floating bridge in Kelowna, British Columbia, Canada.	Operational	May 2008	June 2035
A1/A6 Motorway	37%	Design, build finance operate and maintain the enlargement of the A1/A6 in the Netherlands, which involves the reconstruction and widening of this 2x5 lanes motorway plus 2 reversible direction lanes. The asset involves some 90 engineering structures.	Operational	July 2017	June 2042
N18 Motorway	52%	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
Highway 104	50%	Design, build, finance, operate and maintain PPP following completion of construction. The project consists of the construction of a four-lane divided highway corridor beginning at the end of the existing divided highway east of New Glasgow near Exit 27 at Sutherlands River and running for a distance of approximately 38km to the existing divided highway just west of the Addington Fork Interchange (Exit 31) at Antigonish.	Construction	May 2020	August 2043
Champlain Bridge	25%	Design, construction, financing, operation, maintenance and rehabilitation of a new bridge spanning the St. Lawrence River between Montreal and Brossard, Quebec.	Operational	December 2020	October 2049
Victoria Correctional Facilities	100%	Design, build, finance, operate, and maintain for a period of 25 years, two new correctional facilities for the State of Victoria, Australia (MCC and MRC).	Operational	March 2006 (MRC)/February 2006 (MCC)	May 2031
Burg Correctional Facility	90%	Design, build, finance, operate, and maintain for a concession period of 25 years, a new correctional facility for the state of Saxony-Anhalt, Germany.	Operational	May 2009	April 2034
Avon and Somerset Police HQ	100%	Design, build, finance, operate and maintain four new build police and custody facilities in the Avon and Somerset region (UK).	Operational	July 2014/July 2015	March 2039
Northern Territory Secure Facilities	100%	Design, build, finance, operate and maintain a new correctional facility, located near Darwin, including three separate centres of the 1,048 bed multi-classification men's and women's correctional centre and 24-bed Complex Behaviour Unit.	Operational	November 2014	June 2044
Bedford Schools	100%	Design, build, finance, operate and maintain the redevelopment of two secondary schools in the County of Bedfordshire.	Operational	June 2006	December 2035
Coventry Schools	100%	Design, build, finance, operate and maintain one new school and community facilities for the Coventry City Council.	Operational	In stages from March 2006 to June 2009	December 2034
Kent Schools	50%	Design, build, finance, operate and maintain the redevelopment, which included the construction of new build elements for each academy as well as extensive reconfiguration and refurbishment of six academies.	Operational	June 2007	September 2035
Scottish Borders Schools	100%	Design, build, finance, operate and maintain three new secondary schools for Scottish Borders Council.	Operational	July 2009	November 2038
Clackmannanshire Schools	100%	Design, build, finance, operate and maintain the redevelopment of three secondary schools in Clackmannanshire, Scotland.	Operational	In stages from January to May 2009	March 2039
East Down Colleges	100%	Design, build, finance, operate and maintain the three East Down Colleges campuses in Northern Ireland	Operational	June 2009	May 2036

