



BBGi

INVESTING IN GLOBAL
INFRASTRUCTURE

Annual Report 2023

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

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Find out more
www.bb-gi.com

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 responsible capital to build and maintain critical social infrastructure¹.

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.

Our purpose:

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.

¹ Social infrastructure refers to public infrastructure assets and services. It includes education, healthcare, blue light (fire and police), affordable housing, modern correctional facilities, clean energy and transport infrastructure assets. In exchange for providing these assets and services, BBGI receives a revenue stream that is paid directly by the public sector.

Financial Highlights²

Investment Basis NAV

£1,056.6m

down 1.2% as at 31 December 2023
(31 December 2022: £1,069.2m)

NAV per share

147.8 pps

down 1.4% as at 31 December 2023
(31 December 2022: 149.9 pps)

Annualised total NAV
return per share

8.6%

(FY 2022: 9.1%)

High-quality inflation linkage

0.5%

(FY 2022: 0.5%)

Ongoing charges

0.93%

(31 December 2022: 0.87%)

Cash dividend cover

1.40x

(FY 2022: 1.47x)

2023 dividend declared

7.93 pps³

+6% increase year-on-year

2024 target dividend

8.40 pps³

+6% increase year-on-year

2025 target dividend

8.57 pps

+2% increase year-on-year

² Refer to the Alternative Performance Measures section of this Annual Report for further details.
³ Pence per share (pps).

Portfolio Highlights

Strong operational performance of our globally diversified portfolio of 56 high-quality, 100 per cent availability-style infrastructure assets.

Maintained a consistently high asset availability rate of 99.9 per cent.

Contracted high-quality inflation linkage of 0.5 per cent.

Cash receipts ahead of projections, with no material lock-ups or defaults.

6 per cent dividend growth targets for 2023 and 2024 reaffirmed.

No drawings outstanding under the Revolving Credit Facility ('RCF') as at 31 December 2023 and no outstanding investment commitments to finance.

No structural gearing at Group level, and, with limited exceptions only, borrowing costs are fixed at the Portfolio Company level, providing stability and predictability. 55 of 56 projects have no refinancing risk during the concession period.

Disciplined approach to capital allocation and potential acquisitions.

Weighted average discount rate increased to 7.3 per cent from 6.9 per cent as at 31 December 2022, reflecting an equity risk premium of c. 3.7 per cent.

Hedging strategy aimed to reduce Net Asset Value ('NAV') foreign exchange ('FX') sensitivity to c. 3 per cent for a 10 per cent movement in FX.

Internal management structure which supports alignment with our investors. Ongoing charges of 0.93 per cent.

Focus on delivering social impact across portfolio - SFDR Article 8.

High degree of climate resilience independently confirmed across asset portfolio.

Tracking and reporting all Scope 1, Scope 2, and material Scope 3 emissions across all 56 Portfolio Companies.

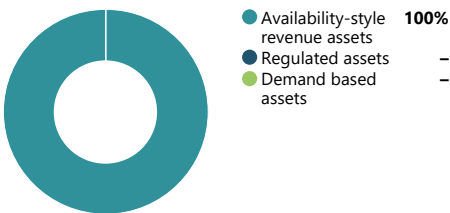
Portfolio at a Glance

The fundamentals

Based on portfolio value as at 31 December 2023

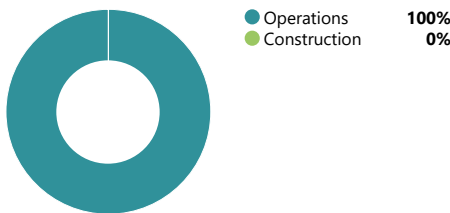
Investment type

100 per cent availability-style⁴ revenue stream.



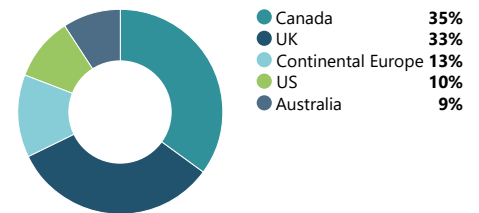
Investment status

Low-risk operational portfolio.



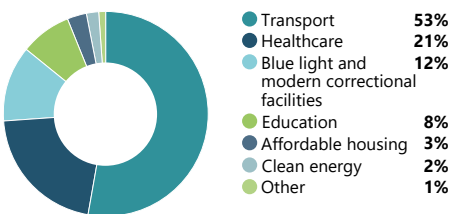
Geographical split

Geographically diversified in stable developed countries.



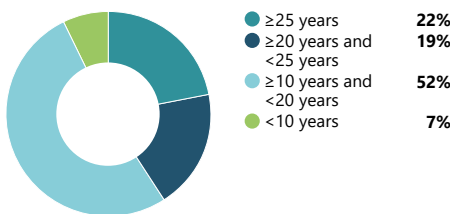
Sector split

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



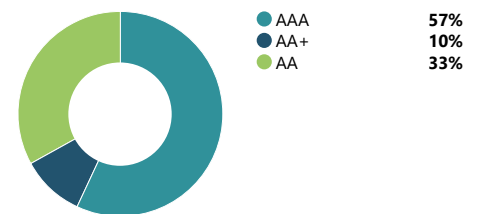
Investment life

Long investment life with 41 per cent of portfolio by value with a duration of greater than or equal to 20 years; weighted average life of 19.3 years. Average portfolio debt maturity of 15.6 years.



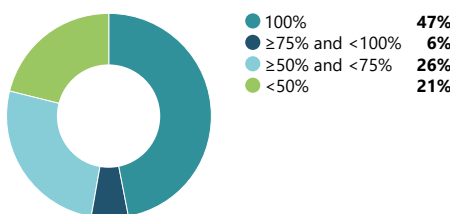
Country rating

All assets located in countries with ratings between AA and AAA⁵.



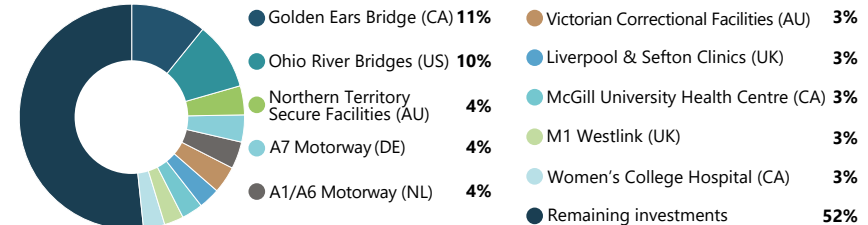
Investment ownership

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



Top ten investments

Well-diversified portfolio with no major single asset exposure.



⁴ 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.

⁵ Source: Standard & Poor's credit ratings.

Portfolio at a Glance *continued*

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 have a high degree of visibility and certainty, owing to the involvement of government or government-backed counterparties and the contractual nature of the agreements.

Investing in concessions involves a careful balance. On one hand, the long-term contractual cash flows are exceptionally resilient, indexed to inflation, and inherently

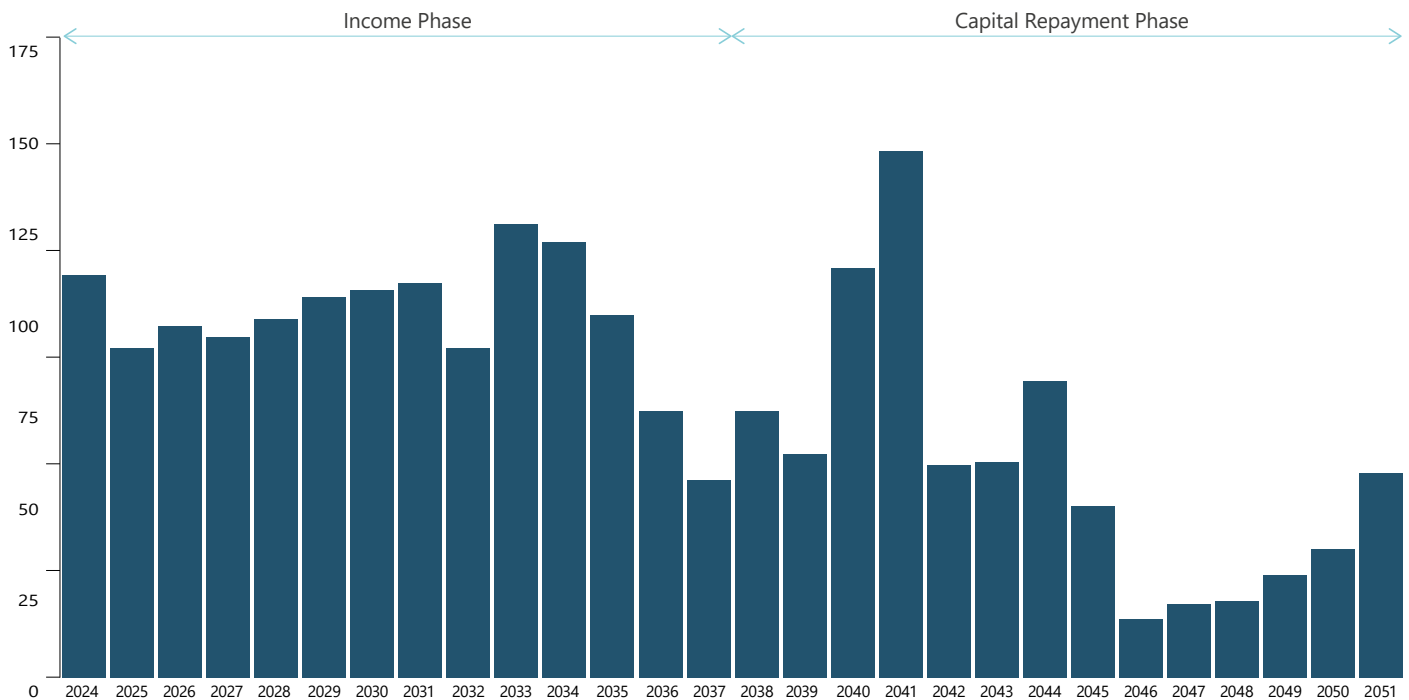
defensive. However, these benefits are tempered by the fact that the cash flows are finite, concluding at the end of each concession's term.

When BBGI went public in 2011, its weighted average portfolio life was 24.5 years. Now, 12 years after the initial public offering, the weighted average portfolio life has decreased modestly to 19.3 years, with less than one per cent of the portfolio subject to hand-back in the next five years. By prioritising the acquisition of assets with long residual life and

investing excess cash flows into new projects, while maintaining a progressive dividend, BBGI plans to maintain a portfolio with a long weighted average life.

Based on current estimates, and if there were to be no further acquisitions, the portfolio could continue to generate a progressive dividend for the next 15 years, after which the existing portfolio is forecasted to enter into the capital repayment phase.

Illustrative cash flows (£m from 1 January 2024)



This illustrative chart is a target only, as at 31 December 2023, 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 further acquisitions, 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.

Our global assets



Total assets
56

UK
25 assets

Canada
16 assets

Germany
7 assets

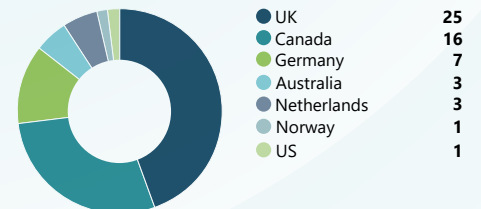
Australia
3 assets

Netherlands
3 assets

Norway
1 asset

US
1 asset

Location breakdown



Chair Statement

On behalf of the Supervisory Board, I am pleased to report on our strong operational performance for 2023. Despite facing a turbulent economic landscape, our results underscore the robustness of our approach, our sound business model and the enduring strength within our globally diversified portfolio of high-quality, core social infrastructure assets.

Sustainable value creation

Our low-risk investment strategy and well-managed portfolio have continued to demonstrate resilience through the macroeconomic volatility experienced during the reporting period, and we delivered a well-covered and growing dividend for our investors. BBGI takes a careful approach to capital allocation. We have used surplus cash flows generated from our investment portfolio to pay down our revolving credit facility in 2023, positioning ourselves well for the future.

I am pleased to report that the long-term predictable nature of our cash flows and our high-quality inflation linkage continues to support our dividend payment of 7.93 pence per share for 2023, a 6 per cent increase on 2022 and in line with our target, returning substantial inflation-linked gains to shareholders, as well as strong dividend cover of 1.4x. We are also reconfirming our 2024 dividend target of 8.40pps, reflecting an increase of 6 per cent year on year. We continue our solid track record of meeting or exceeding all dividend targets set since IPO and providing our investors with a progressive dividend that is expected to be fully cash covered.

Uncertain market backdrop

The effects of rising discount rates were partly mitigated by the positive effects of increasing deposit rates, changes to forecast inflation, and value-accretive activities, which included effective lifecycle cost management, Portfolio Company cost savings tax and treasury management, and optimised cash reserving. BBGI was not immune to macro-economic factors beyond our control, which resulted in a NAV decrease of 1.2 per cent over 2023, or 1.4 per cent on a per share basis – our first year-on-year NAV decrease since our IPO in 2011. The decrease in NAV was attributable to several factors, including the increase in the weighted average discount rate (a knock-on effect from rising global interest rates and general macroeconomic volatility), adverse foreign exchange rate movements, and the negative effect of proposed Canadian tax legislation.

Weak investor sentiment has affected nearly all UK-listed investment companies over the past

year, and the Board does not believe BBGI's share price adequately reflects the value of our portfolio, our high-quality inflation linkage, our strong financial position and operational performance. As responsible long-term stewards of our shareholders' interests, we are committed to monitoring closely these developments and taking appropriate steps. Any potential action to reduce our NAV discount will only be undertaken after thorough consideration, based on our disciplined approach to capital allocation and taking full account of any longer-term implications.

Aligning with shareholder interests

A significant contributor to our success is our commitment to align Management Board and shareholder interests.

With an internally managed structure, unique amongst UK-listed infrastructure equity investment companies, our Management Board is incentivised to prioritise sound portfolio construction, value preservation and creation, as well as growth in dividends and NAV per share, rather than solely focusing on the expansion of assets under management.

The Management Board has a significant stake in BBGI shares and is incentivised through Long-Term Incentive Plan awards, which fully vest in shares, as well as Short-Term Incentive Plan awards, where 33 per cent of the award is settled in shares and deferred for three years. While this approach is largely viewed as best practice for FTSE-listed companies, it is much less common among investment companies. These arrangements underscore the Management Board's dedication to delivering enhanced shareholder value and prudent capital allocation.

Our two-tier governance structure, comprising the Supervisory Board and Management Board, ensures robust oversight and strategic direction. While we operate with a clear division of responsibilities between both Boards, their strong and open relationship fosters a culture of healthy discourse and diligent inquiry, as well as thorough scrutiny and comprehensive oversight. We have an experienced Supervisory Board with a broad set of relevant skills to lead our business forward, including significant sector and infrastructure asset management expertise.

Engaging with stakeholders

By fostering open dialogue and transparent communication, we strive to build enduring relationships with all our stakeholders, ensuring we realise our vision and purpose of delivering social infrastructure for healthier, safer, and more connected societies, while creating sustainable value. Together with our Management Board, I have continued to engage with stakeholders throughout the year. The Supervisory Board also met periodically with employees during 2023 and we remain readily available to engage with shareholders, underscoring our commitment to transparency and proactive communication. This approach is central to our mission of fostering a collaborative and inclusive environment for all our stakeholders.

Management team succession

The recent evolution of our Management Board

reflects our commitment to nurturing talent and fostering a culture of continuous growth and development. In January 2024, Frank Schramm retired after 12 years as Co-CEO alongside Duncan Ball. I extend my sincere appreciation for his significant contributions to the Company since its IPO in 2011.

Duncan is now sole CEO, Michael Denny has additional COO responsibilities alongside his CFO duties, and we were delighted to appoint Andreas Parzych to the Management Board. These changes underscore the depth of senior talent at BBGI.

Embracing our diverse experience


As well as a varied range of skills and expertise on our Boards and Committees, we endorse gender and ethnic equality, including initiatives such as FTSE Women Leaders and the Parker Review.

At BBGI, we recognise the importance of diversity in all its forms. This is clearly reflected in the diverse backgrounds of our team, with 26 colleagues representing 14 different nationalities. The effectiveness of the Supervisory Board is strengthened by our commitment to diversity, and we remain among the few FTSE 350 companies with both a female Supervisory Board Chair and a female Audit Committee Chair. In 2023, we retained our 60 per cent female representation on the Supervisory Board as well as having 39 per cent female representation amongst those employees who report directly to the Management Board. 20 per cent of the Supervisory Board and eight per cent of direct reports to the Management Board are considered to be from an ethnic minority background as categorised by the Parker Review.

Looking to the future

The investment environment has fundamentally altered over the last 24 months, but BBGI's portfolio has all the defensive qualities required to deliver a solid income stream. Our management team continues to manage the Company's risk profile with their customary attention to detail and will review opportunities to extend the life of the portfolio in order to maintain the duration of our asset base for the benefit of shareholders in the years ahead.

I would like to thank the dedicated BBGI team for their efforts in delivering a resilient performance for our shareholders, despite the wider market backdrop, and also our clients, partners and service providers, who continue to support us in providing a critical role in our communities. With their steadfast support and unwavering determination, I am confident that we will continue to deliver sustainable and attractive value for all our stakeholders in the years to come.



Sarah Whitney
Chair of the Supervisory Board
27 March 2024

CEO Statement

Our results for 2023 demonstrate our strong portfolio and operational performance, despite a period of significant macroeconomic and market shifts. Our consistent and disciplined approach to capital allocation, combined with our value-driven active asset management, ensures our investments continue to perform well and in line with our expectations.

Highlights

Dividend

7.93pps

for the year, a six per cent increase and in line with our target.

Reconfirmed dividend targets

8.40pps **8.57**pps

for 2024

for 2025

representing a six per cent increase year-on-year for 2024, and a further two per cent increase year-on-year for 2025.

Strong cash dividend cover

1.4x

in 2023. All target dividends are expected to be fully cash-covered.

Sustained progressive dividend policy

Projected cash flows generated from our portfolio of 56 investments can sustain a progressive dividend policy for the next

15years

Successive dividend growth

In March 2024, BBGI joined the AIC's next generation of 'dividend heroes', in recognition of achieving 10 years of successive dividend growth.

AIC Next Generation 'Dividend Hero'

Fully repaid Revolving Credit Facility with

no outstanding investment commitments as of 31 December 2023.

Annualised total NAV return per share

8.6% since IPO

NAV per share slightly decreased

1.4% to **147.8**pps

Ongoing charges

0.93%

Internal management structure, which supports alignment with our investors.

High-quality inflation linkage

0.5%

Focus on delivering social impact across portfolio

SFDR Article 8

High degree of

climate resilience

independently confirmed across the portfolio of assets.

Tracking and reporting all Scope 1, Scope 2 and material Scope 3 emissions across all

56

Portfolio Companies



CEO Statement *continued*

The inherent value of our assets and active management delivered by our experienced internal management team were highlighted again during 2023. We continued to manage our portfolio responsibly to generate high-quality, stable, predictable and inflation-linked cash flows, with distributions ahead of our target. These cash flows supported our strong dividend cover of 1.4x in 2023, and allowed us to increase dividends by six per cent to 7.93pps for the year, in line with our previously stated target. We have also reconfirmed our dividend target of 8.40pps for 2024, representing a six per cent increase year-on-year, and a target of 8.57pps for 2025. We take pride in our track record of meeting or exceeding all dividend targets set since IPO and providing our investors with a progressive dividend, which has always been fully cash covered and has increased every year since 2013.

We have delivered predictable progressive income for our shareholders through different economic cycles by investing in high-quality social infrastructure assets, which contribute to healthier, safer and more connected societies. Our low-risk, globally diversified infrastructure portfolio includes schools, healthcare facilities, police and fire stations, affordable housing, roads and bridges, modern correctional facilities, a clean energy investment and other types of social infrastructure, all of which generate secure, long-term, contractual government-backed cash flows, with high-quality inflation linkage.

Strong business model and resilient portfolio

Our robust and defensive business model exemplifies our prudent and low-risk approach to investing, generating long-term, sustainable value for all our stakeholders. We offer investors a contracted, stable and predictable revenue stream with high-quality inflation linkage of 0.5 per cent, underpinned by highly rated, creditworthy public sector counterparties. 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

All 56 of our infrastructure assets are performing strongly and delivering in line with expectations and are now all in full operation. Our equity investment in Highway 104 in Nova Scotia, Canada achieved substantial completion in September 2023 and significantly improves efficiency and safety of travel, the flow of goods and services, and connects communities in the region. In 2023, the Canadian Council for Public-Private Partnerships recognised Highway 104 with the Gold Award in the P3 Design & Construction category.

Our active asset management activities 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 generated a consistently high asset availability rate of 99.9 per cent.

We place a high importance on client satisfaction and in 2023, we achieved a strong overall net promoter scores from our project clients, demonstrating our ability to maintain strong client relationships and to deliver superior performance. As we continue to enhance value for our stakeholders, we remain dedicated to upholding these high standards and reinforcing our position as a trusted partner.

Prudent financial management

Our prudent approach to portfolio construction and financial management helped mitigate the impact of rising discount rates during the year. All our Portfolio Companies are financed on a non-recourse basis with 55 out of our 56 assets securely financed with fully amortising fixed rate debt through the length of the concession period (without the need for refinancing), and only one asset has a refinancing obligation for a tranche of debt. However, this asset benefits from a hedged base market interest rate and therefore is only sensitive to changes in lenders required margins over base interest rates.

Once again, our hedging policy helped mitigate the adverse impact of foreign exchange movements on the NAV in 2023, and we took a proactive approach to treasury management to optimise interest earned on reserve accounts at our Portfolio Companies.

Our liquidity position remains robust, with net cash of £9.7 million at 31 December 2023. By using excess cash that we have generated from our portfolio of investments, I am pleased to report that we repaid all cash drawings under our £230 million RCF by 31 December 2023. Additionally, we have no outstanding acquisition commitments, placing the Company in a strong financial position. Moving forward, we remain committed to optimising our portfolio construction to maximise value for our shareholders.

Our Net Asset Valuation (NAV)

We have not been immune to the significant shifts in macroeconomic and investor sentiment, which have impacted the broader UK-listed investment company sector. Increasing interest rates and the volatility of underlying risk-free rates have had a ripple effect on discount rates, and throughout 2023, the listed social infrastructure sector has traded at an average NAV discount of 10.5 per cent.

As of December 31, 2023, our NAV per share stood at 147.8 pence, a slight decrease of 1.4

per cent from the previous year and BBGI's first year-over-year decrease since our 2011 listing. The shift in market discount rates had the most significant negative effect on our portfolio valuation, responsible for a 3.8 per cent reduction. Adverse currency exchange movements further decreased portfolio valuation by 2.2 per cent, which was partially offset by income arising from foreign exchange derivative contracts. We have also decreased our portfolio valuation by 1.5 per cent by fully provisioning for the anticipated negative effect of proposed changes to Canadian tax legislation, which are expected to be approved in parliament in 2024 with effect from 1 January 2024. However, these negative impacts on the portfolio valuation were partially offset by our proactive asset management, which increased our NAV by 1.7 per cent, along with changes in our macroeconomic assumptions, driven largely by the effect of revised deposit rate assumptions, contributing to an increase of 2.6 per cent.

Both the Management Board and the Supervisory Board continue to believe that BBGI's share price does not adequately reflect the value of our portfolio, our high-quality inflation linkage, our strong financial position and operational performance. We continue to see a disparity between the private market valuations of high-quality core infrastructure assets and the value ascribed by public markets and there were a number of market transactions that substantiate our reported NAV. As of 31 December 2023, BBGI's implied risk premium was 3.7 per cent above the weighted average government risk-free rate for our portfolio. We view this as attractive for a low-risk investment portfolio with high-quality inflation protection, delivering real returns, and progressive dividend growth, particularly when compared with fixed income products.

Focus on disciplined growth and capital allocation strategy

During 2023, we fully repaid all drawings on our RCF by using excess cash that we have generated from our portfolio of investments, helping to reduce our financing costs and we currently have no commitments to finance new investments. We are focused on the construction of our portfolio to ensure that we continue to deliver value to our shareholders. Our confidence in the robustness of our portfolio has allowed us to raise the dividend by six per cent in 2023, with a further six per cent increase target for 2024, thereby returning to shareholders the substantial inflation-linked gains accrued in our portfolio. We target a two per cent increase for the 2025 dividend, as we consider it too early to predict the direction of inflation levels.