Lisburn College	100%	Design, build, finance, operate and maintain Lisburn College in Northern Ireland.	Operational	April 2010	May 2036
Tor Bank School	100%	Design, build, finance, operate and maintain a new school for pupils with special education needs in Northern Ireland.	Operational	October 2012	October 2037
Lagan College	100%	Design, build, finance operate and maintain the redevelopment of Lagan College in Northern Ireland.	Operational	October 2013	June 2038
Cologne Schools	50%	Design, build, finance operate and maintain the redevelopment of five schools in Cologne.	Operational	April 2005	December 2029
Rodenkirchen Schools	50%	Design, build, finance operate and maintain a school for approx. 1200 pupils in Cologne.	Operational	November 2007	November 2034
Frankfurt Schools	50%	Design, build, finance operate and maintain the redevelopment of four schools in Frankfurt.	Operational	August 2007	July 2029
North West Regional College	100%	Design, build, finance, operate and maintain the North West Regional College educational campus in Northern Ireland	Operational	February 2001	January 2026
Belfast Metropolitan College	100%	Design, build, finance, operate and maintain the Belfast Metropolitan educational campus in Northern Ireland	Operational	September 2002	August 2027
Westland Town Hall	100%	Design, build, finance, operate and maintain Westland Town Hall, a PPP accommodation asset consisting of a new approximately 11,000m^2 town hall for the Dutch Municipality of Westland.	Operational	August 2017	August 2042
Gloucester Royal Hospital	50%	Design, build, finance, operate and maintain a hospital scheme in Gloucester, UK.	Operational	April 2005	February 2034
Liverpool and Sefton Clinics (LIFT)	60%	Design, build, finance, operate and maintain the primary healthcare facilities in Liverpool and Sefton, UK.	Operational	In 7 tranches starting April 2005 and ending February 2013	In 7 tranches starting April 2033 and ending February 2043
North London Estates Partnership (LIFT)	60%	Design, build, finance, operate and maintain the primary healthcare facilities of the Barnet, Enfield and Haringey LIFT programme, UK.	Operational	In 4 tranches starting February 2006 and ending June 2013	In 4 tranches starting October 2030 and ending June 2043
Barking Dagenham & Havering (LIFT)	60%	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
Royal Women's Hospital	100%	Design, build, finance, operate and maintain a new nine-storey Royal Women's Hospital in Melbourne.	Operational	June 2008	June 2033
Mersey Care Hospital (part of Liverpool Sefton Clinics (LIFT) above)	80%	Design, build, finance, operate and maintain a new mental health in-patient facility on the former Walton hospital site in Liverpool, UK.	Operational	December 2014	December 2044
Kelowna and Vernon Hospital	100%	Design, build, finance, operate and maintain a new Patient Care Tower, a new University of British Columbia Okanagan Clinical Academic Campus and car park at Kelowna General Hospital, and a new Patient Care Tower at Vernon Jubilee Hospital.	Operational	January 2012	August 2042
Women's College Hospital	100%	Design, build, finance, operate and maintain the new Women's College Hospital in Toronto, Ontario, Canada.	Operational	May 2013 (Phase 1), September 2015 (Phase 2), March 2016 (final completion).	May 2043
Restigouche Hospital Centre	80%	Design, build, finance, operate and maintain the new Psychiatric Care Centre in Restigouche, New Brunswick, Canada.	Operational	June 2015	October 2044
McGill University Health Centre	40%	Design, build, finance, operate and maintain the new McGill University Health Centre, Montreal, Canada.	Operational	October 2014	September 2044
Stanton Territorial Hospital	100%	Design, build, finance, operate and maintain the new Stanton Territorial Hospital, Yellowknife, Northwest Territories, Canada.	Operational	December 2018	October 2048
Stoke & Staffs Rescue Service	85%	Design, build, finance, operate and maintain 10 new community fire stations in Stoke-on-Trent and Staffordshire, UK.	Operational	November 2011	October 2036
Unna Administrative Centre	90%	Design, build, finance, operate and maintain the administration building of the Unna District in Rhine-Westphalia, Germany.	Operational	July 2006	July 2031
Fürst Wrede Military Base	50%	Design, build, finance, operate and maintain the refurbishment and new construction of a 32 hectare army barracks in Munich, Germany.	Operational	March 2008	March 2028
Poplar Affordable Housing & Recreational Centres	100%	Design, construction, financing, operation, maintenance and rehabilitation of separate buildings.	Operational	October 2015	July 2051
Aberdeen Western Peripheral Route	33%	Design, construction, financing, operations and maintenance of 12 km of the existing roadway (upgraded) and 47 km of new dual carriageway including two significant river crossings.	Operational	May 2018	November 2047
Ayrshire and Arran Hospital	100%	Design, construction, financing and maintenance of a 206-bed acute mental health facility and community hospital in Irvine, North Ayrshire, Scotland.	Operational	March 2016	March 2041
North West Fire and Rescue	100%	Design, construction, financing, maintenance and rehabilitation of 16 new community fire stations in the North West of England.	Operational	June 2013	July 2038
John Hart Generating Station	80.0%	Design, construction, financing, maintenance and rehabilitation of a new three-turbine, 132-MW hydroelectric power generation station on the Campbell River, British Columbia, including a 3 generating unit underground powerhouse, 2.1 kilometers of water passage tunnels and a water bypass system to protect downstream fish habitat.	Operational	June 2019	October 2033
A7 Motorway	49.0%	Expansions and upgrades to certain critical sections of the A7 motorway and consists of the design, construction, financing, operation, maintenance and rehabilitation of 65 km widening from four to six lanes of a section of the A7 motorway between Bordesholm and Hamburg. The project includes 11 interchanges, six parking facilities, four rest areas, 79 civil engineering structures, c. 100,000 m2 noise	Operational	December 2019	August 2044

barriers and a c. 550-metre noise enclosure tunnel.

24. Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted any of the forthcoming new or amended standards in preparing these financial statements. The Group intends to adopt these new and amended standards, if applicable, when they become effective. The adoption of the below news standards are not expected to have a significant impact on the Group's financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendments specify the requirements for classifying liabilities as current or non-current and clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments introduce a definition of 'accounting estimates' and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendments specify the requirements for classifying liabilities as current or non-current and clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

25. Events after the end of the reporting period

Dividend declaration

In February 2023, the Company declared a 2nd interim dividend of 3.74 pence per share with scrip alternative for qualifying shareholders for the period 1 July - 31 December 2022. The dividend is expected to be paid in April 2023.

Grant of Share Awards under LTIP

In February 2023, each of the members of the Management Board received an award letter ('2022 Award'). The maximum number of shares that could be issued under this award was determined by using the average closing price of the Company's share price during December 2022, as ascertained from the Official List, which was 156.46 pence per share. Subject to the achievement of the performance conditions, the awards will vest after 31 December 2025.

AUDIT REPORT

To the Shareholders
BBGI Global Infrastructure S.A.

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of BBGI Global Infrastructure S.A. (the "Company") as at 31 December 2022, 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 the European Union.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for 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. We have fulfilled our other ethical responsibilities under those ethical requirements.

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 our 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.

Key audit matter	How our audit addressed the key audit matter
Impairment of Investment in subsidiary and loans receivable from subsidiary: Refer to the financial statements (Note 3.e), impairment testing for investments and loans and receivables from subsidiary; Note 13 and Note 14). Investment in subsidiary and loan receivables from subsidiary are measured at cost less accumulated impairment losses. Their carrying amounts are GBP 243 million and GBP 354 million, respectively, and they are the most significant balances on the statement of financial position. The impairment assessment of the investment in the subsidiary and the determination of expected credit loss (ECL) for loans receivable from subsidiary is linked to the fair value of the underlying investments which are mainly made of social infrastructure investments through public private partnership and/or public finance initiatives or similar procurement models ("investments") generating long-term predictable cash flows. The valuation of the nvestments is determined using the discounted cash flow methodology. It relies on significant unobservable inputs and requires significant judgments from the Management Board. A small change in these assumptions could result in a significant impact on the fair value of the investments. As a consequence, there is an inherent risk that the fair value of these investments may not be appropriate. Taking this into account, coupled with the magnitude of the amounts involved, we consider this area as a key audit matter.	In assessing the impairment of investment in subsidiary and loans receivable from subsidiary, we performed the procedures outlined below. We assessed that the accounting policy in relation with the impairment of the investment in subsidiary and loans receivable from subsidiary was in compliance with the applicable accounting framework. We understood and evaluated the design and implementation of key controls in place around the impairment of the investment in subsidiary and loans receivable from subsidiary. We obtained the management's impairment assessment of the investment in subsidiary and loans receivable from subsidiary and performed an overall assessment to challenge the criteria and inputs used in the impairment analysis, as well as the assumptions and models used to calculate the ECL; In addition, considering that the impairment of the investment in subsidiary and loans receivable from subsidiary is linked to the fair value of the underlying investments, we obtained substantive audit evidence over the valuation of the underlying investments as follows: - We tested key controls performed in the valuation process of investments in relation to the financial data included in the valuation models, the "look back" comparison of the forecast vs actual cash flows for the previous financial year, as well as other investment model review controls. - We inquired into the qualification of Management Board and its internal valuation team and concluded that they have sufficient experience and expertise. - We obtained the overall fair value reconciliation of opening to closing fair value of the underlying investments and corroborated significant fair value movements during the year, thereby assessing the reasonableness and completeness of the movement for the year. - With the support of our own valuation experts, we assessed that the Group's valuation methodology was in compliance with the International Private Equity and Venture Capital Valuation Guidelines and market practice based on our knowledge of the investments held by the Group and experience of the industry in which the Group operates. - For a sample of assets selected via risk and value-based targeted sampling of the investments by value, we assessed that the key macroeconomic assumptions such as inflation, deposit rates, corporate tax rates, base discount rate setting were appropriate and/or within acceptable ranges based on market search. We also checked that the selected asset specific discount rates were within acceptable ranges. - We obtained and read the valuation report prepared by Management's external valuation experts which confirmed that the portfolio value prepared by the Management Board was appropriate. - Finally, for the entire portfolio, we obtained external confirmation over the existence and percentage of ownership of the investments held by the Group.

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 audit report 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 identified above 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 that fact. We have nothing to report in this regard.

Responsibilities of the Management Board and those charged with governance for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the European Union, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism 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 audit report 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 audit report. 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 communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 28 March 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is one year.

PricewaterhouseCoopers, Société coopérative
Represented by
Emanuela Sardi

Luxembourg, 29 March 2023

Company Statement of Comprehensive Income
for the year ended 31 December 2022

In thousands of Sterling	Notes	2022	2021
Administrative expenses	5	**(11,617)**	(9,498)
Other operating expenses	6	**(22,748)**	(12,611)
Other operating income	7	**4,883**	-
Results from operating activities		**(29,482)**	(22,109)
Net finance result	8	**21,496**	20,118
Loss before tax		**(7,986)**	(1,991)
Tax expense	9	**(515)**	(459)
Loss for the year		**(8,501)**	(2,450)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		**(8,501)**	(2,450)

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

Company Statement of Financial Position
as at 31 December 2022

In thousands of Sterling	Notes	2022	2021
Assets			
Property and equipment		**73**	7
Loans receivable from subsidiary	13	**243,212**	243,638
Investment in subsidiary	14	**354,233**	350,453
Non-current assets		**597,518**	594,098
Loans receivable from subsidiary	13	**37,663**	91,968
Interest and other receivables from subsidiary	13	**11,164**	8,760
Other current assets		**733**	325
Cash and cash equivalents	10	**18,738**	11,311
Current assets		**68,298**	112,364
Total assets		**665,816**	706,462
Equity			
Share capital	11	**852,391**	850,355
Retained earnings		**(222,400)**	(161,124)
Equity attributable to the owners of the Company		**629,991**	689,231
Liabilities			
Trade and other payables		**1,200**	1,125
Advances from subsidiary	13	**34,496**	15,990
Tax liabilities	9	**129**	116
Current liabilities		**35,825**	17,231
Total liabilities		**35,825**	17,231
Total equity and liabilities		**665,816**	706,462
Net asset value attributable to the owners of the Company	11	**629,991**	689,231
Net asset value per ordinary share (pence)	11	**88.32**	96.78