We believe in pursuing disciplined growth that prioritises building shareholder value, guided by



our internal management structure, rather than seeking to expand our assets under management merely for the sake of growth. Our governance model ensures full alignment between management's interests and those of our shareholders.

Our stringent criteria for pursuing new investments are influenced by the relative attractiveness of alternative capital allocation options, while considering the longer-term strategic rationale. We will continue to apply this approach as we have done since our IPO in 2011. We have used our RCF responsibly and have grown our business in a disciplined manner, not overextending our balance sheet and not placing an overreliance on the equity capital markets. We used our RCF to acquire two new assets (John Hart Generating Station in Canada and the A7 Motorway in Germany) for c. £64.4 million in 2022, which we have now paid off in full using free cash flows from our portfolio. This demonstrates our ability to grow organically and develop our portfolio without the need to access the equity market for funds. In this context, it is worth noting that our current return projections, all else remaining

equal, are not contingent on new investments. If we were to abstain from further investments, our existing portfolio alone would sustain our progressive dividend policy for the next 15 years.

Although we decided not to make any further investments during 2023, we continue to monitor new investment opportunities in the market through our strong network of industry relationships. We remain poised to seize the right opportunities that are value-accretive, will strengthen our portfolio and will enhance our overall portfolio composition and key metrics, while considering their attractions against alternative capital allocation options. Despite deciding against new investments in 2023, we are actively keeping an eye on new opportunities via our extensive industry connections. We stand ready to capitalise on investments that will add value, bolster our portfolio, and improve its overall composition and key metrics. Furthermore, we are investigating portfolio diversification prospects with desirable traits, such as consistent long-term cash flows and inflation correlation, aligning with our existing investment policy.

Any new investment opportunity will of course be evaluated by comparing their potential benefits to other ways of allocating our capital.

Environmental, social and governance progress

Environmental, social, and governance (ESG) remains a fundamental focus for us, and we are pleased to report significant progress in this area over the past year. We believe that a strong commitment to ESG principles plays a crucial role in mitigating risks and supporting our business over the long term. Moreover, it not only fosters solid relationships with clients and partners but also motivates and engages our employees. Moreover, it plays a crucial role in mitigating risks and supporting our business over the long term. Our sustainable investment portfolio benefits from a strong social purpose and the Company is classified as SFDR Article 8.

Over the past year, we have further developed our approach to sustainability including our capacity to measure and report on our progress, as well as enhancing our robust approach to governance. BBGI is committed to net zero both operationally and with our portfolio, and in

“ Our results for 2023 demonstrate our strong portfolio and operational performance, despite a period of significant macroeconomic and market shifts.”

CEO Statement continued

2023 we enhanced our proprietary ESG database, including greenhouse gas ('GHG') emissions data, and published our first SFDR Principal Adverse Impact Statement. All our Portfolio Company assets have a high degree of climate risk resilience, and we now have a complete overview of their emissions profiles, which will facilitate future decarbonisation programmes. Our alignment with global standards and high scores from third-party ESG ratings is testament to our commitment to sustainability.

Looking ahead

This is my first statement as sole CEO, having taken on the role in Q1 2024. Concurrently, Michael Denny has broadened his remit to encompass COO responsibilities alongside his CFO duties, and we welcomed Andreas Parzych to the Management Board. My collaboration with Michael dates back to his initial days as CFO following our 2011 IPO, and his contribution has been invaluable. Since joining us in 2016, Andreas has been instrumental in executing our disciplined growth strategy - a role he will continue to advance. We have a focused succession planning process to ensure

our business remains well managed and prepared for future developments, with a committed, high-calibre leadership team in place. I would also like to extend my gratitude to Frank for his successful tenure and commitment as Co-CEO and offer my best wishes for his retirement. Additionally, I extend my appreciation to all our colleagues for their exceptional efforts in 2023.

I remain optimistic about the long-term prospects for BBGI. We will continue to look ahead in the management of the portfolio, seeking to enhance the assets that we own, while also identifying opportunities for new investments to maintain or improve the portfolio metrics. Growth in the infrastructure asset class will be driven by the imperatives of digitalisation, decarbonisation, demographic dynamics, and the modernisation or renewal of aging infrastructure. As governments continue to run deficits and demand for maintaining, repairing, and constructing new infrastructure grows, there is an increasing need for private sector investment in infrastructure, presenting long-term opportunities for BBGI. With our robust balance sheet, a portfolio that generates

secure, predictable cash flows surpassing our dividend objectives, and an undrawn £230 million RCF maturing in May 2026, we are well-equipped to navigate evolving markets, with both discipline and ambition, and to deliver attractive value to all our stakeholders.



Duncan Ball

CEO

27 March 2024

Our Investment Strategy

BBGI

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.

Mersey Gateway Bridge, UK

Our Investment Strategy *continued*

Our portfolio is well diversified across sectors in education, healthcare, blue light (fire and police stations), affordable housing, modern correctional facilities, clean energy and transport infrastructure assets.

Our business model serves as the foundation of our success, enabling us to deliver robust shareholder returns, a low correlation to other asset classes and sustainable growth, largely independent of the economic cycle. The model is structured around four strategic pillars:

(i) low-risk, (ii) internally managed, (iii) globally diversified and (iv) strong ESG approach.

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.

Internally managed

- In-house management team focused on portfolio construction and delivering shareholder value, not simply growing assets under management.
- Management interests aligned with those of shareholders.
- Strong pricing discipline and portfolio management.
- Lowest comparative ongoing charges.⁶

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.
- Comprehensive climate risk analysis across the portfolio.
- Focus on delivering positive social impact – SFDR Article 8⁷ – and high degree of climate resilience.

⁶ In comparison to the latest publicly available information for all closed-ended, London Stock Exchange-listed equity infrastructure investment companies.
⁷ SFDR disclosure requirements. The Company is designated as an Article 8 Fund under SFDR and reports on criteria for a socially beneficial investment.

Operating Model

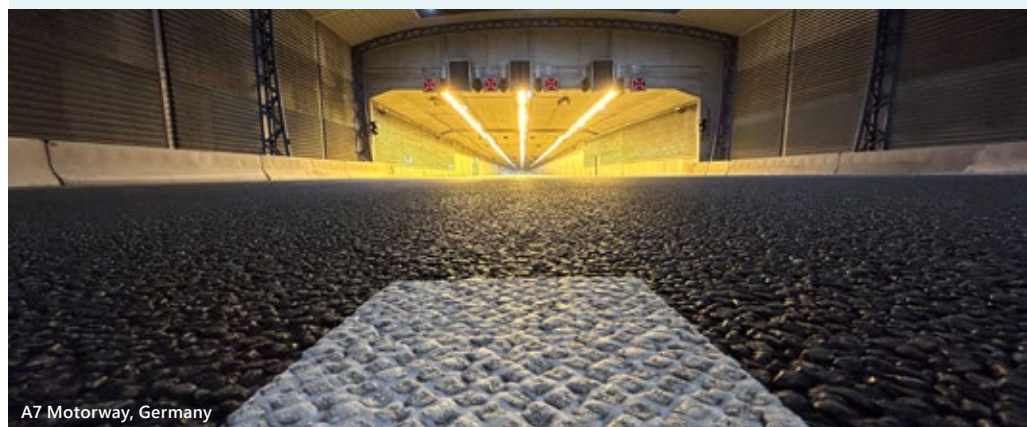
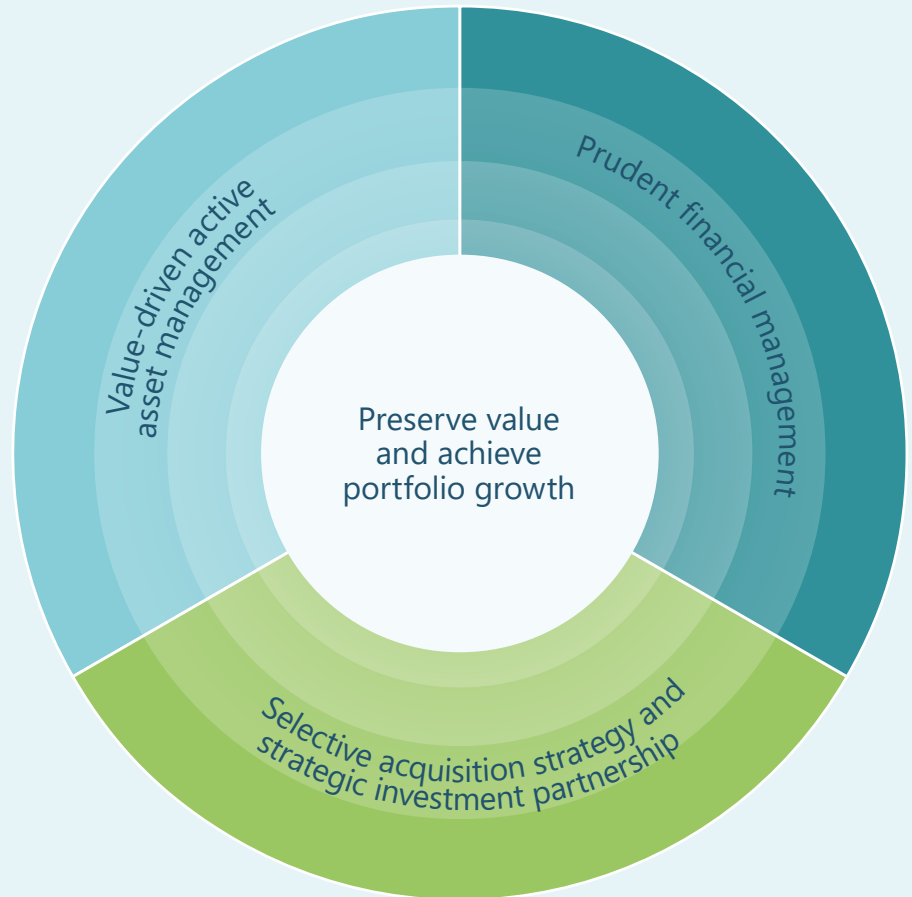
We follow a proven operating model based on three principles: value-driven active asset management, prudent financial management and a selective acquisition strategy, which are fundamental to our success. This model aims to preserve and create value, while achieving portfolio growth, ensuring that ESG considerations are embedded in our processes.

Our **active asset management** approach seeks to ensure stable operational performance, preservation of value and, where possible, identification and incorporation of value enhancements over the lifetime of the assets under our stewardship. Our approach aims to reduce costs to our public sector clients and asset end-users, to enhance the operational efficiency of each asset and to generate a high level of asset availability, underpinning the social purpose of our portfolio.

Our **prudent financial management** approach focuses on efficient cash and corporate cost management and the implementation of our foreign exchange hedging strategy. Due to our portfolio's geographical diversification, we are exposed to foreign exchange volatility, which we actively seek to mitigate.

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, through portfolio construction, acquisitions with long-term, predictable, and inflation-protection characteristics that support our contracted, high-quality, inflation linkage of 0.5 per cent.

Our operating model



Operating Model *continued*



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 clients' experience, including:

- strong client relationships, by prioritising regular meetings and active engagement 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 thorough lifecycle cost reviews;
- comprehensive monitoring, to ensure we fulfil our contractual obligations;
- detailed climate risk assessment and ESG KPI tracking tool, which includes over 100 KPIs and questions, to evaluate the sustainable performance of each of our investments, ensure good governance and mitigate risk;
- maintaining high availability levels by proactively managing any issues, including site visits to all significant investments;
- monitoring and periodically reviewing Portfolio Company debt facilities and investigating potential refinancing benefits; and
- measured exposure to construction risk to support NAV uplift by de-risking assets over the construction period.

We 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 often 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:

- We are a long-term investor, which is attractive to government and government-backed counterparties.



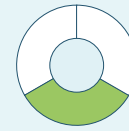
Prudent financial management

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. Assuming a scenario where no additional investments are made, the projected cash flows in the income phase from BBGI's current portfolio of 56 investments could sustain the Company's progressive dividend policy for 15 years;
- 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 processes to maximise interest income on deposits in the underlying Portfolio Companies; and
- maintaining modest cash balances at the corporate level to limit cash drag, facilitated through access to the RCF.

- 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 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.

We operate within a niche of the infrastructure sector characterised by transactions of a more modest scale, which affords us specific



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, which offers an option, but not an obligation, to transact;
- global exposure to benefit from geographical diversification;
- robust framework embedding ESG principles into investment due diligence;
- revolving corporate debt facility to support transaction execution; and
- focus on the Management Board's core areas of expertise.

advantages. In recent times, a significant portion of capital has flowed into substantial, unlisted infrastructure funds, many of which aim for fund targets exceeding US \$10 billion. These larger funds prioritise the deployment of substantial amounts of capital and, as a result, do not actively engage in the smaller transaction space where we excel. Within our market niche, we are recognised as a dependable source of capital and consequently have very good visibility of potential opportunities.

Portfolio Review

Portfolio summary

Our investments as at 31 December 2023 consisted of interests in 56 high-quality, availability-style social infrastructure assets, 100 per cent of which are fully operational (by portfolio value). The portfolio is well diversified across sectors in education, healthcare, blue light (fire and police stations), affordable

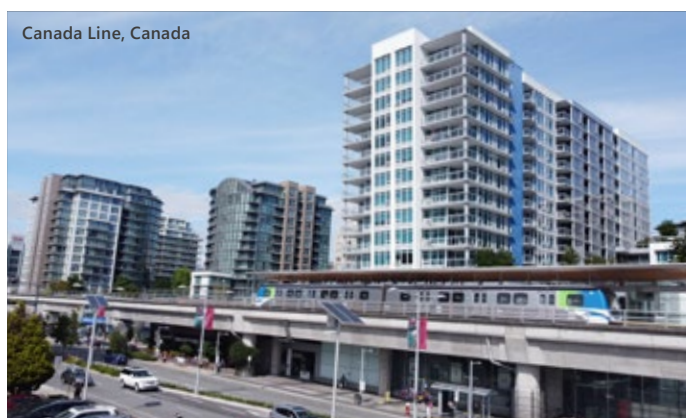
housing, modern correctional facilities, clean energy, and transport infrastructure assets.

Located in Australia, Canada, Germany, the Netherlands, Norway, the UK, and the US, all Portfolio Companies are in stable, well-developed, and highly rated investment grade countries.

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 Facilities	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
17	Frankfurt Schools	Germany	50
18	Fürst Wrede Barracks	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 & Vernon Hospitals	Canada	100
24	Kent Schools	UK	50
25	Kicking Horse Canyon Highway	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

No.	Asset	Country	Percentage holding %
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	USA	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	Victorian Correctional Facilities	Australia	100
54	Westland Town Hall	Netherlands	100
55	William R. Bennett Bridge	Canada	80
56	Women's College Hospital	Canada	100

* Projects listed above are in alphabetical order



Portfolio Review *continued*

Operating model in action

Preserving and enhancing value through active asset management

The increase in short-term interest rates across all jurisdictions over the past 12 to 18 months has led to a renewed emphasis on treasury management and optimisation. During the reporting period, we have finalised cash pooling arrangements in the UK and Canada to maximise interest generated on cash deposits of our Portfolio Companies.

Value-accretive activities, including effective lifecycle cost management, Portfolio Company savings, change order revenue, tax and treasury management and optimised cash reserving, contributed approximately £18.5 million to the NAV.

The operational performance of the Portfolio Companies continued to be strong. Through our active value-driven approach to asset management and the robustness of our portfolio, we have achieved an asset availability level of approximately 99.9 per cent. 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, default events or covenant breaches in the underlying debt financing agreements reported during the year. This means that all our investments contributed to our strong dividend cover with portfolio distributions ahead of projections. We are very proud of this achievement.

Client satisfaction is paramount to us, and in 2023, our efforts were reflected in consistently high Net Promoter Scores from our project clients. These metrics underscore our sustained commitment to fostering robust client relationships and delivering excellence.

High-quality inflation linkage

During the reporting period, inflation rates began to decline but remained at elevated levels in the jurisdictions where BBGI invests. Similarly, the volatility in long-term interest rates during 2023 had an impact on discount rates.

Our equity cash flows are positively linked to inflation at approximately 0.5 per cent. If inflation is one per cent higher than our assumptions for all future periods, returns should increase from 7.3 per cent to 7.8 per cent. 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 on to support our assets' operations – providing an inflation cost hedge to manage effectively our cost base. 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 indices 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 our inflation linkage is underpinned by:

Contractual increases: The adjustment for inflation is a contractual component of the availability-style cash flows for each Portfolio Company, supported by creditworthy government or government-backed counterparties in AA to AAA-rated countries. While other types of assets may offer a strong theoretical inflation linkage (e.g., the ability to raise prices in response to an increase in CPI), they may be subject to changes in elasticity of demand. For example, toll roads and student accommodation projects 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. Such assets would therefore need to be priced at an appropriate risk-adjusted basis.

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

No dependence on regulatory review: The inflation adjustment is automatic and contractual and is not subject to regulatory review or substantial lags. Once the relevant reference factor is published, the adjustment is mechanical.

Portfolio approach: Our inflation linkage comes from diverse Portfolio Companies in different countries.

Prudent financial management

Our assets continued to perform well during the reporting period with cash receipts during the period ahead of projections. Our net cash position as of 31 December 2023 was £9.7 million with no cash drawings outstanding under the RCF.

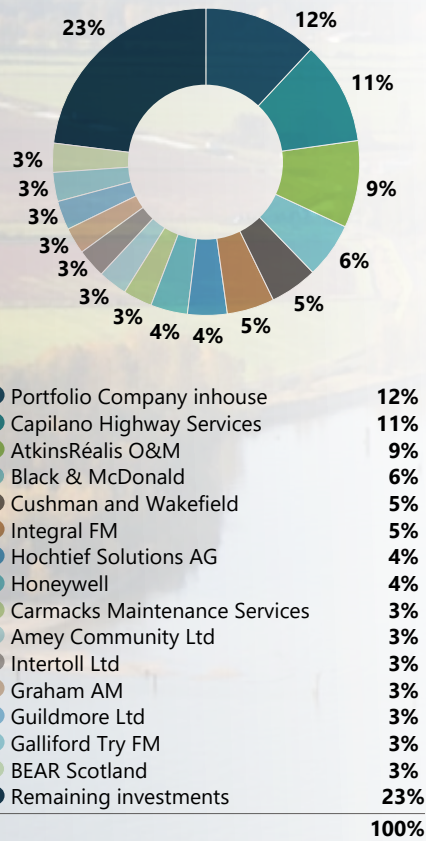
We have efficient cash management in place, which aims to avoid cash drag. We employ a proven financing strategy by initially drawing on our RCF to bridge finance acquisitions, with the cost of borrowing being 165 basis points (bps) over the reference bank rate. Subsequently, we raise new equity or use free cash flows generated by the Portfolio Companies to repay the RCF, thereby clearing the temporary debt. The committed amount available to the Company from the RCF is £230 million, which matures in May 2026. Furthermore, the Company has the possibility of increasing the quantum to £300 million by means of an accordion provision. This provides us with the ability to execute larger acquisitions in an efficient manner, and ensures we are a trusted and repeat partner in our key markets.

We have managed our RCF with prudence and discipline, expanding our portfolio without overleveraging our financial statements and acknowledging that the equity capital market is not perpetually accessible. In 2022, we utilised our RCF to secure two new assets — the John Hart Generating Station in Canada and the A7 Motorway in Germany — for approximately £64.4 million. The RCF drawings for these acquisitions have been fully repaid using surplus cash flows generated by our portfolio, showcasing our capacity for organic growth without resorting to external capital resources.

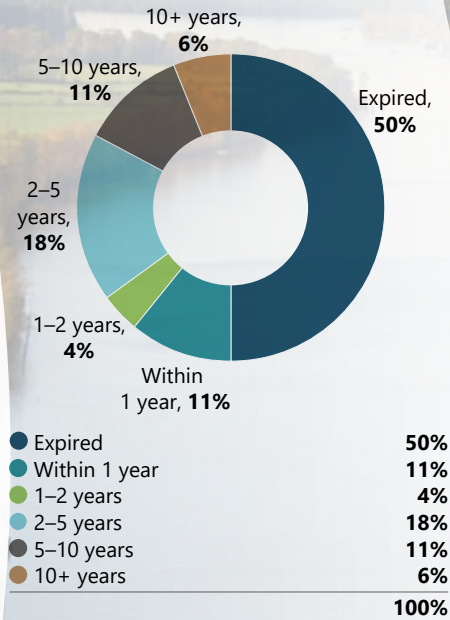
Each of our Portfolio Companies is financed on a non-recourse basis, with 55 of our 56 assets securely financed and not subject to refinancing requirements. One Portfolio Company has a refinancing obligation in December 2025. However, the Portfolio Company benefits from a hedged base market interest rate and is therefore only sensitive to changes in lenders required margins over base interest rates. In line with our loan agreements, we maintain substantial cash reserves within these Portfolio Companies. As at 30 September 2023, BBGI's proportionate share in the total cash balances held by the Portfolio Companies was approximately £385 million⁸, an amount equivalent to 36 per cent of our NAV.

Portfolio Review *continued*

O&M contractors



Latent defects limitations/ warranty period remaining



Our strategic hedging policy has enabled us to mitigate the effects of foreign exchange fluctuations. Moreover, we have adopted a proactive treasury management approach to optimise the interest earned on the reserve accounts of our Portfolio Companies.

Despite the increasing cost pressures attributed to heightened levels of inflation, our diligent approach to cost management has allowed us to maintain our ongoing charges at a competitive level of 0.93 per cent.

Selective acquisition strategy

During the period, we remained active in the market and carefully assessed numerous new investment opportunities. Although we evaluated a variety of opportunities, the Management Board chose not to pursue them as they did not meet our criteria for accretive inflation linkage, attractive yield or growing NAV profile.

Our commitment to disciplined growth is centred on enhancing shareholder value, reinforced by our unique internal management structure, rather than merely increasing assets under management. As the only internally managed equity infrastructure investment company listed on the London Stock Exchange, we are confident that our governance model ensures the interests of our management are in harmony with those of our shareholders.

We adhere to strict criteria when evaluating new investments, carefully weighing the relative appeal of different capital deployment options, all the while keeping an eye on the long-term strategic objectives, including the desire to maintain or lengthen the life of the portfolio. We will continue with this judicious approach as we pursue sustainable growth and value creation for our shareholders.

Supply chain monitoring

The Management Board consistently monitors the potential concentration risk posed by operations and maintenance ('O&M') contractors that provide counterparty services to our assets. The table above left depicts the level of O&M contractor exposure as a percentage of portfolio value⁹.

The Management Board has thoroughly assessed the risk exposure and has not identified any significant risks. We have a strict supply chain monitoring policy, maintain a diverse contractor base, and implement risk mitigation measures to address proactively any potential issues in our supply chain.

Construction defects

We proactively monitor the quality of our assets to identify promptly any construction defects. When necessary, we take appropriate remediation measures to ensure the highest standard of our portfolio. The responsibility for, and the cost of remediation and related deductions lie with the relevant construction subcontractor on each asset, in line with statutory limitation periods. This plays an important role in our effective counterparty risk management.

Portfolio Review *continued*

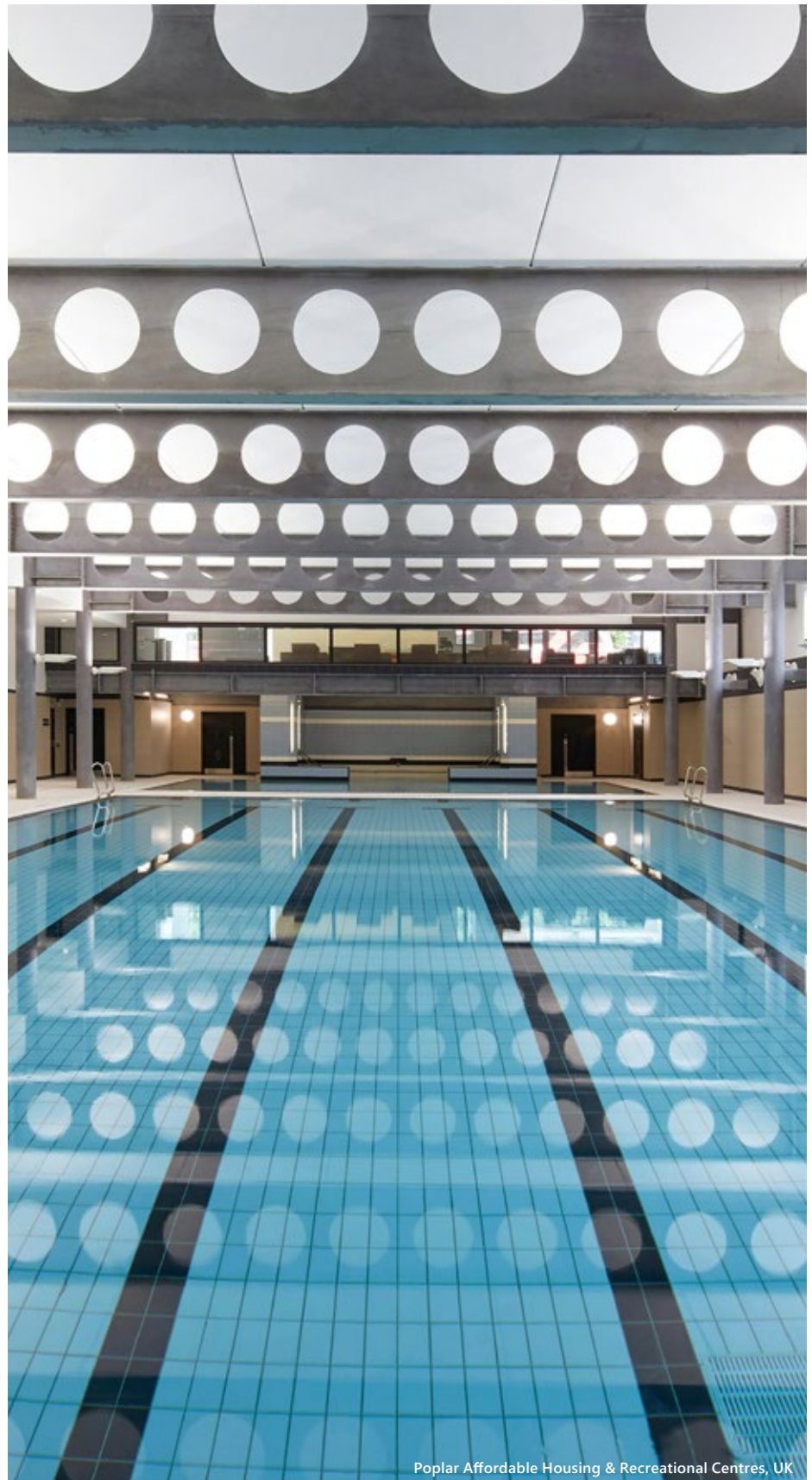
Latent defects risk was mitigated during the reporting period, with 50 per cent of portfolio value covered by either limitation or warranty periods and there were no material defects reported on any of our portfolio assets.

Project hand-back

At the end of a concession, the private partner transfers control and management of the project back to the public sector. This process is termed 'hand-back'. The concessions for two of the Company's UK accommodation assets will expire in January 2026 and August 2027. Preparations for their hand-back is underway. Following the Infrastructure and Projects Authority UK's guidelines, collaborative working groups have been established, comprising representatives from the Client, the FM contractor, and the Portfolio Companies, each involved in the projects. The FM contractor bears the hand-back risk for both assets.

The hand-back process is progressing positively, with notable advancements made so far. Interactions and cooperation among all parties are robust, fostering strong relationships. As at the reporting date, no risks that could affect either of the Portfolio Companies have been detected in the process. We have established transparent communication channels with our subcontractors and public partners, fostering a robust partnership built on measurable outcomes, including clear hand-back requirements.

Less than one per cent of the Portfolio is subject to hand-back in the next five years.



Poplar Affordable Housing & Recreational Centres, UK

Portfolio Snapshot: Top Ten Assets

Our ten largest assets

The following summary of our top 10 assets provides a snapshot, offering key data and achievements over time, which are not necessarily limited to the current reporting period.

1

Golden Ears Bridge

Type:
Availability-style

Status:
Operational

Equity holding 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 Public Private Partnership ('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 km, 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 km of ramps, viaducts, minor bridges and underpasses, and more than 13 km of mainline roadway; a large part of which has been landscaped.

The project 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 2023, a four-year replacement program, coordinated with the asset operator, was



successfully concluded. This initiative involved transitioning all traditional lighting to LED technology. Since 2019, this transition has delivered annual energy savings in excess of 400,000 kWh. Anticipated further reductions are expected with the completion of this final phase.



Portfolio Snapshot: Top Ten Assets *continued*

2

Ohio River Bridges

Type:
Availability-style

Status:
Operational

Equity holding BBGI:
66.7 per cent

Total investment volume (debt and equity):
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 m cable-stay bridge, a 500 m long twin vehicular tunnel and 2.25 km 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.

The monitoring of Ohio River Bridge's energy reduction programme indicates ongoing reductions in GHG emissions. Since the installation of solar panels on the O&M buildings, the surplus renewable electricity generated has exceeded the amount consumed. Specifically, over 40,000 kWh of renewable electricity generated on-site was subsequently sold back to the grid. Additionally, the transition of the project's fleet to electric-powered vehicles has halved the fleet's fuel since 2019.



3

Northern Territory Secure Facilities

Type:
Availability-style

Status:
Operational

Equity holding 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 24-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.

The modern correctional facility was designed with a focus on providing educational and support services to prisoners, prioritising rehabilitation to aid their reintegration into the community. Prisoners have access to a range of programmes, including education, training, rehabilitation, and treatment services, all aimed at decreasing the incidence of reoffending.

4

A7 Motorway

Type:
Availability-style

Status:
Operational

Equity holding BBGI:
49 per cent

Total investment volume (incl. state subsidy of €213 million):
€773 million

Financial close/operational:
September 2014/December 2019

Concession period:
30 years (post-Financial Close)
ending in 2044



The A7 Motorway project is an availability-based design, build, finance, operate and maintain project located between the cities of Neumünster and Hamburg in Germany. The project comprises c. 65 km of highway widening from four to six lanes including 11 interchanges, six parking facilities, four rest areas and 79 engineering structures including a 550 m noise tunnel at the City of Schnelsen.

The noise tunnel provides green spaces and parks, including 400 allotment gardens which reconnect two previously divided neighbourhoods. Additionally, over 100,000 square metres of noise protection barriers were built to meet local requirements. Wildlife crossings were implemented along the motorway to preserve natural habitats and wildlife migration patterns.

In 2023, the Portfolio Company has started the transition process of its vehicle fleet to electric vehicles. The project is also committed to install solar panels on the O&M buildings, which is expected to deliver approximately 450,000 kWh p.a. of renewable energy once available.

Portfolio Snapshot: Top Ten Assets *continued*

5

A1/A6 Motorway

Type:
Availability-style

Status:
Operational

Equity holding 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 km of the A1 and A6 motorways to the south of Amsterdam and involves re-routing and widening of the A1 (to two x five lanes and two reversible lanes), reconstruction of two major interchanges, expansion of the A6 (to two x four lanes and two 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.

Since replacing 2,000 fixtures of traditional street lighting with LED in 2020, the project has reduced its electricity consumption by approximately 600,000 kWh per year compared to the annual consumption in 2019.

6

Victorian Correctional Facilities

Type:
Availability-style

Status:
Operational

Equity holding BBGI:
100 per cent

Total investment volume (debt and equity):
A\$242 million

Financial close/operational:
January 2004/March 2006

Concession period:
25 years (post-construction)
ending in 2031



The Victorian Correctional Facilities project is an availability-based PPP including the design, finance, construction and maintenance of two correctional facilities for the State of Victoria, Australia (the 'State'). The first facility, the maximum security Metropolitan Remand Centre ('MRC'), accommodates up to 1,009 male offenders and is located approximately 20 kilometres from Melbourne city centre. The second, smaller facility is the medium security Marnongneet Correctional Centre ('MCC') that accommodates up to 599 male offenders and is located approximately 65 kilometres from Melbourne city centre.

The project is currently undertaking a significant expansion of both facilities which will see the bed capacity numbers increase to 1,210 at MRC and 653 beds at MCC. The Portfolio Company is delivering these works via an augmentation with the State, with works expected to be completed in 2024. Energy reduction and waste management programmes are in place at both facilities, with monitoring indicating continuous reductions in GHG emissions. To date, approximately 80% of traditional lighting has been replaced by LED. Additionally, photovoltaic panels have been installed at both facilities, generating renewable electricity that is sold back to the grid. In 2023, approximately 120 tonnes of waste were diverted from landfill by either recycling or incineration.

7

Liverpool and Sefton Clinics (LIFT)

Type:
Availability-style

Status:
Operational

Equity holding BBGI:
60 per cent

Total investment volume (debt and equity):
£89 million

Financial close/operational:
June 2004 – November 2011/June 2005 – February 2013

Concession period:
25 or 30 years (post construction) last facility ending in 2043



Long-term, public private strategic partnering agreement to provide strategic estates services and develop, fund, build, operate and manage primary healthcare facilities in Liverpool and Sefton. The Project includes a development company that has a long-term strategic partnering agreement to provide estate services and new project developments for public sector organisations within its contract area. Each new development is delivered by a Portfolio

Company sitting under this development company. To date there are five such Portfolio Companies and 14 completed facilities. Typical services include GP practices, chiropody, speech and language therapy, community nursing, dental surgery and family planning.

The project is currently constructing a new capital development scheme for MerseyCare NHS Foundation Trust on the Mossley Hill site in Liverpool for a new 80 bed low secure mental health facility which is due to complete in 2025. The project companies have for a long time worked to make their buildings a part of the local communities, which are typically in disadvantaged areas, with spaces within the buildings being made available for community groups and fundraising activities. BBGI, along with its management services providers, regularly funds programmes in partnership with social care charities, targeting young or vulnerable people. In 2023, a two-year replacement program was finalised, converting all traditional lighting to LED across all sites. This transition was facilitated by leveraging existing automated control systems used for managing electricity usage throughout the sites.

8

McGill University Health Centre (MUHC)

Type:
Availability-style

Status:
Operational

Equity holding BBGI:
40 per cent

Total investment volume (debt and equity, incl. government subsidy):
C\$2 billion

Financial close/operational:
July 2010/October 2014

Concession period:
30 years (post construction) ending in 2044



The project involves the design, build, finance, operation and maintenance of MUHC's campus in Montreal. It comprises two hospitals, a cancer centre and a research institute with a total of 500 beds. MUHC is one of the most innovative academic health centres in North America, and at 214,000 sqm, it is the largest English-speaking hospital in Quebec. One integrated campus consolidates the Montreal Children's Hospital, the Royal Victoria Hospital and the Montreal Chest Institute, as well as the new Cedars Cancer Centre and the Research Institute of the MUHC.

The campus project achieved a Gold certification for Leadership in Energy and Environmental Design ('LEED') in 2016. The Portfolio Company regularly makes a financial contribution to the MUHC Foundation, supporting medical research programmes at MUHC.

Portfolio Snapshot: Top Ten Assets *continued*

9

M1 Westlink

Type:
Availability-style

Status:
Operational

Equity holding BBGI:
100 per cent

Total investment volume (debt and equity):
£161 million

Financial close/operational:
February 2006/November 2009

Concession period:
30 years (post financial close) ending
in 2036



The project required the design, upgrade, finance and operation of 60 km of two to five lane motorway and dual carriageway and associated assets including structures, street lighting, and safety barriers. The project involved the widening of 4.5km of the M1 and A12 between Stockman's Lane and Divis junction to a dual three-lane carriageway and grade separation of three major junctions. In addition, a third lane was added to the 5km of the downhill section between Sandyknowes and Greencastle junctions on the M2, including the construction of 4 new bridges.

In 2023 the Portfolio Company and the operator agreed to replace the current conventional lighting by LED lighting. The investment programme will be funded by the Portfolio Company, with financial contributions from the operator. This investment is expected to generate savings in electricity consumption.

10

Women's College Hospital

Type:
Availability-style

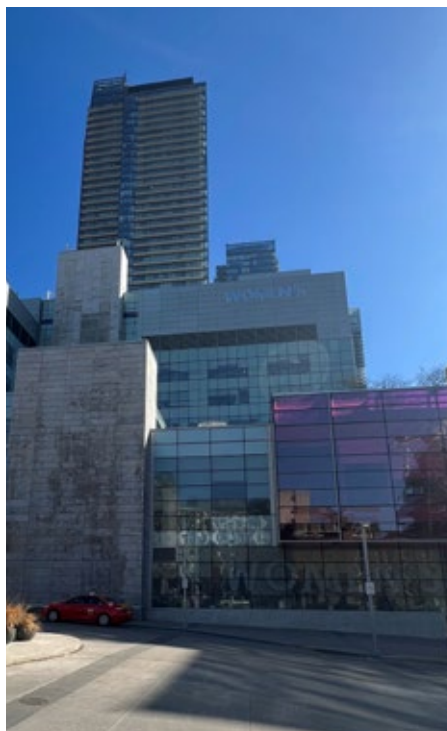
Status:
Operational

Equity holding BBGI:
100 per cent

Total investment volume (debt and equity, incl. government subsidy):
C\$421 million

Financial close/operational:
July 2010/May 2013 and September 2015

Concession period:
30 years (post construction phase 1)
ending in 2043



The project comprises the design, build, finance, operation and maintenance of the Women's College Hospital project in Toronto, Ontario. The hospital is a multi-story building (approximately 60,000 sqm) consisting of ambulatory care, surgical research and educational facilities, as well as administrative, parking, and other non-clinical space to support Women's College Hospital's comprehensive and integrated approach to providing quality women's health care to patients with a need for diagnostics, extended treatments and chronic care. The project was delivered in two phases. The ambulatory hospital facility includes 200 beds.

The project achieved a Gold certification for Leadership in Energy and Environmental Design ('LEED') in 2017. In 2023, the replacement program for traditional lighting was continued, transitioning 50% of the site to LED lighting. The Portfolio Company is partnering with the client to upgrade and expand the number of electric vehicle charging stations located at the facility from 14 to 20. In 2023, BBGI funded through the Portfolio Company, and facilitated the construction of a rooftop Medicine Wheel Garden. The Garden is a place to harvest native, medicinal plants and to be enjoyed by the Indigenous community.

Market Trends and Pipeline

BBGI continues to operate in a volatile macroeconomic and geopolitical environment. Financial markets have oscillated between hopes for a soft economic landing and fears of sustained high interest and inflation rates during the reporting period.

This culminated in interest rate peaks in autumn, followed by a repricing in the bond market before year-end. This volatility continues to be a primary driver of public market valuations across the infrastructure assets sector and will remain an important factor until markets establish greater certainty over the future economic path. Resilient valuations evidenced during this period continue to demonstrate a disconnect between private and public markets for attractive core infrastructure assets. Ultimately, core infrastructure remains an attractive asset class that can serve as a hedge against both inflation and macroeconomic stress.

In 2023, the broader infrastructure asset class endured a sluggish period marked by diminished fundraising activities in both public and private markets, along with lower than typical transaction volumes. Challenging macroeconomic conditions have continued to impact negatively the share prices of listed infrastructure companies, thereby limiting public market participants' access to equity capital. Similarly, transactional activity levels were subdued in the second half of the year. In core social infrastructure, it is evident that the progress of new procurements for greenfield social infrastructure assets remains slow in many relevant markets. Additionally, while there have been several secondary transactions observed, transaction volumes were muted compared to recent years, possibly because the asset class continues to perform well, and consequently there have been very few forced sales.

We believe that infrastructure assets with established customer bases, robust market positions, and/or contractual and regulatory protections offer a cushion against economic uncertainty and a prolonged higher interest rate environment. Additionally, these assets provide a collateral-based exposure to secular trends, thereby mitigating risks. Specifically, core infrastructure remains an attractive asset class due to its defensive nature, predictable cash flows and inflation linkage.

As long-term investors in the sector, we believe that uncertain market environments can present intriguing opportunities. Investing in assets that underpin essential social infrastructure has proven effective in providing inflation linked returns and stability during economic

uncertainty. Historically, the most compelling opportunities have arisen after challenging periods. Looking ahead, growth in the infrastructure asset class will be driven by the imperatives of digitalisation, decarbonisation, demographic dynamics, and the modernisation or renewal of ageing infrastructure.

With our strong balance sheet and an untapped RCF, we are well positioned to navigate the dynamic landscape of core infrastructure. We will maintain our disciplined approach, pursuing only those transactions that add value, bolster our portfolio, and improve our overall portfolio composition, duration and other key metrics. Our primary objective remains to deliver long-term, predictable, and inflation-linked cash flows that are value accretive to our shareholders.

New opportunities

The most significant long-term driver for infrastructure investment is the immense, unmet global demand for it. According to the Global Infrastructure Hub, the disparity between government infrastructure spending and the required amount will reach US\$ 15 trillion by 2040. Infrastructure investment remains pivotal in supporting GDP growth and economic progress. The next decades will witness a transformative shift in how we create a social and secure environment for individuals, generate and use energy, transport goods and people, foster community connectivity, and reshape the environment.

Extensive public investment in infrastructure appears to be constrained, with governments ruling out significant fiscal expansions due to considerable debts and ongoing government deficits. If governments are not able to take on the role of infrastructure owner-investors themselves, many infrastructure market participants, including BBGI, believe that private capital is well placed to step in and fill the gap.

In this landscape, we are committed to identifying attractive opportunities that will allow us to diversify and expand our essential social infrastructure portfolio. We are exploring prospects for portfolio diversification that exhibit desirable characteristics, including consistent long-term cash flows and inflation correlation, in line with our established investment policy. Such investments may include extended concessions or outright asset ownership. We will pursue these opportunities with strict adherence to ESG standards, ensuring that any new investment opportunity is thoroughly evaluated by comparing their potential benefits with other capital allocation options.

North America

Canada

Canada's 'Investing in Canada Plan' commits over CAD 180 billion until 2035 for infrastructure projects. It is designed to achieve three objectives: create long-term economic growth to build a stronger middle class; support the resilience of communities and transition to a clean growth economy; and build social inclusion and socioeconomic outcomes for all Canadians. To promote these objectives, the plan delivers investments across five streams: Public Transit; Green; Social; Trade and Transportation; and Rural and Northern Communities. To date, the plan has invested over CAD 144 billion in more than 94,000 projects.

To support Canada's investment ambitions, the Canadian Infrastructure Bank ('CIB') has a mandate to invest in revenue-generating infrastructure that benefits Canadians and attracts private capital. The following areas remain priorities for CIB investment: Public Transit (CAD 5 billion); Green Infrastructure (CAD 10 billion); Clean Power (CAD 10 billion); Trade



Champlain Bridge, Canada

Market Trends and Pipeline *continued*

and Transportation (CAD 5 billion); and Broadband Connectivity (CAD 3 billion). CIB's role is continuously evolving, and new areas such as clean fuel production; hydrogen production, transportation and distribution; carbon capture, utilisation, and storage; and large-scale zero-emission vehicle charging and refuelling infrastructure, have been added to its mandate.

BBGI has benefited from Canada's infrastructure investments in the past and has built a portfolio of 16 social infrastructure assets in the country. With a reputation as a highly credible purchaser and manager of such assets, BBGI is well-positioned to take part in infrastructure investments going forward. While opportunities in traditional PPP procurements have reduced over the last years, we anticipate there will continue to be a diverse range of social infrastructure investment opportunities in Canada, in addition to the continued push into energy, communication, and community services investments.

US

Deglobalisation is an important megatrend that will bolster private infrastructure investments. The onshoring of manufacturing capacity and an increased focus on energy security will necessitate significant investments. Macro data is beginning to reflect this trend. US construction spending for manufacturing reached a record high of over USD 130 billion in 2022, following six years of stagnation, and further accelerated to USD 214 billion in 2023. However, billions of dollars will not be spent without certainty around energy supply, transportation networks, utility services, and high-speed internet access. These tailwinds support investments across all core infrastructure sectors in the US.

US government policies are playing a significant role. The Infrastructure Investment and Jobs Act ('IIJA'), also known as the Infrastructure Bill, provides for USD 1.2 trillion in spending, USD 550 billion of which will be new federal spending to rebuild roads and bridges, improve clean water infrastructure resilience, enhance EV charging infrastructure, expand broadband access, and more. The IIJA also expands how states and municipalities may use private activity bonds to help finance projects involving private investment, such as carbon capture and broadband access. The historic investments included in the IIJA will significantly reshape the future of infrastructure in the US. There is optimism that an attractive pipeline of infrastructure projects will continue to emerge, whether through PPP projects at the federal, state, and municipal levels, under alternative procurement models, or through private-led initiatives.

Europe

EU

European Union ('EU') frameworks and initiatives will continue to support significant infrastructure investments in the region. The European Commission's ('EC') priorities include objectives such as becoming the first climate-neutral continent (European Green Deal), creating an economy that ensures social fairness and prosperity for all, modernising Europe for the digital age, and enhancing Europe's role and influence in the global arena.

Reducing emissions remains a key focus for the EC, which recently recommended a 90 per cent net greenhouse gas emissions reduction by 2040 compared to 1990 levels, as part of its commitment to achieving climate neutrality by 2050 under the European Green Deal. All 27 EU Member States have committed to this target. Setting a 2040 climate target sends important signals on how to invest and plan effectively for the long term, thereby minimising the risks of stranded assets. The energy and transportation sectors are significantly impacted by the ambitions of the European Green Deal. Similarly, the EU's digital strategy, with a clear focus on data, technology, and infrastructure, aims to make digital transformation beneficial for people and businesses, while also contributing to the target of a climate-neutral Europe by 2050.

In 2021, the European Commission unveiled a significant infrastructure investment strategy aimed at mobilising up to EUR 300 billion of investments in global development by 2027. The Global Gateway strategy aims to develop physical infrastructure worldwide in five key sectors: digital, climate and energy, transport, health, and education and research. This strategy allows the EU to leverage both public and private investment in priority areas.

By clearly defining its priorities and providing supporting initiatives, the EU establishes a framework that significantly influences infrastructure investments across various sub-sectors in its member states. We anticipate a continuous flow of pipeline opportunities in the core infrastructure space, which we will diligently review according to our mandate. BBGI has established a strong investment presence in two key EU countries, Germany and the Netherlands. With seven existing PPP assets in Germany and three in the Netherlands, we are well positioned to capitalise on future social infrastructure opportunities. We have the necessary internal resources, including native BBGI senior team members, to engage efficiently in forthcoming transactions. As seen over the last years, PPP deal flow in greenfield and brownfield assets has been inconsistent and we do not anticipate a swift change.

Nonetheless, we continue to monitor and evaluate alternative infrastructure activities, particularly focusing on decarbonisation and digitalisation investments. We believe that Continental European infrastructure markets remain active and are likely to offer attractive investment opportunities over the medium term.

UK:

The Infrastructure and Projects Authority ('IPA') published the 2023 Analysis of the National Infrastructure and Construction Pipeline in February 2024. This report provides a robust assessment of infrastructure investments over the next decade in the UK, estimated at a total of GBP 700-775 billion. Like other jurisdictions, the report identifies the most pressing investment needs in energy, transportation, and social infrastructure in the short and medium term. The IPA maps out the expected funding mix, highlighting that energy and utilities, both privatised sectors, have high proportions of privately financed infrastructure projects. In contrast, transport and social infrastructure projects are predominantly funded by the public sector or through a mixed funding approach (public and private). In total, the IPA estimates current or future opportunities for private investment worth GBP 63 billion over the 10-year pipeline.

Established in 2021, the UK Infrastructure Bank ('UKIB') focuses on increasing domestic infrastructure investment by partnering with the private sector and local governments. UKIB has two strategic objectives: to address climate change and to support regional and local economic growth by enhancing connectivity, creating new job opportunities, and increasing productivity levels. The bank invests across the infrastructure landscape, primarily targeting economic infrastructure in five priority sectors: clean energy, transport, digital, water, and waste. This sector-based approach aligns with the UK Government's net zero strategy, aiming for a 100 per cent reduction in greenhouse gas emissions by 2050.