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 2022

In thousands of Sterling	Notes	Share Capital	Retained Earnings	Total Equity
		772,640	(108,743)	663,897
Balance at 1 January 2021		772,640	(108,743)	663,897
Total comprehensive loss for the year		-	(2,450)	(2,450)
Transactions with the owners of the Company				
recognised directly in equity				
Issuance of shares from placing of ordinary shares net of issue cost	11	73,893	-	73,893
Cash dividends	11	-	(47,953)	(47,953)
Scrip dividends	11	1,978	(1,978)	-
Shares issued on behalf of a subsidiary	11	1,844	-	1,844
Balance at 31 December 2021		850,355	(161,124)	689,231
Total comprehensive loss for the year		-	**(8,501)**	**(8,501)**
Transactions with the owners of the Company, recognised directly in				
recognised directly in equity				
Cash dividends	11	-	**(51,683)**	**(51,683)**
Scrip dividends	11	**1,092**	**(1,092)**	-
Shares issued on behalf of a subsidiary	11	**971**	-	**971**
Share issuance costs	11	**(27)**	-	**(27)**
Balance at 31 December 2022		**852,391**	**(222,400)**	**629,991**

Balance at 31 December 2022	852,391	(222,400)	629,991

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

Company Statement of Cash Flows
For the year ended 31 December 2022

In thousands of Sterling	Notes	2022	2021
Operating activities			
Loss for the year		**(8,501)**	(2,450)
Adjustments for:			
Net finance result	8	**(21,496)**	(20,118)
Foreign currency exchange loss (gain) - net	6,7	**(4,883)**	5,063
Tax expense	9	**515**	459
Depreciation		**3**	-
Working capital adjustments:			
Advances/other receivables from subsidiary		**19,475**	30,279
Other current assets		**(407)**	(69)
Trade and other payables		**53**	(119)
Cash from/(used in) operating activities		**(15,241)**	13,045
Interest received		**24**	-
Taxes paid		**(502)**	(445)
Net cash flows from/(used in) operating activities		**(15,719)**	12,600
Investing activities			
Loan repayment from subsidiary		**59,557**	29,449
Loans provided to subsidiary		-	(57,971)
Investment in subsidiary	14	**(3,780)**	(17,405)
Interest received		**19,134**	12,925
Acquisition of property and equipment		**(69)**	-
Net cash flows from/(used in) investing activities		**74,842**	(33,002)
Financing activities			
Proceeds from the issuance of ordinary shares	11	**-**	75,000
Equity instruments issue costs	11	**(27)**	(1,107)
Dividends paid	11	**(51,683)**	(47,953)
Net cash flows from/(used) in financing activities		**(51,710)**	25,940
Net increase in cash and cash equivalents		**7,413**	5,538
Impact of foreign exchange on cash and cash equivalents		**14**	137
Cash and cash equivalents at 1 January	10	**11,311**	5,636
Cash and cash equivalents at 31 December	10	**18,738**	11,311

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

Notes to the Company Financial Statements
For the year ended 31 December 2022

1. Corporate information

BBGI Global Infrastructure S.A., ('BBGI', or the 'Company') 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 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 and is registered with the Registre du Commerce of Luxembourg under the number B 163 879

The Company is a closed-ended investment company that invests, through its subsidiaries, principally in a diversified portfolio of operational Public-Private Partnership ('PPP')/Private Finance Initiative ('PFI') infrastructure or similar style assets ('PPP/PFI portfolio'). At 31 December 2022, the Company has one indirectly held investment that is under construction (31 December 2021: one).

The Company had no employees as of 31 December 2022 and 2021, 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 2021.

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 29 March 2023.

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'). Please refer to Note 3 d) for the accounting policy with respect to the investment in subsidiary.

The Company also prepares consolidated financial statements in accordance with IFRS as adopted by the EU.

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

The separate financial statements have been prepared using the going concern principle under the historical cost basis.

Functional and presentation currency

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

Changes in accounting policy
New and amended standards applicable to the Company is as follows:

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37
The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments have no significant impact on the Company financial statements.

IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities
The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no significant impact on the Company financial statements as there were no modifications of the Company's financial instruments during the period.

3. Summary of significant accounting policies

a) Foreign currency transactions
Transactions in foreign currencies are translated into 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 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 Sterling at the exchange rate on the date that the fair value was determined. Foreign currency differences arising on translation are recognised in the statement of comprehensive income as a gain or loss on currency translation.

b) Foreign currency translations
The assets and liabilities of foreign operations are translated to Sterling at the exchange rates on the reporting date. The income and expenses of foreign operations are translated to 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
Initial recognition and measurement
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.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The Company's financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows which represents solely payments of principal and interests.

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, loan receivables from subsidiary, interest and other receivables from subsidiary and cash and cash equivalents.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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 comprehensive 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) Impairment testing for investments and loans and receivables from subsidiary
The investment in subsidiary and loan receivables from subsidiary 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 subsidiary are directly linked to the PPP/PFI portfolio financed by this subsidiary either through loans and/or equity investments. The ECL, if any, of the Company from its loans and receivables from subsidiary has a direct link with the fair value of the Company´s PPP/PFI portfolio. The Company performs a fair valuation of the underlying PPP/PFI portfolio every six months and considers any ECL on the loans and receivables, among others based on the results of the valuation. The fair valuation of the underlying PPP/PFI portfolio is done by calculating the net present value of the cash flows from these assets, based on internally generated models. The net present value of each asset is determined using future cash flows, applying certain macroeconomic assumptions for the cash flows which include indexation rates, deposit interest rates, corporate tax rates and foreign currency exchange rates. The cash flows are discounted at the applicable discount rate for companies involved in service concession assets. A material change in the macroeconomic assumptions and discount rates used for such valuation could have a significant impact on the net present value of the future 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 an impairment loss. As of 31 December 2022, the Company identified no ECL to be recorded on its loans and receivables from subsidiary (2021: nil) nor any impairment on its investment in subsidiary.

f) 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.