By understanding UK government priorities and having access to supporting initiatives like UKIB, private partners can contribute to the tasks ahead. Private capital has been essential for maintaining and developing the UK's existing infrastructure, as well as financing new projects, and will continue to do so in the future. Despite some high-profile setbacks, we believe the UK has a well-established and attractive infrastructure market for private investors. The Private Finance Initiative ('PFI') was a preferred method of involving the private sector in delivering essential infrastructure in the UK, but it has not been utilised in recent years (being discontinued in 2018). We have observed the development of alternative procurement models with similar attributes, such as the Mutual

Market Trends and Pipeline *continued*

Investment Model used for several procurements in Wales. Additionally, we see bespoke partnership models being applied in other social infrastructure areas, such as health, and there remains openness to consider next-generation procurement models with well-understood attributes and risk and return profiles.

With the UK government continuing to recognise the importance of infrastructure investment alongside private partners in creating jobs, boosting the economy, and reaching its net zero targets, we remain confident and committed that opportunities to engage in the future UK investment pipeline will emerge. We are actively seeking opportunities to expand our essential social infrastructure portfolio in the UK, searching for investments with long-term, inflation-linked revenue streams involving public sector counterparties or with a link to the public sector. We also ensure that our investments align with our strong ESG approach.

Australia

In Australia, an independent review of the Infrastructure Investment Program was announced in May 2023, with the aim of ensuring that significant projects had an adequate business case that would support funding from the Australian Government. At the announcement of the review, it brought about reassurance that the Australian Government remained committed to a ten-year, AUD 120 billion infrastructure pipeline. In November 2023 the Australian Government released its Infrastructure Policy Statement, which aims to define nationally significant transport infrastructure, sets out three strategic themes that will guide investment decisions, and outlines how the Government will put these themes into action.

With the focus on nationally significant infrastructure projects, this will continue benefitting investments in the land transport network and/or other key freight routes, but also in projects supporting other broader national priorities such as housing. Productivity and resilience, liveability and sustainability are the three strategic themes identified from the policy. While all themes are centred around transportation, sustainability provides a strong link to the Australian Government's commitment to cut emissions by 43 per cent by 2030 and achieve net zero by 2050. Here the Government will look to decarbonise transport assets through the design, construction, and operation of transport infrastructure, and will encourage projects to facilitate the take-up of low or zero emission transport technologies, which is consistent with the Government's National Electric Vehicle Strategy. With the additional planned activities from the State and Territory governments, we believe that there will also be significant effort towards energy transformation

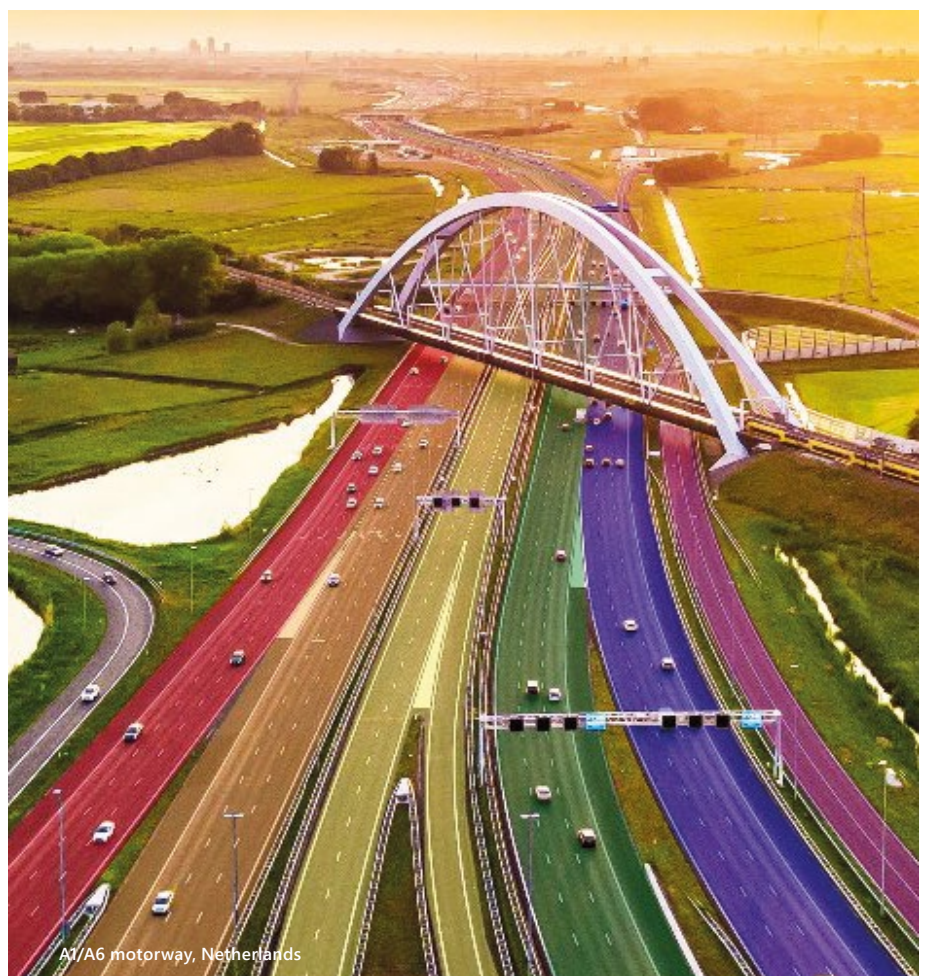
and social infrastructure, including hospitals, education and housing.

Over the last decade, Australia has been very active in the development of core social infrastructure projects and has demonstrated that it is open for public and private collaboration. With three large operational PPP assets in Australia, BBGI has a well-established foundation in the country. We will continue to monitor actively the market for investment opportunities, which we believe will continue emerging from the infrastructure investment activities envisaged at both State and Federal level.



Outlook

BBGI remains committed to expanding our core infrastructure portfolio. Since 2011, our portfolio has grown from 19 social infrastructure assets to 56, including roads, schools, healthcare facilities, transportation, and modern correctional facilities. This growth was achieved while maintaining price discipline and a selective approach to evaluating potential investment opportunities. As governments continue to run deficits and the demand for repairing and constructing new infrastructure grows, there is an ongoing need for private sector investment in infrastructure. We remain poised to seize the right investment opportunities that are value-accretive, with long-term predictable and inflation-linked revenues. These future investments will further diversify and strengthen our portfolio and enhance our overall portfolio composition and key metrics, ensuring sustainable returns for our shareholders.



Operating and Financial Review

The Management Board is pleased to present the Operating and Financial Review for the year ended 31 December 2023.

Highlights and Key Performance Indicators

Certain key performance indicators ('KPIs') for the past five years are outlined below:

KPI	Target	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Commentary
Dividends (paid or declared)	Progressive long-term dividend growth in pence per share	7.00	7.18	7.33	7.48	7.93	Achieved Targets: 8.40pps for 2024 and 8.57pps for 2025
NAV per share	Positive NAV per share growth	2.0%	1.2%	2.1%	6.6%	(1.4%)	Not achieved during the reporting period
Annualised total NAV per share return since IPO	7% to 8% annualised	10.0%	8.9%	8.8%	9.1%	8.6%	Achieved
Annualised total shareholder return since IPO	7% to 8% annualised	11.3%	11.0%	10.4%	8.8%	7.6%	Achieved
Ongoing charge	Competitive cost position	0.88%	0.86%	0.86%	0.87%	0.93%	Achieved
Cash dividend cover	>1.0x	1.30x	1.27x	1.31x	1.47x	1.40x	Achieved
Asset availability	> 98% asset availability	✓	✓	✓	✓	✓	Achieved
Single asset concentration risk (as a percentage of portfolio)	To be less than 25% of portfolio immediately post-acquisition	10% (GEB)	9% (GEB)	11% (ORB)	11% (ORB)	11% (GEB)	Achieved
Availability-style assets (as a percentage of portfolio)	>= 75% availability-style assets	✓	✓	✓	✓	✓	Achieved

Operating and Financial Review *continued*

Asset Management

Cash performance

Our portfolio performed well during the period, with total cash flows ahead of projections and the underlying financial models.

Construction exposure

Our investment policy is to invest principally in assets that have completed construction and are operational. Accordingly, investments in assets that are under construction are limited to 25 per cent of the portfolio's value. We aim to produce a stable dividend, while gaining exposure to the potential NAV uplift that occurs when assets move from successful construction to the operational phase.

As the year closed, all our infrastructure assets were fully operational. The equity investment in Highway 104, Nova Scotia, Canada reached substantial completion in September 2023, notably enhancing the region's travel efficiency and safety, facilitating the flow of goods and services, and strengthening community connections.

This significant achievement was acknowledged in 2023 when the Canadian Council for Public-Private Partnerships honoured Highway 104 with the Gold Award for P3 Design & Construction.

Investment performance

Returns track record

The Company's share price has not been immune to the market turbulence affecting the alternative investment trust sector, leading to the Company's shares trading at a discount to NAV for a significant part of the year. This trend of share price softness, reflective of concerns over high interest rates, high inflation, and potential consumer downturns, has extended to our UK-listed counterparts within the infrastructure and wider alternatives sector. Nevertheless, the Board does not believe BBGI's share price adequately reflects the value of our portfolio, our high-quality inflation linkage, our strong financial position and operational performance.

With a focus on long-term investment, our Company's portfolio of low-risk, long-duration assets, allows us to navigate through these episodes of market volatility. The Board remains vigilant in monitoring the share price discount, considering it within the broader scope of our capital allocation strategy. Any measures aimed at reducing the discount are contemplated carefully, with the overarching goal of ensuring they align with the long-term interests of the Company and its shareholders.

Against the FTSE All-Share, the Company has

shown a low ten-year beta of 0.28¹⁰

The share price closed at 141.60 pence on 31 December 2023, representing a 4.2 per cent discount to the NAV per share at the period-end.

The total NAV return per share from IPO to 31 December 2023 was +8.6 per cent on an annualised basis.

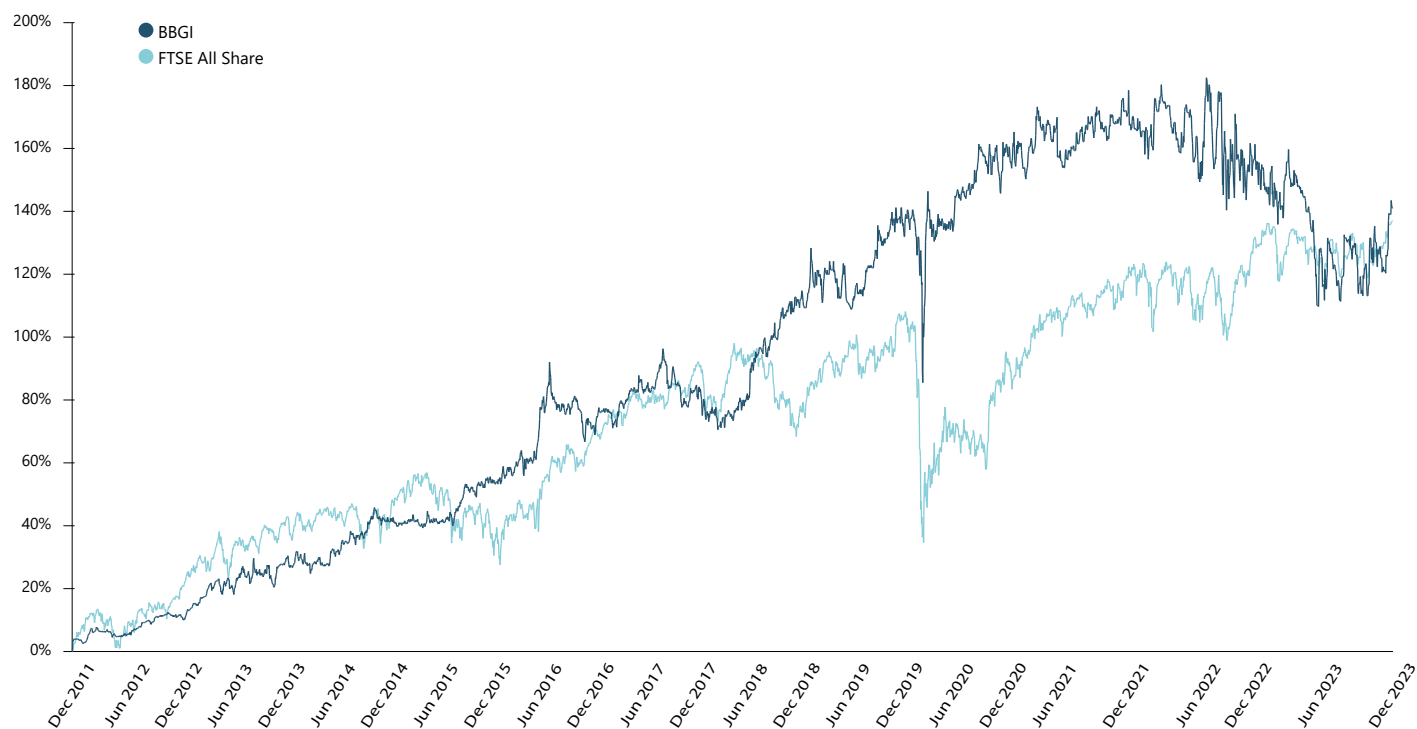
Distribution policy

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

Dividends

In April 2023, we paid a second interim dividend of 3.74pps for the period 1 July 2022 to 31 December 2022. Together with the first interim dividend (which was paid in October 2022), the total dividend for the year ended 31 December 2022 amounted to 7.48pps. The Board approved a 2023 interim dividend of 3.965pps which was paid in October 2023. In February 2024, after the year-end, the Company declared a second interim dividend of 3.965pps, which is in line with its dividend target for the year of 7.93pps. Furthermore, the Board is reaffirming its 2024 dividend target of 8.40pps

BBGI Total Shareholder Return

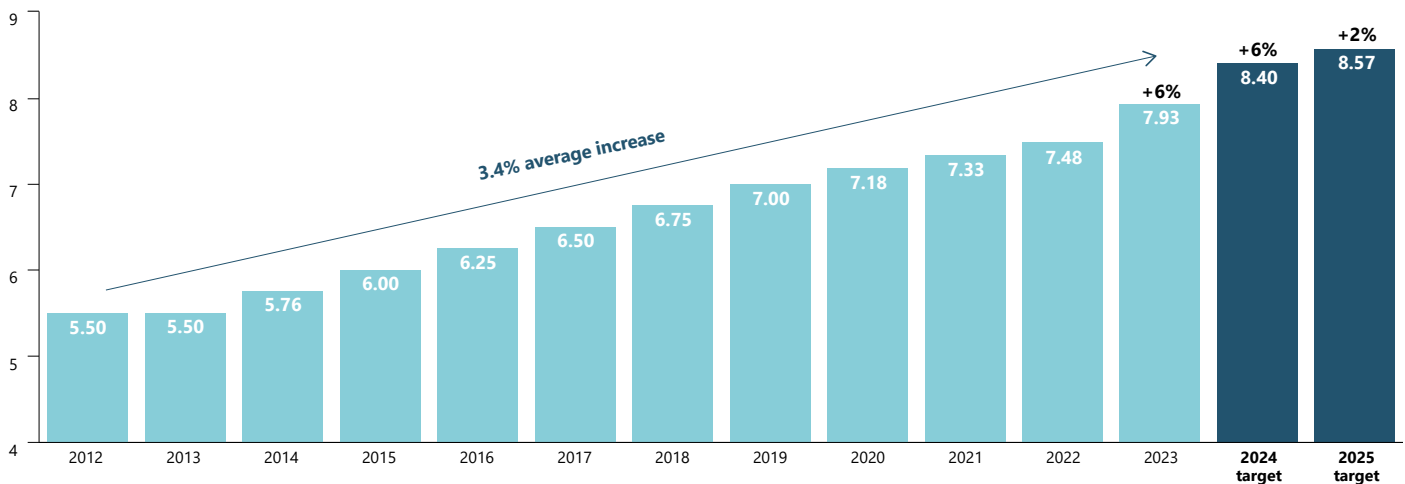


¹⁰ Refer to the Alternative Performance Measures section of this Annual Report for further details.

Operating and Financial Review *continued*

Proven progressive dividend policy

Pence per share



Average annual dividend increases from 2012 to 2023

3.4%

outpacing UK CPI over the same period

FY 2024 target reconfirmed

8.40 pps

a 6 per cent increase

FY 2025 target reconfirmed

8.57 pps

a 2 per cent increase

and a dividend target for 2025 of 8.57pps.

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, members of the Management Board 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. Webcasts of the results presentations are available for viewing on BBGI's corporate website and through the London Stock Exchange website.

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, Management Board have made themselves available to shareholders and sector analysts, for discussion of key issues and expectations around Company performance. The CEO and CFOO 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 at the end of the Annual Report or on the Company's website at www.bb-gi.com.

www.bb-gi.com.

While shareholder engagement is typically conducted by the CEO and CFOO, 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.

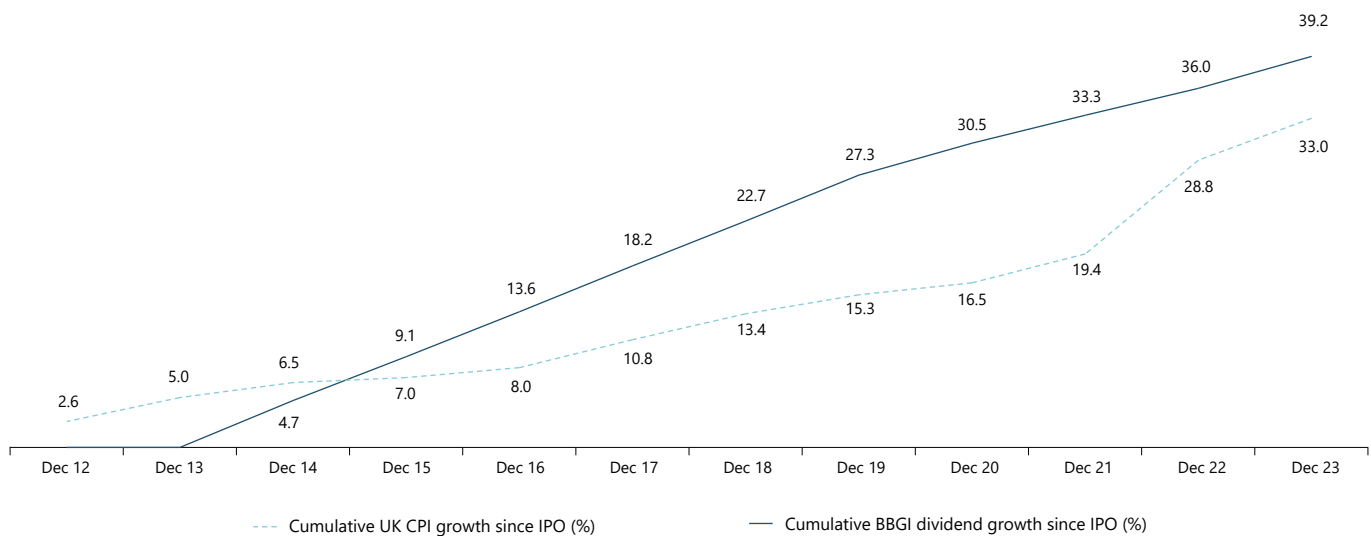
Given this level of engagement with shareholders and other stakeholders, the Management and Supervisory Boards consider that they meet the requirements of Association of Investment Companies ('AIC') Code of Corporate Governance Principle 5D.

Share capital

The issued share capital of the Company is

Operating and Financial Review *continued*

Cumulative dividend growth vs UK CPI per cent



714,876,637 ordinary shares of no-par value. All of the issued ordinary shares rank *pari passu*. During the year ended 31 December 2023, the Company issued 1,545,560 ordinary shares.

Voting rights

There are no special voting rights, restrictions, or other rights attached to the ordinary shares, nor are there any restrictions on the voting rights they carry.

Discount management

The Management Board actively monitor any discount to the NAV per share at which the ordinary shares may trade and 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:

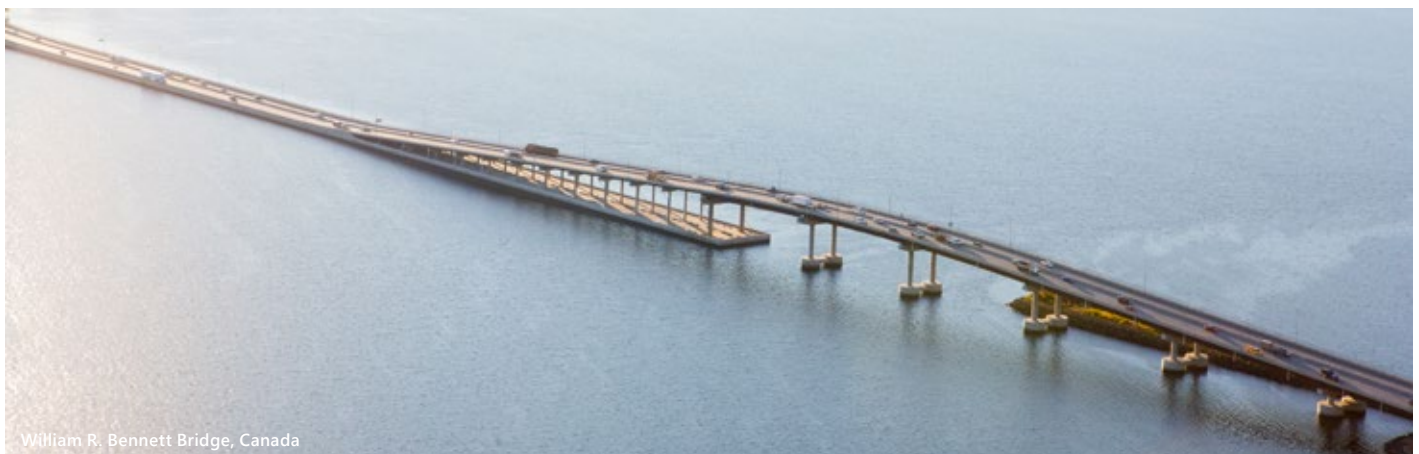
- make market purchases of up to 14.99 per cent annually of its issued ordinary shares; and
- make tender offers for ordinary shares.

No shares have been bought back during the year ended 31 December 2023. The most recent authority to purchase ordinary shares, which may be held in treasury or subsequently cancelled, was granted to the Company on 28 April 2023. This authority expires on the date of

the next Annual General Meeting ('AGM') to be held on 30 April 2024, 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 28 April 2023, 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 30 April 2025.



William R. Bennett Bridge, Canada

Valuation

The Management Board is responsible for carrying out the fair market valuation of the Company's investments, which is then presented to the Supervisory Board for consideration as part of its approval of the Annual and Interim Reports. The valuation occurs semi-annually on 30 June and 31 December and is reviewed by an independent third-party valuation expert.

The Company's investments are principally non-market traded investments with predictable long-term contracted revenue; therefore, the valuation is determined using the discounted cash flow methodology. Our forecast assumptions for key macroeconomic factors impacting cash flow include inflation rates and deposit rates, changes in tax legislation, and enacted changes in taxation rates during the reporting period. These assumptions are based on market data, publicly available economic forecasts, and long-term historical averages. We also exercise judgement in assessing the future cash flows from each investment, using detailed financial models produced by each Portfolio Company and adjusting these models, where necessary, to reflect our 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 determined by applying an appropriate discount rate, alongside contracted foreign exchange rates, or reporting period-end foreign exchange rates, and withholding taxes (as applicable).

The discount rates applied consider investment risks, including the phase of the investment (construction, ramp-up or stable operation), investment-specific risks and opportunities, and country-specific factors.

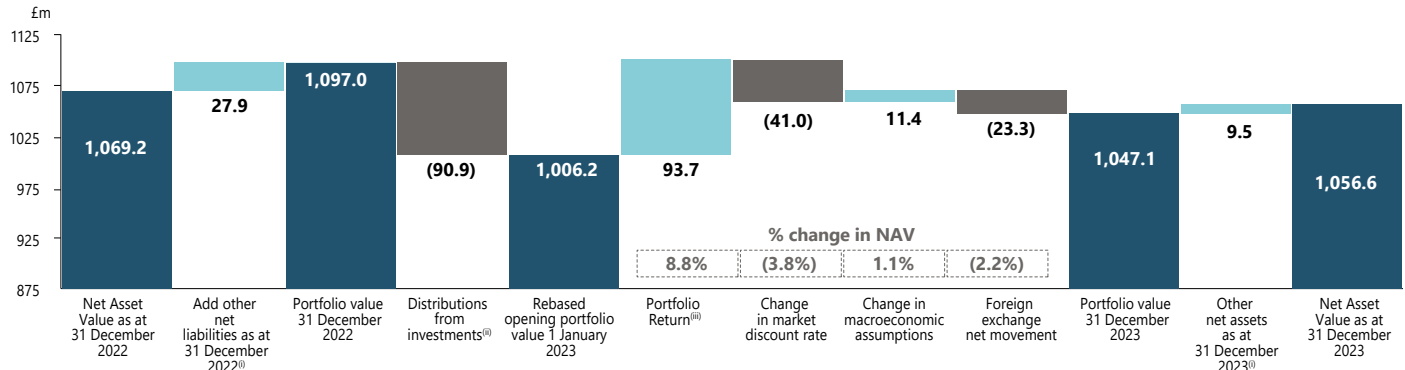
Our determination of appropriate discount rates involves judgement based on market knowledge, insights from investment and bidding activities, benchmark analysis with comparable companies and sectors, discussions with advisers and publicly available information. As a reasonability check to our market-based approach and providing further guidance to determine the appropriate market discount rates, the Company complements its market-based approach by using the capital asset pricing model ('CAPM') where government risk-free rates plus a risk premium are used to calibrate discount rates.

A sensitivity analysis on the key assumptions is provided further in this Valuation section.

The below illustrates the breakdown of movements in the NAV.

NAV movement 31 December 2022 to 31 December 2023

The NAV at 31 December 2023 was £1,056.6 million (31 December 2022: £1,069.2 million), representing a decrease of 1.2 per cent.



(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 detail.

(ii) 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 table are shown net of withholding tax.

(iii) 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.

Key drivers for NAV change

The rebased opening portfolio value, after cash distributions from investments of £90.9 million, was £1,006.2 million.

Portfolio return consists of several components, including the unwinding of the discount rate, portfolio performance, the net effect of actual inflation, and updated operating assumptions:

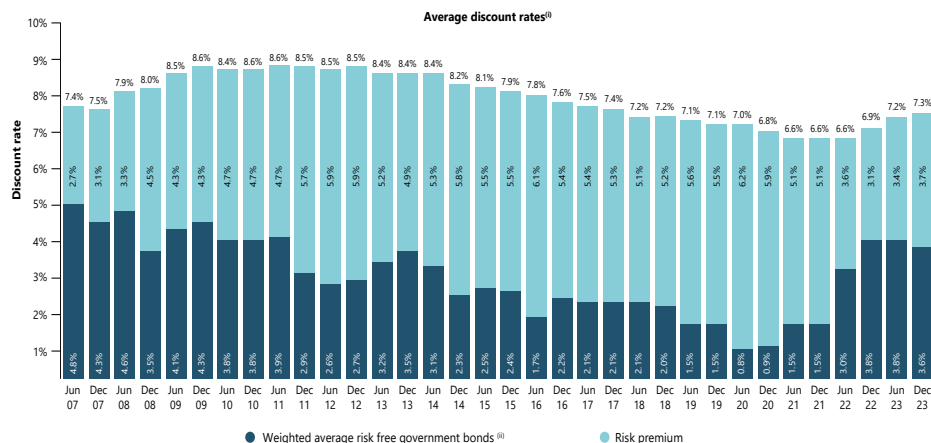
During the period, the Company recognised a £93.7 million portfolio return, representing an 8.8 per cent increase in the NAV resulting from the unwinding of discount rates, and portfolio performance, which reflects current expectations based on the Company's hands-on active asset management. As the portfolio 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. £18.5 million of the £93.7 million is attributable to value enhancements delivered by our active asset management approach. These value-accretive activities included effective lifecycle cost management, Portfolio Company savings, change order revenue, tax and treasury management and optimised cash reserving.

Change in market discount rates:

The Company has increased the weighted average discount rate to 7.3 per cent (31 December 2022: 6.9 per cent), which the Management Board believes to be appropriate for a portfolio of availability-style social infrastructure investments. This increase resulted in a reduction of £41.0 million, representing a 3.8 per cent decrease in the NAV.

To determine the appropriate discount rate for each jurisdiction, the Company employs its judgement using a multifaceted approach; combining, transactional analysis, benchmarking with comparable companies and sectors, discussions with advisers in the relevant markets, and utilising publicly available information. Complementing this approach when there is reduced market transaction data, is the CAPM, which integrates government

Valuation continued



- (i) Sector average from listed peers for the period from Dec-2007 until Dec-2010 and the BBGI discount rate from Dec-2011.
(ii) Based on the weighted geographical breakdown of BBGI portfolio as at each valuation period; considering the following securities yield rates: Canadian Government Debt – 20 Years, UK Government Debt – 20 Years, Australian Government Debt – 15 Years, US Treasury Bond – 30 Years, German Government – 20 Years, Norway Swap Rate – 10 Years and Netherlands Government Debt – 20 Years.

risk-free rates and a risk premium, with adjustments made to account for observed volatility in risk-free rates during the year.

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 risk premium is a useful additional data point.

Transaction volumes showed an increase in the first half of 2023 compared to the latter half of 2022, but slowed in the second half of 2023, and whilst at subdued levels, still provided relevant market data. During the first half of 2023, we obtained at least one relevant transactional data point for each currency in which we invest, except for the Norwegian krone. The CAPM analysis acts as a reasonability check, providing guidance for potential discount rate adjustments in instances where transaction data is more limited.

The period saw ongoing macroeconomic uncertainty, marked by significant volatility in government bond yields between December 2022 and December 2023, ultimately closing at or below the levels observed in December 2022. These fluctuations contributed to a cautious environment in the infrastructure secondaries market as mentioned above.

Individual risk-free rates have generally closed at or below the December 2022 rates, resulting in a reduction in the weighted average risk-free rate to 3.6 per cent (31 December 2022: 3.8 per cent). The decision to increase the discount rate to 7.3 per cent on a weighted average basis represents a risk premium of approximately 3.7 per cent.

A risk premium of 3.7 per cent is within historic ranges. The Management Board believes this to be appropriate for the Company's investment portfolio, particularly considering the heightened macroeconomic volatility observed during the period.

Going forward, the Company is confident that investment demand for stable and resilient social infrastructure assets, offering long-term, predictable and inflation-linked cash flows, will remain strong.

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, and country-specific factors. For investments in the construction phase, we apply a risk premium to reflect the higher-risk inherent during this stage of the investment's lifecycle. Currently, the portfolio has one investment in the ramp-up phase, Highway 104, which represents approximately 0.6 per cent of the overall portfolio value.

Furthermore, we have applied risk premiums or discounts to a limited number of other investments based on their individual circumstances. For example, we have adjusted acute care hospitals in the UK, where a risk premium of 50bps continues to be applied. The only UK acute care hospital in the portfolio is Gloucester Royal Hospital, representing less than 1 per cent of the overall NAV. This risk premium reflects the ongoing situation in the UK, where some public health clients are facing cost pressures and are actively seeking cost savings, including deductions. To date, BBGI has not been affected.

Change in macroeconomic assumptions:

During the period, the Company recognised an increase in the portfolio value of £11.4 million, or a 1.1 per cent increase in the NAV, attributed to changes in macroeconomic assumptions. The primary drivers of this increase included positive revisions to short-term and long-term deposit rate assumptions, as well as inflation assumptions. These positive revisions were partially offset by the negative effect of proposed changes in Canadian tax legislation.

Short-term and long-term deposit rates accounted for £25.7 million of this increase. 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, bringing them in line with long-term averages. The effect of revised deposit rate assumptions resulted in a £25.7 million, or a 2.4 per cent increase in NAV.

The net effect of changes to inflation forecasts represented a further increase of £4.2 million.

The final legislation of the Canadian excessive interest and financing expenses limitation rules ('EIFEL') were released in late 2023 (see the risk section for further details). These rules are expected to have an additional negative impact of £16.3 million on the Company's Canadian portfolio, adding to the £9.8m provision taken in FY2022. As a result, the Company's NAV at 31 December 2023 fully reflects the expected impact of the final legislation.

Foreign exchange:

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.

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 forecasted to be received over the next four years, or at the closing foreign exchange rate for the unhedged future cash flows.

During the period ended 31 December 2023, the appreciation of Sterling ('GBP') against the Canadian Dollar ('CAD'), Australian Dollar ('AUD'), the Euro ('EUR'), the US Dollar ('USD'), and the Norwegian Krone ('NOK') accounted for a net decrease in the portfolio value of £23.3 million. Since IPO in December 2011, the net cumulative effect of foreign exchange movements on the portfolio value, after considering the effect of balance sheet hedging, has been an increase of £2.0 million, or 0.2 per cent of the 31 December 2023 NAV.

GBP/	Valuation impact	FX rates as of 31 December 2023	FX rates as of 31 December 2022	FX rate change
AUD	↓	1.8690	1.7743	(5.34%)
CAD	↓	1.6871	1.6386	(2.96%)
EUR	↓	1.1532	1.1298	(2.07%)
NOK	↓	12.9571	11.9150	(8.75%)
USD	↓	1.2731	1.2097	(5.24%)

Valuation *continued*

The table below shows the closing exchange rates, which were used to convert unhedged future cash flows into the reporting currency at 31 December 2023.

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 rates¹¹. This is achieved by hedging a portion of the non-Sterling and non-Euro portfolio value. Forecasted distributions in Euro are not hedged, as a natural hedge is in place due to a significant portion of the running costs incurred at the consolidated level being denominated in Euro. The effect of the Company's hedging strategy can also be expressed as a theoretical or implicit portfolio

Macroeconomic assumptions

In addition to the discount rates, we use the following assumptions ('Assumptions') for the cash flows:

		31 December 2023	31 December 2022
Inflation	UK ⁽ⁱ⁾ RPI/CPIH	5.20% (actual) for 2023; 3.80% for 2024 then 3.00% (RPI) / 2.25% (CPIH)	13.40% (actual) for 2022; 5.80% for 2023 then 2.75% (RPI) / 2.00% (CPIH)
	Canada	3.90% (actual) for 2023; 2.50% for 2024; 2.10% for 2025 then 2.00%	6.30% (actual) for 2022; 4.00% for 2023; 2.30% for 2024 then 2.0%
	Australia	4.50% for 2023; 3.50% for 2024 3.00% for 2025 then 2.50%	8.00% for 2022; 4.75% for 2023; 3.25% for 2024 then 2.50%
	Germany ⁽ⁱⁱ⁾	3.70% (actual) for 2023; 2.70% for 2024; 2.10% for 2025 then 2.00%	8.40% for 2022; 6.30% for 2023; 3.40% for 2024 then 2.00%
	Netherlands ⁽ⁱⁱ⁾	3.80% (actual) for 2023; 2.70% for 2024; 2.10% for 2025 then 2.00%	8.40% for 2022; 6.30% for 2023; 3.40% for 2024 then 2.00%
	Norway ⁽ⁱⁱ⁾	4.80% (actual) for 2023; 4.50% for 2024; 2.50% for 2025 then 2.25%	5.90% (actual) for 2022; 4.90% for 2023 then 2.25%
	US	3.40% (actual) for 2023 then 2.50%	6.50% (actual) for 2022; 3.40% for 2023 then 2.50%
	Deposit rates (p.a.)	UK	4.50% to Q4 2024 then 2.50%
Canada		4.75% to Q4 2024 then 2.50%	3.50% to Q4 2024 then 1.75%
Australia		4.75% to Q4 2024 then 3.50%	3.25% to Q4 2024 then 3.00%
Germany/ Netherlands		3.25% to Q4 2024 then 2.00%	0.50% to Q4 2024 then 1.00%
Norway		4.75% to Q4 2024 then 2.75%	2.00% to Q4 2024 then 2.00%
US		4.50% to Q4 2024, then 2.50%	3.75% to Q4 2024, then 1.50%
Corporate tax rates (p.a.)		UK	25.00%
	Canada ⁽ⁱⁱⁱ⁾	23.00% / 26.50% / 27.00% / 29.00%	23.00% / 26.50% / 27.00% / 29.00%
	Australia	30.00%	30.00%
	Germany ^(iv)	15.83%	15.83%
	Netherlands	25.80%	25.80%
	Norway	22.00%	22.00%
	US	21.00%	21.00%

(i) On 25 November 2020, the UK Government announced the phasing out of the Retail Price Index ('RPI') after 2030 to be replaced with the Consumer Prices Index including owner occupiers Housing costs ('CPIH'). The Company's UK portfolio indexation factor changes from RPI to CPIH beginning on 1 January 2031.

(ii) Consumer Price Index ('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 Territories; Saskatchewan; British Columbia; New Brunswick.

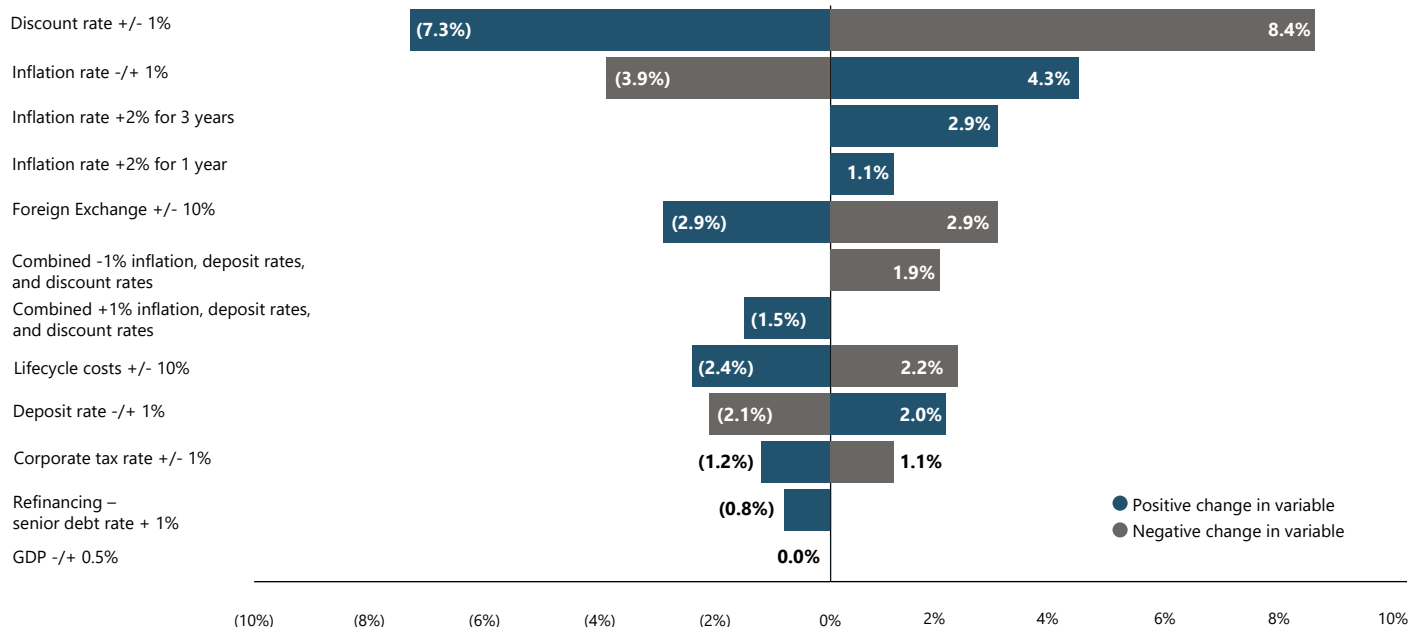
(iv) Including solidarity charge; individual local trade tax rates are considered in addition to the tax rate above.

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

Valuation *continued*

Sensitivities

Expressed as % of NAV



allocation to Sterling exposure. In other words, on an unhedged basis, the portfolio allocation to Sterling exposure at 31 December 2023 would need to be approximately 72 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. Against this backdrop, the Company is well-positioned through its 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 current global conflicts. This is primarily because the Company holds a low-risk portfolio with contracted cash flows, coupled with strong stakeholder collaboration to identify and mitigate any potential adverse effects.

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 2023
Increase by 1% to c. 8.3%	£(77.0) million, i.e. (7.3)%

Decrease by 1% to c. 6.3% £88.3 million, i.e. 8.4%

(i) Based on the weighted average rate of 7.3 per cent.

Inflation has increased in all jurisdictions across BBGI's geographies, and interest rates have risen from historical lows, although in some jurisdictions these trends have reversed over the period. Should long-term interest rates change substantially further, this is likely to further affect discount rates, and as a result, impact portfolio valuation.

Combined sensitivity: inflation, deposit rates and discount rates

It is reasonable to assume that macroeconomic movements would affect discount rates, deposit rates and inflation rates, and not be isolated to one variable. To illustrate the effect of this combined movement on the Company's NAV, two scenarios were created assuming a one percentage point change in the weighted average discount rate, and a one percentage point change in both deposit and inflation rates above the macroeconomic assumptions.

Combined sensitivity: inflation, deposit rates and discount rates	Change in NAV 31 December 2023
Increase by 1%	£(16.3) million, i.e. (1.5)%
Decrease by 1%	£19.9 million, i.e. 1.9%

Inflation sensitivity

The Company's investments are contractually entitled to receive contracted 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 assumptions in the table above:

Inflation sensitivity	Change in NAV 31 December 2023
Inflation +1%	£45.4 million, i.e. 4.3%
Inflation -1%	£(40.9) million, i.e. (3.9)%

Short-term inflation sensitivity

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

Short-term inflation sensitivity	Change in NAV 31 December 2023
Inflation +2% for one year	£11.7 million, i.e. 1.1%

Valuation *continued*

Inflation +2% for three years	£30.7 million, i.e. 2.9%
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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 2023
Increase by 10%	£(30.8) million, i.e. (2.9)%
Decrease by 10%	£31.1 million, i.e. 2.9%

(i) Sensitivity in comparison to the spot foreign exchange rates as at 31 December 2023 and considering the contractual and natural hedges in place, derived by applying a ten 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 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 2023
Deposit rate +1%	£21.0 million, i.e. 2.0%
Deposit rate -1%	£(21.7) million, i.e. (2.1)%

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, will include items such as replacement of asphalt, rehabilitation of surfaces, or replacement of equipment. Lifecycle obligations are generally passed down to the facility maintenance provider, except for transportation investments, where these obligations are typically retained by the Portfolio Company.

Of the 56 investments in the portfolio, 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 2023
Increase by 10%	£(24.9) million, i.e. (2.4)%
Decrease by 10%	£22.8 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 2023
Tax rate +1%	£(12.2) million, i.e. (1.2)%
Tax rate -1%	£12.0 million, i.e. 1.1%

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 in the forecasted debt rate.

Senior debt refinancing sensitivity	Change in NAV 31 December 2023
Debt rate +1%	£(7.9) million, i.e. (0.8)%

Refinancing sensitivity relates to the Northern Territory Secure Facilities, as it is common practice in the Australian infrastructure market to have senior debt durations that are typically between five and seven years. We assume three refinancings for the Northern Territory Secure Facilities, between the fourth quarter of 2025 and the fourth quarter of 2038. Long-term interest rate hedges fully mitigate base rate risk, leaving exposure only to potential changes in margin.

Gross Domestic Product sensitivity

Our portfolio is not sensitive to movements in 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:

The 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 according to terms, 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 rates, enacted regulatory changes, or expected regulatory 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 2023 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 accounting 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 23 £ million	Year ended 31 Dec 22 £ million
Income from Investments at FVPL ⁽ⁱ⁾	44.5	154.0
Other operating income	1.4	0.1
Operating income	45.9	154.1
Administrative expenses	(12.1)	(11.7)
Other operating expenses ⁽ⁱ⁾	(1.1)	(5.3)
Net finance result	(2.5)	(2.0)
Net gain/(loss) on balance sheet hedging ⁽ⁱ⁾	13.4	(12.6)
Profit before tax	43.6	122.5
Tax expense – net	(3.3)	(3.5)
Profit for the year	40.3	119.0
Other comprehensive loss	(0.8)	(0.5)
Total comprehensive income	39.5	118.5
Basic earnings per share (pence)	5.6	16.7

⁽ⁱ⁾ Prior year comparative figures have been reclassified to ensure consistency with the current year's presentation. The realised gain or loss on the settlement of cash flow hedges is presented under Other operating income (expenses), and balance sheet hedging is presented under Net gain/(loss) on balance sheet hedging. The unrealised components on the marked-to-market of the cash flow and balance sheet hedges are included under Income from Investments at FVPL. This reclassification does not change the previously reported profit for the year nor the prior period NAV.

During the year, the Group recognised income from Investments at FVPL of £44.5 million (31 December 2022: £154.0 million). This income comprises the following components:

Investment Basis	Year ended 31 Dec 23 £ million	Year ended 31 Dec 22 £ million
Discount unwinding	75.2	67.8
Change in market discount rate	(41.0)	(28.5)
Value enhancements	18.5	13.8
Change in macroeconomic assumptions	11.4	60.7
Net movement on foreign exchange	(23.3)	37.1
Others	3.7	3.1
Income from investments at FVPL	44.5	154.0

Administrative expenses include personnel expenses, legal and professional fees, and office and administration expenses. For more details, refer to the Group Level Corporate Cost analysis provided on the next page.

Financial Results *continued*

Group Level Corporate Cost Analysis

The table below is prepared on an accrual basis.

	Year ended 31 Dec 23 £ million	Year ended 31 Dec 22 £ million
Personnel expenses	8.0	7.9
Legal and professional fees	2.7	2.6
Office and administration	1.4	1.2
Acquisition-related costs	0.1	0.6
Corporate costs	12.2	12.3

Acquisition-related costs incurred for the year amounted to £0.1 million (31 December 2022: £0.6 million), and include unsuccessful bid costs of £0.1 million (31 December 2022: less than £0.1 million).

Taxes

Taxes for the year ended 31 December 2023 totalled £3.3 million (31 December 2022: £3.5 million). This includes withholding taxes from the countries of origin for certain portfolio distributions received by consolidated entities, the Company's annual subscription tax and both current and deferred taxes of the consolidated subsidiaries.

The Company, being an undertaking for collective investment in Luxembourg, is exempt from corporate income tax and instead incurs a 0.05 per cent annual subscription tax on its total net assets. As a SICAV, it is not liable for capital gains or income taxes. Taxes on all other consolidated subsidiaries adhere to the rates applicable in their respective jurisdictions.

Net finance result

	Year ended 31 Dec 23 £ million	Year ended 31 Dec 22 £ million
Finance costs on loan and borrowings	3.1	2.2
Interest income on bank deposits	(0.6)	(0.2)
Net finance result	2.5	2.0

The net finance result for the year amounted to £2.5 million (31 December 2022: £2.0 million). This figure includes borrowing costs, commitment fees, and other related fees associated with the RCF. As of 31 December 2023, the Group had no outstanding borrowings under the RCF.

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.

	Year ended 31 Dec 23 £ million	Year ended 31 Dec 22 £ million
Ongoing Charges Information		
Ongoing Charges (using AIC recommended methodology)	0.93%	0.87%

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 2023 as a percentage of average NAV were 0.11 per cent (2022: 0.09 per cent). Combined, the aggregate of Ongoing Charges plus investment performance fees was 1.04 per cent in the year (2022: 0.96 per cent).