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 Company 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) Finance income and finance costs
Interest income and expenses are recognised in the statement of comprehensive income using the EIR method.

The EIR 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 EIR, 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 the statement of comprehensive income as finance income and finance costs, respectively.

j) 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.

k) Current versus non-current classification
The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

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

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

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

4.1 Impairment testing for investments
Refer to Note 2 for the discussion of this topic.

4.2 Going concern basis of accounting
The Management Board has examined significant areas of possible financial risk including cash and cash requirements. It has not identified any material uncertainties which would cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from the end of this reporting period. 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 Sterling	Year ended 31 December 2022	Year ended 31 December 2021
Support agreement fees (Note 13)	**8,914**	6,982
Legal and professional fees	**2,207**	2,090
Supervisory Board fees and expenses	**275**	225
Others	**221**	201
	11,617	9,498

Included in the legal and professional fees expensed during the year are those amounts charged by the Company's external auditor which include audit fees of £201,000 (2021: £157,000) and audit related fees of £73,000 (2021: £64,000). Non-audit related fees charged by the Company's external auditors during the year amounted to £5,000 (2021: nil). Also included in the legal and professional fees are depositary and custodian related charges which amounted to £383,000 (2021: £460,000).

6. Other operating expenses

In thousands of Sterling	Year ended 31 December 2022	Year ended 31 December 2021
Foreign exchange indemnity agreement expense (Note 13)	**22,326**	6,965
Foreign currency exchange loss - net	-	5,063
Acquisition-related (including unsuccessful bid costs)	**422**	583
	22,748	12,611

7. Other operating income

	Year ended 31 December	Year ended 31 December

In thousands of Sterling	2022	2021
Foreign currency exchange gain - net	**4,883**	-

The net foreign currency exchange gains are mainly attributable to the unrealised gains on the translation of foreign currency denominated loans receivable from the Company's subsidiary.

8. Net finance result

In thousands of Sterling	Year ended 31 December 2022	Year ended 31 December 2021
Finance income from multi-currency facility (Note 13)	**21,474**	20,149
Interest income from deposits	**24**	-
Other finance costs	**(2)**	(31)
	21,496	20,118

9. Taxes

As at 31 December 2022, tax payable with respect to subscription tax amounted to £129,000 (2021: £116,000).

A reconciliation of the tax expense and the tax at applicable tax rate is as follows:

In thousands of Sterling	Year ended 31 December 2022	Year ended 31 December 2021
Loss before tax	**(7,986)**	(1,991)
Income tax using the Luxembourg domestic tax rate of 24.94%	**(1,991)**	(497)
Effect of tax-exempt deductions/(income)	**1,991**	497
Subscription tax expense	**515**	459
Tax charge for the year	**515**	459

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 2022, the Company incurred a subscription tax charge of £515,000 (2021: £459,000).

10. Cash and cash equivalents

Cash and cash equivalents relate to bank deposits amounting to £18,738,000 (2021: £11,311,000).

11. Share capital

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

In thousands of Sterling	31 December 2022	31 December 2021
Share capital as at 1 January	**850,355**	772,640
Issuance of ordinary shares through placing	-	75,000
Share capital issued through scrip dividends	**1,092**	1,978
Shares issued as share based compensation	**971**	1,844
Shares issuance cost	**(27)**	(1,107)
	852,391	850,355

BBGI Management HoldCo S.à r.l. ('MHC'), a wholly owned direct subsidiary of the Company, provides share-based compensation to senior executives whereby issues 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, the Company issued 346,203 shares, in connection with the 2018 LTIP award at 174.3 pence per share for a total amount of £604,000 (2021: £1,844,000). The amount of £604,000 was recorded as an advance made by the Company to MHC during the year (2021: £618,000).

Deferred STIP

MHC introduced a bonus deferral with one-third of any bonus earned under the STIP is being deferred into shares of the Company for three year holding period. The deferral component of the STIP differs from the Company's share-based compensation as there are no further vesting conditions on this earned bonus. The amount of £366,000 was recorded as an advance made by the Company to MHC during the year (2021: £618,000).

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

In thousands of shares	31 December 2022	31 December 2021
In issue at beginning of the year	**712,126**	664,691
Shares issued through placing of ordinary shares	-	45,181
Shares issued through scrip dividends	**649**	1,155
Shares issued as share based compensation	**556**	1,099
	713,331	712,126

All of the ordinary shares issued rank pari passu. 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 2022 are as follows:

In thousands of Sterling except as otherwise stated	31 December 2022
2021 2nd interim dividend of 3.665 pence per qualifying ordinary share - for the period 1 July 2021 to 31 December 2021	**26,099**
2022 1st interim dividend of 3.740 pence per qualifying ordinary share- for the period	

1 January 2022 to 30 June 2022	**26,676**
Total dividends declared and paid during the year	**52,775**

The 31 December 2021 2nd interim dividend was paid in April 2022. The value of the scrip election was £964,000, with the remaining amount of £25,135,000 paid in cash to those investors that did not elect for the scrip.