Financial Results *continued*

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

	Year ended 31 Dec 23 £ million (except %)	Year ended 31 Dec 22 £ million (except %)
Corporate costs to 31 December	12.2	12.3
Less: Non-recurring costs as per AIC guidelines		
Non-recurring professional and external advisory costs		
Non-recurring personnel costs	(0.6)	(0.6)
Acquisition-related advisory costs	(0.5)	(0.8)
Compensation linked to investment performance	(0.1)	(0.6)
Recurring costs per AIC guidelines ⁽ⁱ⁾	9.8	9.3
Divided by:		
Average undiluted Investment Basis NAV for 2023 (average of 31 December 2023: £1,056.6 million and 30 June 2023: £1,056.7 million)	1,056.7	1,069.0
Ongoing Charges percentage⁽ⁱ⁾	0.93%	0.87%

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

Movement in net cash / debt

	Year ended 31 Dec 23 £ million	Year ended 31 Dec 22 £ million
Net cash/(debt) at the beginning of the year	(26.3)	26.9
Distributions from Investments at FVPL ⁽ⁱ⁾	94.5	96.3
Dividends paid	(53.5)	(51.7)
Net cash flows used in operating activities	(19.4)	(20.3)
Additional Investments at FVPL and other assets	–	(64.5)
Realised hedging gain/(loss) on investing activities	13.4	(12.6)
Impact of foreign exchange movements	1.0	(0.4)
Net cash/(debt) at the end of the year	9.7	(26.3)

(i) Distributions from Investment at FVPL are shown gross of withholding tax. The associated withholding tax outflow is included in 'Net cash flows used in operating activities'.

The Group's portfolio of investments continued to perform strongly over the year, with gross distributions ahead of forecast.

During the year, the Company made a total repayment of £71.4 million on the RCF and had no drawdowns outstanding as at 31 December 2023. All drawdowns relating to the previous year's John Hart and the A7 portfolio acquisitions were repaid in full by utilising free cash flow generated by the Group's operations.

Refer to the Consolidated Statement of Cash Flows for further details on cash flows during the year ended 31 December 2023.

Cash dividend cover

For the year ended 31 December 2023, the Group achieved a cash dividend cover ratio of 1.40x (year ended 31 December 2022: 1.47x) calculated as follows:

	31 Dec 2023 £ million (except ratio)	31 Dec 2022 £ million (except ratio)
Distributions from Investments at FVPL	94.5	96.3
Less: Net cash flows used in operating activities	(19.4)	(20.3)
Net distributions	75.1	76.0
Divided by: Cash dividends paid	53.5	51.7
Cash dividend cover (ratio)	1.40x	1.47x

Financial Results *continued*

The strong cash dividend coverage for the year was underpinned by BBGI's contracted, high-quality inflation-linked portfolio cash flows. We are reconfirming our progressive dividend policy and we expect our dividend target for 2024 of 8.40pps to be fully covered.

Pro Forma Balance Sheet

	31 Dec 2023 £ million	31 Dec 2022 £ million
Investment Basis		
Investments at FVPL	1,047.1	1,097.0
Trade and other receivables	0.9	0.9
Other assets and liabilities	(1.1)	(2.4)
Net cash (debt)	9.7	(26.3)
NAV attributable to ordinary shares	1,056.6	1,069.2

Three-year comparative of Investment Basis NAV

	31 Dec 23	31 Dec 22	31 Dec 21
NAV (millions)	1,056.6	1,069.2	1,001.6
NAV per share (pence)	147.8	149.9	140.7

The NAV decreased by 1.2 per cent to £1,056.6 million at 31 December 2023 (31 December 2022: £1,069.2 million), and by 1.4 per cent on an NAV per share basis. The NAV per share is calculated by dividing the 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 2023	31 December 2022
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 2023 assuming dividends declared since IPO in December 2011 have been reinvested.	8.6%	9.1%
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 2023, assuming dividends declared since IPO in December 2011 have been reinvested. Investment performance can be assessed by comparing this figure to the seven per cent to eight per cent TSR target set at IPO.	7.6%	8.8%
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.	1.40x	1.47x
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 7.3 per cent to 7.8 per cent for a one percentage point increase to our inflation assumptions.	0.5%	0.5%
Net cash/(debt)	This amount, when considered in conjunction with the available commitment under the Group's RCF (unutilised RCF amount of £228.9 million as at 31 December 2023), is an indicator of the Group's ability to meet financial commitments, to pay dividends, and to undertake acquisitions.	£9.7 million	£(26.3) 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.	0.93%	0.87%
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.	8.40 for 2024; 8.57 for 2025	7.93 for 2023; 8.40 for 2024; 8.57 for 2025
Ten-year beta	Calculated using the FTSE All-Share, ten-year data representing the ten years preceding 31 December 2023. This performance measure demonstrates the level of volatility of the Company's shares in comparison to the wider equity market.	0.28	0.24
Total Shareholder Return since IPO ('TSR')	The TSR combines share price appreciation and dividends paid since IPO in December 2011 to represent the total return to the shareholder expressed as a percentage. This is based on share price at 31 December 2023 and after adding back dividends paid or declared since IPO.	141.1%	152.6%
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 2023, assuming no future portfolio additions.	19.3	20.2

12 Calculated using the Morningstar methodology.

Reconciliation of Investment Basis to IFRS

Reconciliation of Consolidated Income Statement

	31 December 2023			31 December 2022		
	Investment Basis £ million	Adjust £ million	Consolidated IFRS £ million	Investment Basis £ million	Adjust £ million	Consolidated IFRS £ million
Income from Investments at FVPL ⁽ⁱ⁾	44.5	(5.6)	38.9	154.0	5.5	159.5
Other operating income ⁽ⁱⁱ⁾	1.4	9.2	10.6	0.1	–	0.1
Operating income	45.9	3.6	49.5	154.1	5.5	159.6
Administrative expenses	(12.1)	–	(12.1)	(11.7)	–	(11.7)
Other operating expenses ⁽ⁱⁱ⁾	(1.1)	0.9	(0.2)	(5.3)	(7.5)	(12.8)
Net finance result	(2.5)	–	(2.5)	(2.0)	–	(2.0)
Net gain/(loss) on balance sheet hedging ⁽ⁱⁱ⁾	13.4	(4.5)	8.9	(12.6)	2.0	(10.6)
Profit before tax	43.6	–	43.6	122.5	–	122.5
Tax expense – net	(3.3)	–	(3.3)	(3.5)	–	(3.5)
Profit from continuing operations	40.3	–	40.3	119.0	–	119.0

(i) As outlined above, prior year comparative figures have been reclassified to ensure consistency with the current year's presentation. This reclassification does not change the previously reported profit for the year nor the prior period NAV.

(ii) The adjustment to Other operating income, Other operating expenses and Net gain/(loss) on balance sheet hedging relates to the unrecognised net results from our hedging transactions. While these transactions are presented separately under IFRS, they are partly included as part of Income from Investments at FVPL under Investment basis reporting.

Reconciliation of Consolidated Statement of Financial Position

	31 December 2023			31 December 2022		
	Investment Basis £ million	Adjust ⁽ⁱ⁾ £ million	Consolidated IFRS £ million	Investment Basis £ million	Adjust £ million	Consolidated IFRS £ million
Investments at FVPL	1,047.1	0.1	1,047.2	1,097.0	5.8	1,102.8
Trade and other receivables	0.9	–	0.9	0.9	–	0.9
Other net liabilities	(1.1)	0.1	(1.0)	(2.4)	–	(2.4)
Net cash (debt)	9.7	–	9.7	(26.3)	–	(26.3)
Derivative financial liability - net	–	(0.2)	(0.2)	–	(5.8)	(5.8)
NAV attributable to ordinary shares	1,056.6	–	1,056.6	1,069.2	–	1,069.2

(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 which risks 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 may have; 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 and acceptable.

The following table summarises our material risks but is not an exhaustive list of all the potential risks BBGI faces. 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 reporting process



Risk continued

Market risks

Risk description	Risk description	Risk mitigation
<p>Volatility of discount rates</p>	<p>We use a discounted cash flow methodology to value our portfolio of investments. Higher discount rates 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.</p> <p>Our most important judgement and variable is the discount rate we apply to individual investments in our portfolio. Appropriate discount rates are key to deriving a fair and reasonable portfolio valuation.</p> <p>Changes in market rates of interest (in particular, government bond yields) may impact the discount rates used to value our future projected cash flows, and thus our valuation.</p>	<p>BBGI primarily uses a market-based valuation to determine a base discount rate for steady-state, operational investments in the different jurisdictions in which we operate, and we use our judgement in arriving at the appropriate discount rates.</p> <p>During the review period, government bond yields experienced significant fluctuations. As at 31 December 2023, relevant bond yields had shown a modest reduction on average compared to the year-end figures of 2022. Over the same period transaction activity, whilst still at subdued levels, provided some relevant market data.</p> <p>In this environment, BBGI has continued to complement its market-based approach by utilising the principles of the CAPM approach, where risk-free rates plus a risk premium are employed to calculate discount rates. 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 risk premium serves as a valuable supplementary data point. This method serves as a reasonability check for our market-based approach, particularly in periods such as the last 12 months, where the number of observed transactions in the market was fewer than in previous years.</p> <p>As discount rates, government bond yields, deposit rates, and inflation rates are in principle interlinked - while the individual rates may not move in lockstep - this concept acts as mitigation for a change in discount rates. Changes in discount rates often coincide with shifts in government bond yields, deposit rates and inflation, but are also reflective of overall market sentiment. Higher inflation rates and deposit rates offset, partially at least, increased discount rates in our portfolio valuation and vice versa.</p> <p>A sensitivity analysis to changes in discount rates, and the resulting effect on NAV, is provided in the Valuation section of this Report.</p>
<p>Foreign exchange</p>	<p>A significant proportion of our underlying investments – 67 per cent of the portfolio value at 31 December 2023 - are denominated in currencies other than Sterling.</p> <p>We maintain our financial statements, prepare the portfolio valuation, and pay dividends in Sterling.</p> <p>There is a risk that fluctuations in exchange rates between Sterling and relevant local currencies will potentially adversely affect the value of our underlying investments, distributions and the ultimate rate of return realised by our investors.</p>	<p>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.</p> <p>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 3 per cent for a 10 per cent adverse foreign exchange movement.</p> <p>Euro-denominated fund running costs currently provide a natural hedge against the Euro-denominated portfolio distributions.</p> <p>Furthermore, the ability to draw on the RCF in the currency of the underlying asset distributions provides an additional hedging alternative.</p> <p>BBGI has investments in five currencies other than Sterling, thereby providing some natural diversification among underlying currencies.</p> <p>A sensitivity analysis to the movement in foreign exchange rates, and the resulting effect on NAV, is provided in the valuation section of this Report.</p>

Market risks (<i>continued</i>)		
	Risk description	Risk mitigation
Interest and deposit rates	<p>Our performance may be adversely affected by changes in interest rates. BBGI has a direct exposure to interest rates through borrowings under the RCF, unhedged debt at the Portfolio Company level and cash deposits.</p> <p>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.</p> <p>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.</p>	<p>Our Portfolio Companies have sought to hedge substantially all of their floating rate interest liabilities against changes in underlying interest rates with interest rate swaps. We have no underlying base rate exposure across our portfolio. We have a single asset that carries refinancing risk. However, this risk is confined to the margin, as the base rate for the loan has been fully mitigated for its entire term.</p> <p>At the Group level, we maintain deposits at low levels. At 31 December 2023, the Group had no borrowings outstanding under its RCF.</p> <p>A sensitivity analysis to movement in the senior debt rate, and the resulting effect on NAV, is provided in the Valuation section of this Report.</p>
Inflation	<p>We have observed varying levels of inflationary pressure, and the resulting valuation effects, across the portfolio. Our portfolio's valuation and the ultimate rate of return realised by our investors may be adversely or positively impacted by lower or higher than expected inflation. Prolonged periods of deflation could potentially result in defaults under Portfolio Company loan arrangements.</p> <p>The revenues and expenditures of our Portfolio Companies frequently undergo partial or complete indexation.</p> <p>From a financial modelling perspective, it is typically assumed that inflation will increase at a predetermined rate (which may vary depending on country). The impact on investment returns, if inflation surpasses or falls short of the projections for this rate, typically depends on how each Portfolio Company's costs and revenues are influenced by inflation and the underlying indexation provisions.</p>	<p>A scenario of persistent high inflation across our jurisdictions presents the risk of declining real returns to investors.</p> <p>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.</p> <p>It is also important to note that BBGI's equity cash flows are positively linked to inflation at 0.5 per cent across the BBGI portfolio.</p> <p>A sensitivity analysis to movements in inflation rates, and the resulting effect on NAV, is provided in the Valuation section of this Report.</p> <p>The level of inflation linkage across the investments held varies and is inconsistent. The consequences of higher or lower levels of inflation than assumed by the Company will not be uniform across our investments.</p>

Risk *continued*Market risks (*continued*)

Risk description	Risk mitigation
<p>Changes to tax legislation, treaties, and rates</p>	<p>There continues to be a risk that enacted changes in tax law, tax rates and global tax initiatives, including the OECD's recommendations regarding base erosion and profit shifting or tax treaty eligibility, could adversely affect our cash flows and reduce investors' returns.</p> <p>Certain risks, such as changes to corporation tax rates (including those arising from fiscal constraints), cannot be prevented or mitigated.</p> <p>We value our portfolio of investments based on enacted tax rates. Our management team works closely with our global tax advisers and is briefed periodically on relevant tax developments.</p> <p>In Canada, the legislation for Excessive Interest and Financing Expenses Limitation ('EIFEL') rules, which 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, is now in its final stage, and is scheduled to take effect from 1 January 2024. The latest draft legislation does not currently provide for the grandfathering of existing related party debt, a matter for which the PPP industry representative body continues to lobby. In light of these developments, and with the draft bill likely to be enacted in its present form, BBGI recorded an additional provision of approximately GBP 16.3 million in December 2023.</p> <p>In addition to these specific legislative changes in Canada, it is important to recognise that certain risks, such as changes in corporation tax rates, are beyond our control and cannot be effectively mitigated. However, BBGI's approach of maintaining a globally diversified portfolio of assets is instrumental in reducing the tax concentration risk associated with any single country. This diversification forms a crucial part of our strategy in managing the overall risk exposure of our investment portfolio.</p> <p>A sensitivity analysis to movements in corporate tax rates, and the resulting effect on NAV, is provided in the Valuation section of this Report.</p>

Market risks (*continued*)

Risk description	Risk mitigation
<p>Lifecycle or operational cost risk</p> <p>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.</p> <p>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 forecasted.</p> <p>Additionally, a potential risk arises if there is a disparity in the interpretation of hand-back obligations at the end of the concession period, when the Portfolio Company transfers control and management of the project back to the public sector. This could lead to a budgetary overrun in lifecycle or operational costs.</p> <p>There is also the general risk that other operational costs may be higher than budgeted. This typically relates to insurance costs and management service contracts or where Portfolio Company management teams are responsible for operational service delivery.</p>	<p>Of the 56 assets in the BBGI portfolio, 20 Portfolio Companies retain the lifecycle obligations and hand-back obligations at the end of the concession period and two of those Portfolio Companies self-deliver the operations. The remaining 36 assets have these lifecycle and hand-back obligations passed down to the subcontractor.</p> <p>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. Operation & maintenance activities are tailored to the ongoing needs of the asset and with a view to performing in line with contractual hand-back requirements. A robust review process is put in place and in many cases reviewed by the Lenders technical advisor to ensure that sufficient hand-back funds are available to meet pre-defined contractual requirements. Less than 1% of the BBGI Portfolio is subject to hand-back in the next five years. The concessions for two of the Company's UK accommodation assets will expire in January 2026 and August 2027 respectively. Preparations for their hand-back are underway and following the Infrastructure and Projects Authority UK's guidelines, collaborative working groups have been established, comprising representatives from the public sector, the subcontractors, and the Portfolio Companies, involved in the projects.</p> <p>Additionally, as part of acquisition due diligence, we review budgeted costs and assess their adequacy.</p> <p>A sensitivity analysis to movements in lifecycle costs is provided in the Valuation section of this Report.</p> <p>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.</p>

Risk continued

Counterparty risks

Risk description	Risk mitigation
<p>Failure of subcontractor performance or credit risk (construction contractors, facility managers, operations and maintenance contractors)</p>	<p>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.</p> <p>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.</p>
	<p>Regarding assets under construction, which currently do not feature in our portfolio, we implement several mitigants and steps to effectively manage this risk:</p> <ul style="list-style-type: none"> – 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 on 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 and/or performance bonding. <p>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:</p> <ul style="list-style-type: none"> – periodic benchmarking of defined soft facility services on some investments; – a diversified group of subcontractors, with no substantial concentration risk; and – ongoing subcontractor monitoring for our investments, as well as contingency plans as appropriate, to ensure we mitigate the risk of counterparty failure.

Liquidity risks

Risk description	Risk mitigation
<p>Access to capital</p> <p>Prolonged disruptions in the equity markets could hinder our ability to raise new capital. Such market disruptions may potentially limit our capacity for growth and our ability to repay any future debt that might be incurred under our RCF.</p> <p>We will continue to be disciplined in our approach to capital allocation and will only consider investment opportunities when they are clearly value accretive. Although we have maintained an RCF since July 2012 and have refinanced it subsequently, there is no absolute certainty that this facility will always be available to us in the future. Additionally, the ability to issue further shares in the market cannot be guaranteed.</p>	<p>As of 31 December 2023, there were no outstanding drawings under the RCF and the Company has no investment transaction commitments outstanding. The Company has adequate access to capital with a net cash position of GBP 9.7 million and with GBP 229 million available for drawing under the RCF as required.</p> <p>Our RCF expires in May 2026. We can seek to refinance the RCF to extend its maturity and reduce a near-term requirement to repay any potential (future) drawings, though we do not intend to be drawn for substantial periods of time.</p> <p>The Board and our Company's brokers regularly assess market sentiment. The Company can also consider, as part of an effective portfolio construction strategy, the sale of one or more investments to fund potential future acquisitions.</p>

Liquidity risks (*continued*)

Premium or discount to NAV

The risk of share price volatility, or trading at a discount to NAV, leading to lower returns to existing shareholders.

To assist BBGI in addressing any temporary or permanent share price to NAV discount, as experienced during the year ended 31 December 2023, we employ a strategic capital allocation policy. This policy includes the option for the Company to purchase up to 14.99 per cent of its ordinary shares in the market annually. In the past year, our primary focus was on repaying all drawings under the RCF with free cash flows generated from our portfolio of investments. The Management Board, Supervisory Board, and our brokers consistently review the options available to the Company to ensure the effective execution of our capital allocation policy.

We offer a continuation vote to shareholders every two years; the next will be proposed at our Annual General Meeting on 30 April 2025.

Operational risks

	Risk description	Risk mitigation
Poor investment due diligence	<p>There is a risk that errors may be made in the assumptions, calculations, or methodology applied during an acquisition due diligence process.</p> <p>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.</p>	<p>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. Internal expertise is complemented with external advice on a case-by-case basis.</p>
Valuation	<p>The most significant risk of material misstatement in our financial statements applies to the fair valuation of the investment portfolio and in particular the discount rates used and key assumptions applied when valuing these investments.</p> <p>There is a risk that errors may be made in the assumptions, calculations or methodology used in a periodic valuation process.</p> <p>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.</p>	<p>Our portfolio valuation is prepared semi-annually by an experienced internal team, overseen by our Management Board.</p> <p>Furthermore, the valuation is reviewed by an independent, third-party valuation expert, and is also reviewed and audited by the Company's External Auditor.</p> <p>Financial models are typically reviewed or audited by external advisers.</p> <p>All key assumptions used in the valuation process are outlined in the Valuation section of this Report, some of which are subject to sensitivity testing.</p> <p>Although key assumptions in the valuation are subject to sensitivity testing, this has its limitations: it cannot provide a comprehensive assessment of every risk we face and should be considered accordingly.</p>

Risk *continued*Operational risks (*continued*)

	Risk description	Risk mitigation
Construction defects	The risk of certain operational costs in relation to construction defects lies with the Portfolio Company.	<p>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.</p> <p>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 falls to the Portfolio Company itself, and thus becomes 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.</p>
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.	<p>The Management Board seeks regular briefings from its legal and tax advisers to stay abreast of impending or possible changes in law.</p> <p>Change in law provisions are included in some contracts, thus providing further mitigation.</p> <p>BBGI has a globally diversified portfolio of assets, thereby reducing the Group's exposure to changes in any single country.</p> <p>A robust internal control framework, including Compliance, Risk Management and Internal Audit functions, is in place and operating effectively, under the supervision of the Management Board.</p>
Succession planning	Inadequate succession planning can, if not effectively mitigated, pose a significant risk to an organisation's long-term stability and growth. The absence of robust succession strategies could potentially disrupt key leadership transitions, impacting the ability to ensure seamless operations and strategic continuity.	<p>Succession planning: Proactive succession plans are in place to contribute to smooth transitions and continuity in leadership roles. By regularly reviewing and assessing the talent within the Company, the Board can identify and develop pathways for key individuals and also identify areas where there may be over reliance on a single individual.</p> <p>Contractual notice periods: Adequate notice periods are in place for each of the Management Board members.</p> <p>Competitive compensation packages: The Company offers benchmarked compensation packages to attract and retain top talent.</p> <p>Deferred remuneration: The Company has implemented a deferred remuneration strategy ensuring that Management Board and key individuals have a vested interest in the long-term success and stability of the Company.</p>

Operational risks (continued)		
	Risk description	Risk mitigation
Failing IT systems or cyber-attacks	<p>A breach of data security could occur by accident or because 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.</p> <p>A cyber-attack could affect not only BBGI's reputation, but could also have legal, financial, and operational repercussions for the Group.</p>	<p>BBGI has taken several measures to reduce the risk of a cyber-attack.</p> <p>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. By doing so we benefit from scale. This approach would be less cost-effective if our IT infrastructure was maintained onsite.</p> <p>Each year, we engage an external expert to carry out an intrusion test on our IT platform to identify and, if required, patch any identified vulnerabilities.</p> <p>We perform business continuity tests, carry out disaster recovery tests every year, and our employees periodically undergo cyber-security training.</p> <p>In a typical PPP structure, public sector clients have their own IT systems. However, most 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.</p> <p>Consistent with a typical PPP structure, as seen in BBGI's portfolio, risks are typically transferred to subcontractors by the Portfolio Company.</p> <p>However, any liability of a third party 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 an asset.</p>
Corporate strategy	<p>The chosen strategy may not align with organisational goals or market dynamics, potentially leading to ineffective outcomes.</p>	<p>BBGI has taken several measures to reduce this risk: (i) Regular strategy reviews: We schedule periodic reviews of the strategy to ensure alignment with Company objectives and market dynamics, (ii) Stakeholder feedback: We periodically engage with key stakeholders including shareholders to gather feedback and insights on the strategy's effectiveness, and (iii) Market analysis: We conduct regular market and competitive reviews to ensure the strategy remains relevant in the environment in which we operate.</p>

Risk *continued*Operational risks (*continued*)

Risk description	Risk mitigation
<p>Voluntary termination</p> <p>There remains a risk that public sector clients of our Portfolio Companies choose to exercise their right to voluntarily terminate the contracts.</p> <p>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.</p> <p>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 than current valuation levels, we could suffer a material loss.</p>	<p>The Management Board believes there are mitigants or deterrents to the risk of voluntary termination of contracts:</p> <ul style="list-style-type: none"> – Delivering high levels of asset performance, as demonstrated across the BBGI portfolio, and ensuring open and direct interaction with clients, are key levers to demonstrate the value provided by the Portfolio Companies under the existing contractual framework. – 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. Conversely, the cost of unwinding Project Agreements and repaying senior debt in a rising interest rate environment could also prove a mitigant to early termination. – Our Portfolio Company equity investors would, depending on the contractual provisions, also need to be compensated, as well as the public sector being required to budget for the ongoing provision of the service.

Sustainability risks

Risk description	Risk mitigation
<p>Sustainability risk</p> <p>Sustainability risk, as defined in the Company’s ESG and Sustainability Risk Policy, and as specified in Article 2(22) of SFDR, means 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.</p> <p>Sustainability risks include environmental risks such as climate risks. These encompass both physical disruptions due to factors such as extreme weather and transition challenges in adapting to low-carbon technologies. Other environmental risks include biodiversity risks related to ecosystem disruption. Sustainability risks also include; social risks arising from labour practices, occupational health and safety, or human rights violations; and governance risks involving legal, financial, and reputational issues due to inadequate corporate governance.</p> <p>The potential impact of sustainability risk to BBGI could materialise, for instance, as the risk of material damage to an asset in the portfolio, poor performance of an asset, disruption of operations and maintenance works, un-insurability or difficulty in adequately insuring an asset, the risk of an asset being unavailable, the risk of stranded assets, increased lifecycle costs, repricing/value depreciation, risk of early termination, as well as regulation, litigation, and reputational risks.</p>	<p>Sustainability risk assessment is integrated into our decision-making process, and sustainability risks are monitored during the due diligence phase and throughout the holding period of investments. These risks are primarily assessed, monitored, and managed at the investment level. Factors influencing our sustainability risk assessment include the investment sector and the location. For each type of sustainability risk, the materiality of potential financial harm to the Company (outside-in), as well as the potential likelihood and severity of damages caused by investments (inside-out) are assessed.</p> <ul style="list-style-type: none"> – Our focused approach of investing in social infrastructure assets that serve society should limit sustainability risks linked to a social event or condition. – BBGI’s exclusion policy, developed to mitigate a variety of sustainability risks, avoiding certain types of activities that could cause significant harm to society and/or the environment. – BBGI monitors Portfolio Companies’ sustainability practices by implementing various policies relating to sustainability risks across all investments. While we recommend those standard policies at all Portfolio Companies, it is not always possible to achieve 100 per cent adoption when we have co-shareholders. – BBGI collects data at the level of our Portfolio Companies through its ESG monitoring questionnaire, to calculate all SFDR Principal Adverse Impact (‘PAI’) indicators. PAI are the most significant negative impacts of our investment decisions on sustainability factors related to environmental, social and governance issues. – For climate-risk specifically, BBGI implements a formal assessment to understand the impact of physical climate risks for its entire portfolio. This assessment quantifies the physical impact severity of each investment under multiple climate scenarios and time periods. The screening of physical climate-related risks is embedded in the due diligence process.

Environment, Social and Governance

2023 Update

As BBGI's ESG and Sustainability Director, I am proud to reflect on a year of progress in our commitments to sustainability. A standalone ESG Report, providing more details on activities undertaken in 2023 will be published later in 2024 and made available on our website.

BBGI's ESG Committee (the Committee) is responsible for oversight of the Group's ESG activities and comprises each of the members of the Management Board, the Company Secretary, and the Director of ESG and Sustainability. The Committee functioned throughout 2023 in accordance with its defined Terms of Reference, which are available on our website.

Investing responsibly

Investing and focusing our business model through an environmental, social and governance lens improves our operational performance and contributes towards new investment opportunities, reduced risk, employee retention and better long-term value. A disciplined approach to ESG is fundamental not only to deliver positive returns and facilitate access to essential infrastructure, but also to ensure the long-term durability of the portfolio of infrastructure assets we maintain on behalf of the public sector.

Continuous improvements in our ESG approach

We are continuously improving our approach to sustainability. In 2023, we developed our tools and systems for measurement and reporting. We now have a complete overview of our 56 Portfolio Companies' emissions profiles, expanding our proprietary ESG database with greenhouse gas ('GHG') emissions data, which will facilitate developing decarbonisation plans across the portfolio. We have used this detail to feed into our first SFDR Principal Adverse Impact Statement, and to respond to the first step of our commitment to the Net Zero Asset Managers initiative: a GHG inventory covering 100 per cent of our portfolio.

Collaborating and working with others

We recognise that by working with others we can identify opportunities to improve our sustainability practices and desired outcomes. In 2023, we reinforced our collaboration with peers and industry bodies to align with relevant developments and to shape an industry response to emerging sustainability and energy transition requirements. We have:

- joined the UK IPA Net Zero Working Group, which aims to establish a net zero strategy

- for PPP investments in the UK;
- engaged with the Institutional Investors Group on Climate Change ('IIGCC') for guidance on setting our net zero targets as an infrastructure investor and our net zero targets were reviewed and validated;
- engaged with the Partnership for Carbon Accounting Financials ('PCAF') Secretariat to understand better how to apply the attribution methodology to our infrastructure portfolio; and
- provided feedback to the EU Commission's consultation on Sustainable Finance Disclosure Regulation (SFDR).

Testament to our commitments to transparency is our alignment with global standards. We incorporate the SFDR, UN Principles for Responsible Investment ('PRI'), UN Global Compact, the Net Zero Asset Managers initiative ('NZAM'), and the Task Force on Climate-related Financial Disclosures ('TCFD'), and are proud of the high scores that we obtain from third-party ESG ratings, including UN PRI and Institutional Shareholder Services ('ISS').

Outlook

Our regulatory and disclosure requirements will increase together with our stakeholders' expectations. We continue to enhance our disclosures to align with upcoming regulatory standards, while engaging with our investors and ensuring ESG compliance. We will also continue to evaluate our portfolio's impact materiality for our stakeholders, and the financial materiality of sustainability risks and opportunities to BBGI. Our biggest challenges will be the decarbonisation of our portfolio and

increasing diversity in our Portfolio Company boards, which will require our ongoing focus. We have opted to disclose an overview of our ESG strategy and outcomes in this Annual Report, but we invite you to read our more comprehensive ESG Report to find out more about our activities and future ambitions.

Cécilia Vernhes
ESG/Sustainability Director
 on behalf of the ESG Committee



External Ratings



UN PRI Assessment 2023:
 Policy Governance and Strategy: ★★★★★
 Direct Infrastructure: ★★★★★
 Confidence Building Measures: ★★★★★☆



ISS E&S Disclosure Quality Score 2023:¹³
 Environment (Decile Rank: 3) | Social (Decile Rank: 2)
ISS Corporate ESG Rating 2022: Prime B- (Decile Rank: 1)



Sustainalytics ESG Risk Rating 2021:
 Strong ESG performance with a risk rating of Negligible (8.3)¹⁴



Staffordshire Fire and Rescue, UK

13 ISS Environment & Social Disclosure Quality Score is based on company disclosure and transparency practices. It ranges from 1 (highest quality disclosure) to 10 (lowest quality disclosures).
 14 Sustainalytics' ESG Risk Ratings, range from 0 to 100, with lower scores indicating lower levels of ESG risk.

ESG Commitments and Progress

Environmental commitment: Managing and mitigating impact Focus

- Ensuring our investments are resilient to climate hazards today and under future climate warming scenarios.
- Reducing the carbon intensity of our portfolio and absolute emissions from our direct operations. Target: by 2030, 70 per cent of Portfolio Companies (by value) will have a long-term goal to be net zero by 2050 or sooner.
- Monitor portfolio companies' biodiversity practices.

Key achievements in 2023

- Quantified Portfolio Companies GHG emissions for the first time, in line with GHG Protocol and PCAF Guidance.
- Supported asset-level decarbonisation initiatives.

Outlook for 2024

- Use our influence to implement net zero plans where we exercise significant influence.
- Engage with subcontractors to better understand where opportunities exist to upgrade existing equipment.
- Consider potential acquisitions that support the transition towards a lower-carbon economy.
- Continue to oversee the biodiversity practices of our portfolio companies

Social commitment: Making an essential social contribution Focus

- Fund the infrastructure needed to deliver essential services for healthier, safer and more connected societies.
- Align each of our investments with at least one of six Sustainable Development Goals ('SDGs') where we intend to make the greatest contribution.
- Guarantee fair employment practices, skills development and health and safety standards at all levels of our business.
- Address human rights and modern slavery risk at all levels of our business.
- Support initiatives that benefit the communities living near to our assets.

Key achievements in 2023

- 100 per cent of our portfolio aligns with our six core SDGs, demonstrating the strong social contribution of our portfolio.
- Maintaining 60 per cent female board representation with at least one ethnic minority Board Director and female leaders for both Supervisory Board and Audit Committee.
- ESG annual training programme focused on Human Rights for all employees.
- Portfolio Companies donated over £100,000 to local charities, and offered various employees volunteering.
- BBGI donated £10,000 as matching donations for our employees' personal donations, fundraising or volunteering.

Outlook for 2024

- Improve the gender representation of our Directors at Portfolio Company boards.
- Enhance our oversight of material ESG risks and sustainable practices across our supply chains.

Governance commitment: Integrity and transparency Focus

- Operate with integrity and transparency at all levels of our business.
- Continue to integrate sustainability risks and opportunities in our strategy and decision-making.
- Tie executive remuneration (Short Term Incentive Plan ('STIP') and Long Term Incentive Plan ('LTIP')) to ESG targets. 10 per cent of LTIP is subject to reducing corporate emissions and a further 10 per cent is subject to progress in the implementation of net zero plans.
- Enhance sustainability reporting, in line with evolving regulations and stakeholders' expectations.

Key achievements in 2023

- Published our first Principal Adverse Impact Statement under SFDR.
- Zero corruption incidents, fines, or penalties across our operations or at portfolio level.
- UN PRI Assessment 2023: Policy Governance and Strategy: ★★★★★, Direct Infrastructure: ★★★★★, Confidence Building Measures: ★★★★★☆
- ISS E&S Disclosure Quality Score 2023: Environment (Decile Rank: 3) | Social (Decile Rank: 2).

Outlook for 2024

- Continuous oversight of our remuneration structure by the Remuneration Committee.
- Maintain our focus on data quality and explore external assurance of ESG data.



Case study

Haileybury Youth Centre, Tower Hamlets, London

Increasing access for young people and underrepresented groups

The Poplar Baths affordable housing and recreation centres development project included the Haileybury Youth Centre, which ran several sessions for local youth groups. However, the building wasn't being fully used due to budget constraints. As part of our supporting initiatives that benefit communities living near to our assets, BBGI, through the Portfolio Company, committed to help fund the centre for four years.






By donating £20,000 each year, we are enabling Haileybury Youth Centre to increase its range of sessions, engage more effectively with local young people and reach out to underrepresented groups. During 2023, Haileybury Youth Centre reached around 200 more young people with over 350 hours of additional contact each week as a result of this additional funding.

Responsible Investment Approach

Contribution to Sustainable Development Goals

Our investment strategy seeks to provide access to essential social infrastructure by our investments and future acquisitions. The SDGs are used to assess, measure and monitor our approach and ensure that we keep investing beyond mere alignment and make a positive contribution to social and environmental outcomes. Each investment is aligned with at least one of six SDGs where we intend to make the greatest contribution.

Facilitate essential services for society

	Target 3: Good health and well-being	23%	<ul style="list-style-type: none"> – 600,000 m² of healthcare facilities managed providing healthcare delivery for >4 million patients – 33,000 m² of fire stations managed providing protection against fire-related injuries for >800,000 people
	Target 4: Quality education	9%	<ul style="list-style-type: none"> – 430,000 m² of schools and colleges managed providing access to education for >36,000 pupils
	Target 9: Industry, innovation and infrastructure	53%	<ul style="list-style-type: none"> – 2,800 single-lane km of roadways operated providing reliable transport and reducing travel times for >290 million vehicles – 132 MW installed hydroelectric power station supporting access to clean and reliable electricity for >80,000 homes
	Target 11: Sustainable cities and communities	5%	<ul style="list-style-type: none"> – 39 km of fully electric urban rail providing safe and sustainable public transport for >32 million passengers – 17,000 m² of residential housing units, completed by a sport and a leisure centre, supporting the access to affordable housing for 200 people
	Target 16: Peace, justice and strong institutions	10%	<ul style="list-style-type: none"> – 16,000 m² of police stations managed providing safety for >1.5 million people – 190,000 m² of modern correctional facilities managed providing safety and applying the rule of law for 3,200 detainees – 37,000 m² of public administration buildings providing access to public services for >500,000 people

Managing and mitigating impacts

	Target 13: Climate action	100%	<ul style="list-style-type: none"> – 100 per cent of our assets are screened for resilience to climate hazards demonstrating a high degree of climate resilience
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Environmental, Social and Governance *continued*

ESG Governance

We believe that high-quality governance brings accountability and is essential to achieving positive outcomes for our investors, society and the environment. Our Management and Supervisory Boards have endorsed and adopted the main principles of good corporate governance outlined in the AIC Code of Corporate Governance ('AIC Code').

The Management Board works in close collaboration with the ESG Committee. We achieve the successful integration of material ESG considerations throughout every phase of the investment lifecycle by ensuring close coordination across essential functions like Asset Management, Valuation, Business Development, Compliance, Risk and Investor Relations.

Applying ESG frameworks Sustainable Development Goals

The SDGs inform our entire ESG and social outcomes management process, impacting every investment and operational decision we make.

ESG & Sustainability Risk Policy

We have implemented a robust framework for ESG integration, sustainability-risk screenings and impacts assessment across all aspects of the investment cycle, from initial screening through to end-of-investment life.

[Read more: ESG & Sustainability Risk policy](#)

Sustainable Finance Disclosures Regulation (SFDR)

We have an SFDR Article 8 classification, which means we focus on sustainable investments with a social objective. We screen our investments to avoid doing significant harm to other aspects of sustainability, and follow good governance practices.

The periodic disclosure for SFDR specifically addresses our 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.

BBGI's SFDR Periodic disclosure for 1 January 2023 to 31 December 2023 is at <https://www.bb-gi.com/sfdr-periodic-disclosure-2023/>

[Read more: SFDR PAI Statement](#)

Case study

Workplace giving programme

Giving back to our colleagues where it matters

Supporting our communities and our people are core values. Last year, we launched a new giving programme to connect social impact with those who we are most closely connected to: our colleagues. We match our employees' financial donations, fundraising or volunteering time with a contribution to the same project.

In 2023, c. 40 per cent of BBGI employees volunteered, raised funds and donated over £6,000 to 27 causes all over the world. We

contributed more than £10,000 to charities including Red Cross, KannerJugendtelefon, Young Lives vs. Cancer, Rote Nasen, L'Île aux Clowns, World Food Programme, WWF, Médecins sans Frontières, World Vision Development and UNICEF, to help causes including children's education in developing countries; cancer research; and helping refugees integrate through sports.

Some of our employees even got together to join a sponsored run in Luxembourg. Together with their families, they raised £4,200 for paediatric cancer research (Kriibskrank Kanner Fondatioun), with a further £1,900 donated by BBGI through the workplace giving programme.

Case study

Medicine Wheel Garden, Women's College Hospital, Toronto

A space for healing, celebration and tranquillity

Toronto has the largest urban Indigenous population in Ontario. In 2020, the city's Women's College Hospital opened its Centre for Wise Practices in Indigenous Health to support a wellness system that acknowledges and respects Indigenous people, providing meaningful, culturally safe care, which is free of racism and discrimination.

Following a request from the Centre, BBGI funded £4,000 through the Portfolio Company, and facilitated the construction of a

rooftop Medicine Wheel Garden. In Native American culture, the Medicine Wheel is a symbol of the circle of life. The Garden is a place to harvest native, medicinal plants and to be enjoyed by the Indigenous community.

Christine Monague, Indigenous Peer Support and Relations Advocate, explains the benefits of the Garden: "When First Nations, Inuit or Métis patients come to Women's College Hospital for testing, treatments or procedures, we will have a viable means to offer them comforts for preparation, prayer, purification and spiritual healing by maintaining our crop of medicinal instruments at the Medicine Wheel Garden."

Sustainability Disclosure Regulation (SDR)

As BBGI is considered a non-UK investment company, it does not fall within the scope of the Sustainability Disclosure Regulation ('SDR'), and the Company is therefore currently not required to publish SDR disclosures, nor can it align to the SDR investment labels regime.

Materiality

We consider a broad range of ESG factors when we assess the sustainability of our investments. To identify the most material sustainability factors to include in our due diligence, risk assessment and monitoring, we draw from the latest regulatory requirements, ESG frameworks and industry best practices, like the Principal Adverse Impacts set out in SFDR, as well as third-party tools such as the GRI Standards, SASB Materiality Finder or the GRESB Infrastructure materiality tool.

Task Force on Climate-Related Financial Disclosures (TCFD)

The Management Board recognises the importance of the TCFD and its related disclosures and has voluntarily decided to report against the TCFD recommendations (refer to the section Climate disclosures and the detailed reporting included in our [ESG Report](#)).

Net Zero Asset Managers initiative (NZAM)

We are signatories to the NZAM initiative and have set our Financed Emissions reduction targets and Engagement targets in line with the Paris-Aligned Investment Initiative Net Zero Investment Framework ('NZIF') and the specific IIGCC guidance for the infrastructure sector, following a 1.5°C reduction pathway.

Institutional Investors Group on Climate Change (IIGCC)

Our net zero targets across our portfolio were validated and approved by the IIGCC in March 2023.

Partnership for Carbon Accounting Financials (PCAF)

Our Financed Emissions have been quantified in accordance with the Partnership for Carbon Accounting Financials ('PCAF') Financed Emissions Standard.

Stakeholder Engagement

Commitment: Embracing partnership and engagement

As stewards of important social infrastructure investments, many stakeholders are impacted by our actions: users of the infrastructure; communities living next to our assets; our employees; investors; public sector clients; subcontractors; the environment; and society at large.

Focus

- Quality services and positive relations with our public sector clients.
- Contribute to the development of industry best practices.

Key achievements in 2023

- Net Promoter Score: Strong NPS of 56¹⁵, which is in the top quartile of the achievable range.
- During wildfires and flooding in Canada and the UK, BBGI's local teams were in close contact with our clients, maintenance and operations contractors to support teams on-site and to ensure assets available for users or rescue services.
- Joined the UK Infrastructure and Projects Authority's ('IPA') Net Zero Working Group.

Outlook for 2024

- Leverage on relationships with local governments to implement decarbonisation initiatives across our investments.
- Continue to participate in industry groups to keep us informed of industry trends.
- Engage with industry practitioners and share learnings on best practices.

Section 172

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) of the UK Companies Act 2006 (the 'CA2006') for boards to take stakeholder interests into account and to report how they have done so when performing their duties. We have previously utilised Investor Meet Company for our results presentations and have retained their services for our 2023 Annual Results. We will continue to do so in the future as we actively seek to increase our engagement with retail investors. The AIC Code reflects the main principles set out in the UK Code on Corporate Governance and associated disclosure requirements of the Listing Rules, as they apply to investment companies, including internally managed investment companies.

Detailed insights into how we embody the spirit of those Section 172 provisions, consider our key stakeholders, and uphold our commitment to generating positive and sustainable outcomes for all stakeholders are outlined to the right, highlighting specific actions in 2023.

Key stakeholders



Our people

Our people are the driving force behind what we do. They are well positioned to bring their expertise to our clients, subcontractors and partners and deliver the results expected by our investors.



Communities

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 and the satisfaction of our public sector clients.



Investors

Our investors provide capital, feedback on our business model, and help to shape our future plans.



Supply chain

Our supply chain is made of long-term partnerships that are critical to ensure that we can do business and provide our public sector clients with operational and available assets.



Our public sector clients

Satisfied public sector clients are critical to our business model.

¹⁵ Net Promoter Score ('NPS') is a widely used metric measuring the likelihood of customers recommending a company's product or service to others. The score can range from -100 to +100, with a higher NPS indicating a higher level of customer loyalty and satisfaction. BBGI derives its NPS from an annual client engagement survey.

Stakeholder Engagement *continued*

Focus area of our engagement	Types of engagement and metrics used to monitor and assess relationships	Considerations in the Board decision-making process
<p>Our relatively flat hierarchy empowers our talented people to deliver our purpose. We promote an inclusive work environment where all people are treated equally and are supported to achieve their potential. We regularly engage with our teams and seek feedback through a range of communications channels.</p>	<ul style="list-style-type: none"> – 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 	<p>Feedback from individual assessments is regularly discussed by the Management Board</p> <p>Two of our people are elected as representative staff delegates. They act as a liaison and mediator between employees in Luxembourg (our headquarters, where most BBGI employees are based) and the Management Board, on any individual or collective grievances with our employment practices.</p>
<p>By maintaining high-quality and resilient social infrastructure assets, we facilitate access to essential services for everyone.</p> <p>We support initiatives that benefit the communities living near our assets.</p>	<ul style="list-style-type: none"> – Client satisfaction discussed at corporate and Portfolio Companies' level – Partnership, sponsorship and donations – Community initiatives 	<p>BBGI donated more than £10,000 to charities supported by our employees through the first year of our workplace giving programme.</p> <p>Our Portfolio Companies donated over £100,000 to local charities.</p>
<p>Our goal is to generate long-term, predictable and inflation-linked returns for our investors. We measure our progress against key KPIs.</p>	<ul style="list-style-type: none"> – Investor relations activities, including meetings, webinars, roadshows and direct discussions – Close interactions and feedback with our Corporate Brokers – Annual General Meeting – Annual Report and Interim Report – ESG Report – Website 	<p>We engaged with selected ESG ratings providers to ensure shareholders have accurate and up-to-date insights into BBGI's ESG credentials.</p> <p>The Board continually keeps 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.</p> <p>Investor roadshows provide the CEO with an opportunity to speak directly to our investors, including discussions on ESG initiatives, to understand better their expectations.</p>
<p>We monitor our contractors to ensure that they conduct their business according to the high standards of performance, ethics and integrity that we expect.</p> <p>Our Portfolio Companies collaborate with the maintenance and operations contractors for each of our assets. They strive to develop mutually beneficial long-term relationships and react to any possible event.</p>	<ul style="list-style-type: none"> – Contractor monitoring – ESG onboarding – Annual ESG KPI survey – Ongoing ESG engagement topics and joint initiatives – Responsible contractor policy 	<p>We selected key contractors to assist us in designing the GHG data collection framework for our portfolio emissions inventory and reporting.</p>
<p>We aim to build trust by delivering well-maintained and safe social infrastructure facilities and services for our public sector clients.</p>	<ul style="list-style-type: none"> – Regular client meetings – Service quality feedback – Ongoing reporting – Net Promoter Score survey – Sharing results of our climate risk monitoring and GHG inventories 	<p>Meetings with our clients drive our asset management approach and feed directly into our decision-making process. Lessons learned from one asset are adapted and applied across the portfolio.</p> <p>BBGI joined the UK IPA Net Zero Working Group in 2023, aimed at establishing a net zero strategy for PPP investments in the UK.</p> <p>We share the GHG data collected from our investments and share experiences from our own portfolio</p>

Climate Disclosures

Corporate Emissions

Scope	2019	2022	2023
	tonnes CO ₂ e	tonnes CO ₂ e	tonnes CO ₂ e
Scope 1	12	10	10
Scope 2 (location-based)	4	5	4
Scope 2 (market-based)	5	7	10
Scope 3	264	226	199
Total GHG emissions (location-based)	280	241	213
Total GHG emissions (market-based)	281	243	219
GHG intensity (market-based)	11 tCO ₂ e/employee	9 tCO ₂ e/employee	8 tCO ₂ e/employee
	0.3 tCO ₂ e/£m invested	0.2 tCO ₂ e/£m invested	0.2 tCO ₂ e/£m invested

Financed Emissions

Attributable GHG emissions		2022	2023
All operational assets	Scope 1	5,806 tCO ₂ e	The data collection being in progress, we will report on our 2023 Financed Emissions in our 2023 ESG Report.
	Scope 2	10,997 tCO ₂ e	
	Scope 3	7,513 tCO ₂ e	
Total GHG emissions from operational assets		24,316 tCO ₂ e	
Assets under construction or major expansion	Scope 3	30,583 tCO ₂ e	
Total GHG emissions		54,899 tCO₂e	
Avoided GHG emissions		404,192 tCO₂e	
Carbon footprint		60 tCO₂e/£m invested	
GHG intensity		40 tCO₂e/£m revenue	

Application of PCAF Financed Emissions framework, as reported in our SFDR Principal Adverse Impact Statement:

- **Data coverage:** GHG emissions are reported for the entire portfolio.
- **Methodologies used:** BBGI has quantified Scope 1, Scope 2 and material Scope 3 GHG emissions from its portfolio ('Financed Emissions') in accordance with GHG Protocol¹⁶ and PCAF guidance¹⁷.
- **Attribution factor:** In accordance with the PCAF guidance, BBGI calculated its attributed emissions based on the proportional share of equity and subordinated debt held in the Portfolio Companies. GHG emissions reported the Scope 1, Scope 2 and material Scope 3 emissions of BBGI's investments, apportioned using an attribution factor.