The 30 June 2022 1st interim dividend was paid in October 2022. The value of the scrip election was £127,000 with the remaining amount of £26,548,000 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 2021 are as follows:

In thousands of Sterling except as otherwise stated	31 December 2021
2020 2nd interim dividend of 3.590 pence per qualifying ordinary share - for the period 1 July 2020 to 31 December 2020	23,863
2021 1st interim dividend of 3.665 pence per qualifying ordinary share- for the period 1 January 2021 to 30 June 2021	26,068
Total dividends declared and paid during the year	49,931

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

The 30 June 2021 1st interim dividend was paid in October 2021. The value of the scrip election was £1,464,000 with the remaining amount of £24,604,000 paid in cash to those investors that elected for a cash dividend.

Net asset value ('NAV')
The Company NAV and NAV per share as of 31 December 2022, 31 December 2021 and 31 December 2020 were as follows:

In thousands of Sterling/pence	2022	2021	2020
NAV attributable to the owners of the Company	**629,991**	689,231	663,897
NAV per ordinary share (pence)	**88.32**	96.78	99.88

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 a subsidiary. This subsidiary has the ability to pay based on the projected cash flows to be received by such subsidiary from their respective 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 Sterling	31 December 2022	31 December 2021
Loans and other receivable to subsidiary (including accrued interest)	**292,039**	344,366
Cash and cash equivalents	**18,738**	11,311
	310,777	355,677

The maximum exposure to credit risk on receivables that are neither overdue nor impaired as of 31 December 2022, amounts to £292,039,000 (2021: £344,366,000).

Recoverable amounts of receivables and other current and non-current assets
The Company establishes when necessary an allowance for impairment, based on ECL specific to the asset. Currently there are no recorded allowances for impairment. All the Company's receivables are recoverable and no significant amounts are considered as overdue, impaired or subject to ECL.

Cash and cash equivalents
The cash and cash equivalents are maintained with reputable banks with ratings that are acceptable based on the established internal policy of the Company. Based on the assessment of the Management Board, there are no significant credit risks related to the cash and cash equivalents. The main counterparty banks of the Company have S&P/Moody's credit rating between A+/Aa3 and AA-/Aa2.

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

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

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

The following are the undiscounted contractual maturities of the financial liabilities of the Company:

31 December 2022 *In thousands of Sterling*	Carrying amount	Contractual cash flows Total	Within 1 year	1-5 years
Trade and other payables	**1,200**	**1,200**	**1,200**	**-**
Advances from subsidiary	**34,496**	**34,496**	**34,496**	**-**
	35,696	**35,696**	**35,696**	**-**

31 December 2021 *In thousands of Sterling*	Carrying amount	Contractual cash flows Total	Within 1 year	1-5 years
Trade and other payables	1,125	1,125	1,125	-
Advances from subsidiary	15,990	15,990	15,990	-
	17,115	17,115	17,115	-

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.

Currency Risk

The Company is exposed to currency risk as a result of its cash and cash equivalents being denominated in currencies other than 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 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 2022 *In thousands of Sterling*	A$	C$	€	NOK	US$
Cash and cash equivalents	**13**	**7**	**277**	**2**	**1**
Trade and other payables	-	-	**(745)**	-	-
	13	**7**	**(468)**	**2**	**1**

31 December 2021 *In thousands of Sterling*	A$	C$	€	NOK	US$
Cash and cash equivalents	12	8	331	2	1
Trade and other payables	-	-	(641)	-	-
	12	8	(310)	2	1

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 2022 and 31 December 2021 are as follows:

	31 December 2022 Average £	Spot rate £
A$ 1	**0.562**	**0.564**
C$ 1	**0.623**	**0.610**
€ 1	**0.853**	**0.885**
NOK 1	**0.084**	**0.084**
US$ 1	**0.811**	**0.827**

	31 December 2021 Average £	Spot rate £
A$ 1	0.546	0.537
C$ 1	0.580	0.583
€ 1	0.860	0.840
NOK 1	0.085	0.084
US$ 1	0.727	0.740

The impact of a strengthening or weakening of Sterling against the A$, C$, NOK and U$, as applicable, by 10 per cent at 31 December 2022 and 31 December 2021 would not have a significant impact on the Company's statement of comprehensive income and net equity. This assumes that all other variables, in particular, interest rates, remain constant and ignores any impact of forecast revenues, hedging instruments and other related costs.

Fair values versus carrying amounts

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

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

The carrying amounts of cash and cash equivalents, receivables and payables approximates their fair value due to their short-term nature with maturity of one year or less, or on demand.

The fair value of loans and other receivables from subsidiary and investment in subsidiary, with a total carrying value of £635,108,000 (2021: £681,167,000), amounts to £1,104,000 (2021: £976,249,000). 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. This strong performance is primarily as a result of the Company holding a low-risk, 100 per cent availability-style underlying portfolio, coupled with strong stakeholder collaboration during the reporting period.

13. Related parties and key contracts

Supervisory Board fees

During the year 31 December 2022, the aggregate remuneration paid to the Supervisory Board was £260,000 (2021: £220,000).

Loans and receivables from subsidiary - multicurrency facility agreement

On 1 January 2017, the Company as a lender and MHC as a borrower, entered into a multicurrency credit facility agreement ('MCF'). Pursuant to this agreement the Company has and will continue to make available an interest-bearing loan to MHC for the purposes of funding its initial and subsequent acquisitions of interests in PPP/PFI portfolio. The maximum amount that can be withdrawn from the MCF is £680,000,000. The Company engages a third-party transfer pricing specialist to determine the reasonable ranges of interest rates to be applied on borrowings under the MCF.

Movements in the MCF during the year are as follows:

In thousands of Sterling	31 December 2022	31 December 2021
1 January	**243,638**	217,182
Additions	-	36,398
Capitalisation of interest under MCF	**94**	83
Principal payments received	**(5,253)**	(5,060)
Foreign exchange movements	**4,733**	(4,965)
	243,212	243,638

During the year, the finance income from the MCF amounted to £21,474,000 (2021: £20,149,000).

Loans receivable from subsidiary - interest free loan agreements

The Company has entered into various interest free loan agreements ('IFL') with MHC, an indirect 100 per cent owned subsidiary. These IFLs have a term of one year with the possibility to extend and to introduce an arm's length interest rate. The details of the interest free loans receivable from MHC is as follows:

In thousands of Sterling	31 December 2022	31 December 2021
IFL receivable from MHC	**37,663**	91,968

Interest and other receivables from subsidiary

The details of the interest and other receivables from subsidiary are as follows:

In thousands of Sterling	31 December 2022	31 December 2021
Interest receivable from MCF	**11,164**	8,760

Foreign exchange indemnity agreement

The Company and MHC have entered into a foreign exchange indemnity agreement (Indemnity Agreement) whereby the Company will indemnify MHC for any net losses incurred by MHC in relation to foreign exchange movements, including losses incurred on foreign exchange forward contracts. The agreement also stipulates that where MHC makes a net gain on foreign transactions, then it shall pay an equivalent amount to the Company. As at 31 December 2022, the Company recorded an Indemnity Agreement expense amounting to £22,326,000 (2021: £6,965,000).

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 2022, the Company recorded Support Agreement expenses amounting to £8,914,000 (2021: £6,982,000).

Advances from subsidiary

This account is non-interest bearing and relates to remaining liabilities arising from the foreign exchange indemnity agreement, support agreement and other unsettled advances received from MHC that is usually settled in the next 12 months. Advances from subsidiary as at 31 December 2022 amounted to £34,496,000 (2021: £15,990,000).

14. Investment in subsidiary

The Company's total equity investment in MHC amounted to £354,233,000 as of 31 December 2022 (2021: £350,453,000). The movements in the Company's investment in MHC are as follows:

In thousands of Sterling	31 December 2022	31 December 2021
1 January	**350,453**	333,048
Additional investment through capital contribution	**3,780**	17,405
	354,233	350,453

The Company's investments in PPP/PFI portfolio, were made and will continue to be made through MHC.

15. Commitments and contingencies

The Company is an obligor under the Group's Revolving Credit Facility ('RCF'), and as a result has pledged all its current and future financial assets and shares in its investments in subsidiary.

Based on the provisions of the RCF, where there is a continuing event of default by MHC as borrower, the lenders will, among other things, have the right to cancel all commitments and declare all or part of utilisations to be due and payable, including all related outstanding amounts, and exercise or direct the security agent to exercise any or all of its rights, remedies, powers or discretions under the RCF. There was £57,484,000 outstanding principal from the RCF as at the 31 December 2022.

16. Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted any of the forthcoming new or amended standards in preparing these financial statements. The Company intends to adopt these new and amended standards, if applicable, when they become effective. The adoption of the below new standards is not expected to have a significant impact on the Company's financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendments specify the requirements for classifying liabilities as current or non-current and clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

Definition of Accounting Estimates - Amendments to IAS 8

The amendments introduce a definition of 'accounting estimates' and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

17. Events after the reporting period.

Dividend declaration

In February 2023, the Company declared a 2nd interim dividend of 3.74 pence per share with scrip alternative for qualifying shareholders for the period 1 July - 31 December 2022. The dividend is expected to be paid in April 2023.

Board Members, Agents and Advisers

Supervisory Board

- Sarah Whitney (Chair)
- Howard Myles (retired on 29 April 2022)
- Jutta af Rosenborg
- Christopher Waples
- Andrew Sykes (appointed as of 29 April 2022)
- June Aitken (appointed as of 29 April 2022)

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

Glossary

Abbreviation / Term	Definition

AIC	The UK Association of Investment Companies, the trade association for closed-ended investment companies in the UK
AGM	Annual General Meeting of the Company's shareholders
AIC Code	The 2019 AIC Code of Corporate Governance
AIC SORP	Standard of Recommended Practices issued by the AIC
AIF	Alternative Investment Fund
AIFM Law / 2013 Law	The Luxembourg amended law of 12 July 2013 on Alternative Investment Fund Managers
AIFMD	EU Alternative Investment Fund Managers Directive
APM	Alternative Performance Measures
Availability-style	Availability-style, unlike 'demand-based' means that revenues are paid provided the asset is available for use
BBGI / Company	BBGI Global Infrastructure S.A.
Carbon neutral	a state where the residual GHG emissions have been balanced out by financing activities that remove atmospheric CO_2 ('offsets')
Circular 18/698	CSSF circular 18/698, published 23 August 2018, concerning Authorisation and organisation of investment fund managers incorporated under Luxembourg law; Specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the activity of registrar agent
Corporate Emissions	GHG emissions that pertain to our business activities
CSSF	Commission de Surveillance du Secteur Financier, the public institution that supervises the professionals and products of the Luxembourg financial sector, including the Company
CPI	Consumer Price Index
DTR	The UK Disclosure Guidance and Transparency Rules
ECL	Expected Credit Losses
EIR	Effective Interest Rate
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
FCA	the UK Financial Conduct Authority
Financed Emissions	GHG emissions from our investments
FRC	Financial Reporting Council, the UK's regulator of auditors, accountants and actuaries, and responsible for setting the UK's Corporate Governance and Stewardship Codes
FRC Code	The UK Corporate Governance Code 2018
GDP	Gross Domestic Product
GHG	Greenhouse Gas
Group	The Company and its subsidiaries
IFRS	International Financial Reporting Standards as adopted by the European Union
Investments at FVPL	Investments at fair value through profit or loss
IPO	Initial Public Offering
KPI	Key Performance Indicator
LIBOR	London Interbank Offered Rate
LIFT	The UK's Local Improvement Finance Trust
LTIP	Long-Term Incentive Plan
Management Board	The Executive Directors of the Company
NAV	Net Asset Value
NED	Independent Non-Executive Director, a member of the Supervisory Board
NPPR	The UK's National Private Placement Regime
NZAM	The Net Zero Asset Managers Initiative
O&M	Operation and Maintenance
Offsets	Removing CO_2 from the atmosphere, by financing projects which are either creating natural carbon dioxide sinks or technology that captures carbon dioxide from the air. The long-term removals must be measurable, verifiable, permanent and additional. Offsets cannot be done in isolation to combat climate change, they must be supported by science-based targets and GHG reduction pathways
OGC	Ongoing Charges

Pathways	Net zero pathways show how much and how quickly companies need to reduce their GHG emissions to reach their science-based GHG reduction targets
PFI	Private Finance Initiative
PPP	Public Private Partnership
PwC	PricewaterhouseCoopers société cooperative, the Company's External Auditor
RCF	Revolving Credit Facility for up to £230 million, with the possibility of increasing the quantum to £300 million by means of an accordion provision, and matures in May 2026
RPI	Retail Price Index
Science-based targets	Targets adopted by companies to reduce GHG emissions are considered 'science-based' if they follow a pathway that is consistent with the latest climate science and keeping warming to below 1.5°C
SDG, SDGs	The UN Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation
SONIA	Sterling Overnight Index Average
STIP	Short-Term Incentive Plan
Supervisory Board	The independent Non-Executive Directors of the Company
TCFD	Task Force on Climate-Related Financial Disclosures
TSR	Total Shareholder Return
UNGC	UN Global Compact

Cautionary Statement

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

These sections may include statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified using 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 throughout this document and include statements regarding the intentions, beliefs or current expectations of the Management and Supervisory Boards concerning, among other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects and distribution policy of the Group, and the markets in which it invests.

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

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

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

This report has been prepared for the Group, 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.

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[i] Social infrastructure refers to public infrastructure assets and services and includes education, healthcare, blue light (fire and police), affordable housing, modern correctional facilities, clean energy and transport infrastructure assets. In exchange for the provision of these assets and services, BBGI receives a revenue stream that is paid directly by the public sector.

[ii] Refer to the Alternative Performance Measures section of this Annual Report for further details.

[iii] Pence per share (pps).

[iv] Inflation linkage of 0.5 per cent means that if inflation is one percentage point higher than our modelled assumptions for all future periods then our portfolio returns will increase from 6.9 per cent to 7.4 per cent.

[v] Availability-style means revenues are paid provided the assets are available for use, so our portfolio has no exposure to demand-based or regulated investments.

[vi] Source: Standard & Poor's credit ratings.

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

[viii] Paris Aligned Investment Initiative Net Zero Investment Framework specific guidance for the Infrastructure sector https://www.iigcc.org/download/iigcc-paii-infrastructure-consultation/?wpdmdl=5961&refresh=63f715ed3f4cc1677137389

[ix] SFDR disclosure requirements. The Company is designated as an Article 8 Fund under SFDR and will report on criteria for a socially beneficial investment.

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

[xi] After adjusting for the balance sheet hedge position of £2.9 million.

[xii] For the purpose of this illustration, when a project has more than one FM contractor and/or O&M contractor, the exposure is allocated equally among the contractors.

[xiii] Source: https://www.whitecase.com/insight-our-thinking/looking-ahead-future-us-infrastructure

[xiv] The FTSE All-Share, ten-year data represents the ten years preceding 31 December 2022.

[xv] 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.

[xvi] See the Risk Section for further details.

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

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

[xix] Calculated using the Morningstar methodology.

[xx] 2022 market-based Corporate Emissions: -13.7% reduction compared to 2019.

[xxi] The 2022 LTIP award was granted in February 2023 with effect December 2022. The vesting period under these awards is from December 2022 to December 2025.

[xxii] The Co-CEOs, Duncan Ball and Frank Schramm, are paid in Canadian Dollars and Euro, respectively. The CFO is paid in Euro.

[xxiii] This minimum holding is calculated based on the Director's salary at 1 May 2020 and is fixed for three years.

[xxiv] The detail provided in the table above goes significantly beyond that required to be disclosed under the relevant Luxembourg law.

END