Formulas for Total GHG emissions:

Total GHG emissions (tCO ₂ e) =	\sum	Current value of investment Investee company's enterprise value	x	Investee company's Scope 1, 2 and 3 GHG emissions
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Which applying the PCAF guidance translates into the following application for the Company:

Total attributable GHG emissions (tCO ₂ e) =	\sum	Outstanding investment (Equity + Debt)	x	Portfolio Company's Scope 1, 2 and 3 GHG emissions
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where:

Outstanding investment	BBGI's equity and subordinated debt in the investment
Investee company's enterprise value	Portfolio Company's Equity plus Debt
Equity	Total equity and subordinated debt of the investment excluding the impact of hedging reserves
Debt	Total external debt of the investment

¹⁶ Greenhouse Gas Protocol Corporate Standard (2004), Revised Edition ('GHG Protocol').

¹⁷ Partnership for Carbon Accounting Financials ('PCAF') standard for Financed Emissions: PCAF (2022), The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.

Case study

Ohio River Bridges, Indiana, US

Advantages of electric vehicles for highway patrols

Highway operations and maintenance involve various tasks such as routine inspections, debris removal, pothole repairs, snow ploughing, and emergency response. Traditionally, these tasks rely on conventional gasoline or diesel-powered vehicles, contributing to elevated carbon emissions and high operational costs. The emergence of electric vehicles ('EV') presents an opportunity to address these challenges while promoting sustainability and enhancing public perception.

In 2023, BBGI, through its Portfolio Company, acquired the first EV for the Ohio River Bridge Project fleet, a Ford F-150 Lightning specially outfitted to meet the unique needs of highway operations. This vehicle offered multiple advantages, including operating without air pollutants, lower maintenance requirements and operating costs, connectivity with smart technologies with real-time data and acting as a portable supply power for hand tools for interventions without the need of a generator. With an estimated range of over 300 miles per charge, a maximum payload of 2,200 lbs, and a towing capacity of 10,000 lbs, this vehicle effectively meets the operational requirements of highway maintenance tasks. The existing solar panel array provides enough capacity to charge the 98 kWh battery of the vehicle.

Despite certain limitations common to the usage of EV, such as reduced range in winter, higher capital costs compared to traditional vehicles, faster tires wear, and charging times:

"The incorporation of the Ford F-150 Lightning into our highway operations and maintenance fleet, exemplifies the potential of electric vehicles to transform traditional infrastructure management practices. By embracing EV technology, BBGI not only achieved environmental and economic benefits but also positioned itself as a leader in sustainable transportation.", says **Volker Ellenberg, BBGI Global Head of Asset Management.**







Ohio River Bridges, US

Task Force on Climate-related Financial Disclosures (TCFD) Summary Report





As BBGI is considered a non-UK investment company, it does not fall within 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. Our

full TCFD disclosure is included in our ESG Report: <https://www.bb-gi.com/esg/sustainability-related-disclosures/>

Recommended disclosure	Summary	Section
Governance		
<p>a) Describe the Board's oversight of climate-related risks and opportunities.</p>	<p>The Supervisory and Management Boards, supported by an executive-led ESG Committee, ensure comprehensive governance over all climate change and ESG-related activities.</p> <p>The Management Board considers climate change issues when setting strategy, considering new investment opportunities, approving annual budgets, monitoring performance metrics and targets and approving related disclosures.</p> <p>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.</p>	<p> ESG Report Section: 'TCFD Disclosures'</p> <p>Section: 'Remuneration Report'</p>
<p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>The Management Board has overall responsibility for ESG considerations and ensuring they are integrated into BBGI's investment strategy, including in relation to climate change. This is achieved through our Investment Committee, Risk Management function, Corporate Governance function, and ESG Committee.</p>	<p> ESG Report Section: 'TCFD Disclosures'</p> <p> ESG Committee Terms of Reference</p>
Strategy		
<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term.</p>	<p>Climate-related risks can encompass both physical disruptions due to factors such as extreme weather, and transition challenges in adapting to low-carbon technologies or biodiversity risks related to ecosystem disruptions.</p> <p>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.</p> <p>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 portfolio. When local mitigation measures are also considered, the exposure of our assets to climate change may reduce further.</p> <p>The changes arising from a transition to a low-carbon economy include changes to laws and regulations, reputational risks, adapting to new low-carbon materials and technologies (this includes alternatives for road surfaces, electric vehicles charging infrastructure, and energy-efficient or motion sensor equipment) and increased electrification.</p>	<p> ESG Report Section: 'TCFD Disclosures'</p>

TCFD Disclosures Summary Report *continued*

Recommended disclosure	Summary	Section
Strategy (continued)		
<p>b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.</p>	<p>The screening of physical climate-related risks is systematically done for each asset during the due diligence and monitoring phases of our investment cycle.</p> <p>The results of the quantitative climate change assessment have fed into our strategy in several 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).</p> <p>There is no climate-related cost in our financial models, but this may change in relation to increased insurance premiums; however, there is a degree of contractual protection from increased insurance costs.</p> <p>The cash flows of our availability-based assets remain largely unaffected by physical and transition climate-related risks, as they are based on pre-agreed criteria with the public sector.</p>	<p> ESG Report Section: 'TCFD Disclosures'</p>
<p>c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Our climate modelling demonstrates that our investment strategies focus our investments into infrastructure assets. They are built to the latest engineering standards and due to the long-term nature of these assets, we 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.</p> <p>A transition to a lower carbon economy presents several opportunities for client-supported change orders and new investment, should the business case support it.</p>	<p> ESG Report Section: 'TCFD Disclosures'</p> <p> Net Zero Plan</p>
Risk		
<p>a) Describe the organisation's processes for identifying and assessing climate-related risks.</p>	<p>In line 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.</p> <p>We also identify climate-related risks through physical risk due diligence. A summary of the immediate risk exposure is provided under a 'Paris-aligned' scenario and a 'high emissions' scenario, and then in decadal time steps until 2100. We have reviewed all existing investments for physical climate change exposure against eight climate perils through quantitative scenario-analysis.</p> <p>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. The output from the screening is a bespoke climate factsheet.</p>	<p> ESG Report Section: 'TCFD Disclosures'</p>

Recommended disclosure	Summary	Section
Risk (continued)		
b) 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, who take steps to ensure climate risk considerations are formally embedded within risk management procedures.	ESG Report Section: 'TCFD Disclosures'
c) 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 we identify material climate risks, these are escalated where necessary to the Management Board, ensuring risks can then be appropriately assessed, managed and monitored per our risk management procedure. For our portfolio to remain resilient to climate risk, we embed findings into our investment screening process, ensuring we assess physical climate risk impacts for all new investments.	ESG Report Section: 'TCFD Disclosures'
Metrics		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	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 22 assets that have undergone a deep-dive assessment, we conducted further sensitivity analysis that considers all existing resilience measures and the engineering of our assets in the climate risk score. Since June 2023, BBGI discloses climate change related metrics as part of our SFDR Principal Adverse Impact Statement.	ESG Report Section: 'Climate-related risks' SFDR Principal Adverse Impact Statement
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	Refer to section 'Financed Emissions'.	ESG Report Section: 'GHG Protocol' SFDR Principal Adverse Impact Statement

TCFD Disclosures Summary Report *continued*

Recommended disclosure	Summary	Section
Metrics (continued)		
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<p><u>Physical risk targets:</u> For 22 assets, where we produced a bespoke climate factsheet, we have used it when engaging with clients. We will continue to perform a climate-risk screening for each new investment.</p> <p><u>Corporate Emissions reduction targets:</u> BBGI has committed to reduce its Corporate Emissions (Scope 1, 2 and 3) 50 per cent by 2030 from a 2019 baseline and to reach net zero by 2040.</p> <p><u>Financed Emissions reduction targets:</u> 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.</p>	<p>ESG Report Section: 'Climate-related risks'</p> <p>Net Zero Plan</p>

Corporate governance

Governance at a glance

Our Board

Executive and Non-Executive Directors split



● Non-Executive Directors 5
● Executive Directors 3

Committee meetings this year



Stakeholder engagement

Strong Net Promoter Score

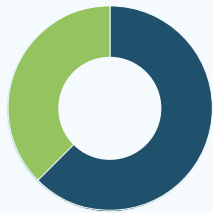
56 (top quartile achievable range)

Client satisfaction discussed at Board meetings

For more information

- ➔ Refer to the stakeholder engagement section on page 58 for more information
- 🌐 Refer to our website to view key governance policies: www.bb-gi.com/investors/policies/

Board independence*

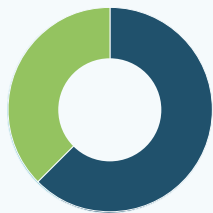


● Independent 62.5%
● Non-independent 37.5%

62.5%
Independence on the Board

*Comprises the Supervisory and Management Boards

Board diversity*



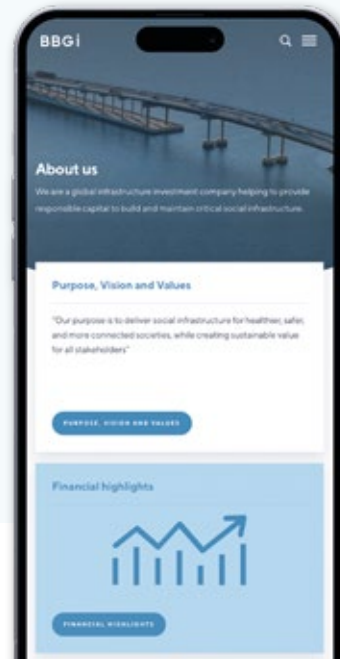
● Male 5
● Female 3

37.5%
Female representation on the Board

- ➔ Read more about our Board diversity in the Nomination Committee Report starting on page 77

*Comprises the Supervisory and Management Boards

Board tenure (number of years)



Corporate governance *continued*

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 investment, and is subject to the Luxembourg amended law of 12 July 2013 on Alternative Investment Fund Managers ('AIFM Law'), which implemented the EU Alternative Investment Fund Managers Directive ('AIFMD') into national legislation.

AIFM

On 24 November 2023, the Company announced that Frank Schramm, Co-CEO, would be retiring with effect from 31 January 2024. At the same time, the Company announced that Andreas Parzych would join the Management Board with effect from 31 January 2024.

Other than this announcement of intention to retire, there have been no other material changes during the year in respect of Art. 20 paragraph. 2(d) of the AIFM Law that warrant further disclosure to our shareholders.

Material risk takers

All members of BBGI's Management Board are considered the material risk takers, in accordance with Luxembourg's AIFM law of 12 July 2013. Frank Schramm, as former Co-CEO, therefore, was a material risk taker until his retirement from the Management Board on 31 January 2024. Andreas Parzych is deemed a material risk taker since he joined the Management Board with effect from 31 January 2024. Duncan Ball and Michael Denny are the

remaining two members of the Management Board and remain material risk takers.

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 Recueil Électronique des Sociétés et Associations ('RESA'). 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/**

Compliance statement

As an internally-managed investment company, our robust internal controls play a pivotal role in ensuring the strong financial and operational performance of our investments.

BBGI is a member of the Association of Investment Companies ('AIC') and aligns its

reporting with the AIC Code of Corporate Governance (the 'AIC Code').

Our work and reporting involve thorough consideration of the Principles and Provisions of the AIC Code, which in turn addresses the Principles and Provisions set out in the UK Corporate Governance Code 2018 (the 'UK Code'), along with additional Provisions of specific relevance to BBGI as an investment company. We believe that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, offers pertinent insight for our shareholders.

For the most part, we comply with the Principles and Provisions of the AIC Code. Where we do not, we provide explanations. Below, we detail specific Provisions where we deviate from compliance with the provisions of the AIC Code, accompanied by relevant section references for detailed explanations:

- AIC Provision 17 (establishing separate Management Engagement Committee): See Committees of the Supervisory Board.
- AIC Provision 23 (annual re-election of all directors by the shareholders): See Management Board – General section.

Board attendance

For the year ended 31 December 2023

Name	Function	Independence	Age	Original appointment	Next renewal date	Attendance at Meetings (total meetings held in the year)			
						Supervisory Board (7)	Audit Committee (5)	Nomination Committee (3)	Remuneration Committee (4)
Supervisory Board									
Sarah Whitney ⁽ⁱ⁾⁽ⁱⁱ⁾	Chair of Supervisory Board and Nomination Committee	Independent	60	01-May-19	30-Apr-24	6/7	-	3/3	4/4
Andrew Sykes	Senior Independent Director and Chair of the Remuneration Committee	Independent	66	29-Apr-22	30-Apr-24	7/7	5/5	3/3	4/4
Jutta af Rosenborg	Chair of Audit Committee	Independent	65	01-Jul-18	30-Apr-24	7/7	5/5	3/3	4/4
Chris Waples	Director of the Supervisory Board	Independent	65	01-May-21	30-Apr-24	7/7	5/5	3/3	4/4
June Aitken	Director of the Supervisory Board	Independent	64	29-Apr-22	30-Apr-24	7/7	5/5	3/3	4/4

(i) Ms Whitney was unable to attend one meeting of the Supervisory Board due to illness.

(ii) Ms Whitney is invited to attend the Audit Committee meetings as an observer. She attended all Audit Committee meetings held in the year.

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.

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, infrastructure, investment and economic matters. She has provided consultancy services to national and local governments, investors and real estate companies.

Her prior executive roles include Corporate Finance Partner at PwC; leading the Government & Infrastructure Team at CB Richard Ellis; and Head of Consulting & Research at DTZ Holdings plc (now Cushman & Wakefield).

At BBGI, Ms Whitney became Chair of the Supervisory Board on 31 July 2020 and is Chair of the Nomination Committee.

Ms Whitney sits as a Non-Executive Director on the board of Bellway plc (where she serves as Senior Independent Director). She also serves as a Non-Executive Director on the boards of two other investment trusts, JPMorgan Global Growth & Income plc (where she serves as Chair of the Audit Committee) and Tritax EuroBox plc (where she serves as Senior Independent Director).

She is a Fellow of the Institute of Chartered Accountants of England and Wales, Member of the Council of University College London, and has a BSc in Economics & Politics from the University of Bristol.



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 is an experienced director of UK-listed companies and has deep knowledge of the financial services sector and of corporate governance requirements.

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.

At BBGI, Mr Sykes was appointed as a Non-Executive Director in April 2022, and became Senior Independent Director and Chair of the Remuneration Committee on 29 April 2022. He is a Non-Executive Director and Senior Independent Director of Intermediate Capital Group plc, Chairman of Alder Investment Management Limited and Deputy Chair of the Governing Body of Winchester College.

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



Jutta af Rosenberg

Chair, Audit Committee

Jutta af Rosenberg has extensive experience in management and strategy from her background as an Executive and other senior operational roles at listed companies. She is also an experienced non-executive director of listed companies.

Ms af Rosenberg served as CFO, 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 Rosenberg worked at Chr. Hansen Holding A/S as Vice President of Group Accounting from 2000 to 2003.

At BBGI, Ms af Rosenberg became a Non-Executive Director on 1 July 2018 and Chair of the Audit Committee on 31 August 2018. She is also a Non-Executive Director and Chair of the Audit Committee at RIT Capital Partners plc, Nilfisk Holding A/S and JP Morgan European Growth & Income plc.

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

Biographies of Directors *continued*



Chris Waples

Independent Director

Chris Waples (CDir FloD) has 35 years' global experience of managing the acquisition, construction and divestment of infrastructure projects in progressive high-profile companies. He spent 12 years at 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, and was also a member of the Executive team that oversaw the successful £1 billion market capitalisation IPO of John Laing Group plc in 2015. He was 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 and held senior positions with Scottish Power plc and Blue Circle plc.

Mr Waples became a Non-Executive Director at BBGI in May 2021. He is a Fellow and Chartered Director of the Institute of Directors and holds a Postgraduate degree in Management Studies and Agricultural Engineering LICG.



June Aitken

Independent Director

June Aitken has over 30 years of experience in global equity markets as an institutional stockbroker and has been involved in establishing fund structures in multiple jurisdictions.

She has held senior roles at HSBC Bank plc 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. She was a founding partner and investor of Osmosis Investment Management LLP, a specialist investment manager focused on environmental and responsible investment mandates.

At BBGI, Ms Aitken was appointed as a Non-Executive Director in April 2022. She is the Non-Executive Chair at CC Japan Income & Growth Trust plc, and a Non-Executive Director and Chair of the Audit Committee at JP Morgan Asia Growth and Income plc and Schroder Income Growth Fund plc.

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.



Biographies of Directors Management Board

1 Duncan Ball

Co-CEO (to 31 January 2024), CEO (from 31 January 2024) and member of the Management Board

Duncan 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 a member 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.

During the financial reporting period ending 31 December 2023, Mr Ball served as Co-CEO. He was subsequently appointed as CEO, effective 31 January 2024. He was actively involved in the BBGI IPO in 2011 and BBGI's subsequent growth from 19 assets to 56 assets at the end of the reporting period.

2 Michael Denny

CFO (to 1 February 2024), CFOO (from 1 February 2024) 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.

During the financial reporting period ending 31 December 2023, Mr Denny served as CFO. His role was subsequently expanded to Chief Financial and Operating Officer, effective from 1 February 2024.

3 Andreas Parzych

Executive Director and member of the Management Board (from 31 January 2024)

Andreas Parzych has over 20 years' experience in infrastructure investment across transport, social infrastructure, and renewables in Europe and North America.

Mr Parzych joined BBGI in 2016 as Director, Head of Business Development, responsible for identifying, evaluating, and executing investment opportunities for the fund, and has been actively involved in implementing our growth strategy since joining BBGI.

Frank Schramm

Former Co-CEO and member of the Management Board to 31 January 2024

During the financial reporting period ending 31 December 2023, Frank Schramm served as Co-CEO of BBGI since its inception, until he retired from his role as a member of the Management Board and as Co-CEO on 31 January 2024.

Board attendance

For the year ended 31 December 2023

Name	Function	Independence	Age	Original appointment	Next renewal date	Attendance at Meetings
Management Board						Management Board (22)
Duncan Ball	Member of the Management Board	Non-independent	58	05-Oct-11	05-Oct-24	22/22
Frank Schramm(i)	Member of the Management Board	Non-independent	55	05-Oct-11	-	22/22
Michael Denny	Member of the Management Board	Non-independent	46	30-Apr-13	30-Apr-24	22/22
Andreas Parzych(ii)	Member of the Management Board	Non-independent	51	31-Jan-24	31-Jan-25	-

(i) Mr Schramm retired from the Management Board on 31 January 2024.

(ii) Mr Parzych was appointed 31 January 2024. Prior to his appointment, he was invited to attend the three preceding meetings of the Management Board as an observer.

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.

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 to the right.

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

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 of our directors.

Stakeholder engagement

Effective engagement with our stakeholders is integral to realising our vision and purpose. As a non-domiciled, publicly-listed entity on the UK London Stock Exchange, the UK Companies Act 2006 (the 'CA2006') has limited application. Nonetheless, we acknowledge the significance of stakeholder interests, and the continuing requirements under Section 172(1) CA2006 for boards of UK large or publicly-listed companies to take stakeholder interests into account and report on how they have done so when performing their duties. As a member of the AIC, we align with the AIC Code requirement for the matters set out in Section 172 to be reported on by all companies, irrespective of domicile and provided there is no conflict with local company law.

Detailed insights into how we embody the spirit of those Section 172 provisions, fully consider our stakeholders, and uphold our commitment to generating positive and sustainable outcomes for all stakeholders are outlined in the ESG section.

Under AIC Code Provision 3, members of our Management Board regularly engage with our major shareholders to understand their views on significant matters. Going forward, this engagement will be led by the CEO and CFOO. The Chairs of the Supervisory Board and its delegated Committees are always available to engage at our shareholders' request.

Management Board

- Manages BBGI and its representation vis-à-vis third parties (e.g. entry into agreements on BBGI's behalf).
- Operational management, including discretionary investment management of BBGI's investments.
- Sets and implements the Group's overall strategy.
- Implements risk management, monitoring operational risks and measures related to risks.
- Oversees BBGI's administration, including preparing its semi-annual valuations, statutory financial statements, management accounts and its business plan, which defines its active approach to asset management.
- Primary interface for BBGI's investor relations.
- Engages with the Supervisory Board on behalf of BBGI's shareholders.

In carrying out the function of investment manager via the Management Board, BBGI does not engage an external investment adviser 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.

Supervisory Board

- Appoints and, where relevant, dismisses members of the Management Board.
- Supervises management by the Management Board, without being authorised to interfere with the management.
- Exercises its powers attributed by our Articles, including:
 - supervising and monitoring the appointment of the Company's service providers and those of its subsidiaries;
 - reviewing remuneration and compensation levels and structure, and other benefits and entitlements of our Management Board officers and all BBGI employees;
 - considering 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; and
 - providing general supervisory oversight to the Management Board and Group operations.

Board leadership and purpose *continued*

General Meetings

2023

Our AGM was held on 28 April 2023. There were no other shareholder meetings held during the year.

2024

Our next AGM will be held on Tuesday 30 April 2024. 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 will be available on our website.

Substantial shareholdings

As at 31 December 2023, BBGI had 714,876,637 shares in issue. Pursuant to DTR 5 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 shown in the table opposite, in compliance with DTR 7.2.6R.

Board members and other interests

The members of the Management Board also serve as managers of BBGI Management HoldCo S.à r.l. On 31 January 2024, Mr Parzych was appointed to the Board of BBGI Management HoldCo S.à r.l., coinciding with Mr Schramm's retirement from his Board position. Mr Ball, Mr Denny, and Mr Parzych hold service contracts with BBGI Management HoldCo S.à r.l. Mr Schramm also holds a service contract with BBGI Management HoldCo S.à r.l. and, following his retirement from the Management Board on 31 January 2024, will continue to be available as an adviser until 31 December 2024. No other Board member held service or management contracts during 2023.

Notice periods of 12 months apply to and from the Company for the CEO, the CFO and Mr Schramm. Notice periods of 6 months apply to and from the Company for Mr Parzych, following his appointment to the Management Board. The Company has not granted any loans to, nor provided any guarantees for the benefit of, any Director.

All members of the Supervisory Board (Ms Whitney, Mr Sykes, Ms af Rosenborg, Mr Waples and Ms Aitken) are considered independent Board members, as they:

- have not been employees of BBGI;
- have not had material business relationships with BBGI;
- have not received performance-based remuneration from BBGI;
- do not have family ties with any of BBGI's advisers, directors, or senior employees;
- do not hold cross-directorships or have links with other directors through involvement on other companies;
- do not represent a significant shareholder; and
- have not served on the Board for more than nine years.

Name	Held	% of total share capital ⁽ⁱ⁾
M&G plc	59,502,903	9.42%
Schroders plc	56,304,964	8.48%
Newton Investment Management Limited	39,947,825	8.46%
Rathbones Group plc	31,569,569	5.01%
Evelyn Partners	28,885,124	5.00%

(i) 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.

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

Internal controls

The Management Board has robust processes and internal controls to help BBGI manage risk. It oversees the internal control framework and determines 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 through effective control systems we can manage and mitigate the risks of failure to achieve business objectives, but we cannot eliminate them. By their very nature, these procedures are unable to provide absolute assurance against material misstatement or loss.

During 2023, our Compliance and Risk functions reviewed, assessed and reinforced our robust governance and risk controls frameworks, including delegate and due diligence process monitoring, through in-person meetings and on-site attendance at delegate 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; our 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 updates to the Management Board and the Supervisory Board, and to the Audit Committee, with Board Directors present.
- The ESG Committee oversees the management of material ESG activities and reports to the Management Board on any recommendations and proposed actions following each Committee meeting. The ESG Committee meets at least quarterly. Its membership for 2023 comprised 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 aspect of sustainability risks: the risk of financial, operational, and direct physical impacts from sustainability factors on our portfolio (with associated increased regulation), as well as the effects caused by our investments to sustainability aspects.

The Internal Auditor carries out its review 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 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

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 annually by the Supervisory Board, and not by shareholders. This does not meet the requirements of AIC Code Provision 23, which requires that directors be subject to election by shareholders. However, as the Management Board carries out the role of investment manager, the Supervisory Board deems it appropriate that it elects the members of the Management Board. The Articles also require that the members of the Supervisory Board are subject to annual re-election by shareholders, who may also dismiss any member. We consider this procedure satisfies the requirements of AIC Code Provision 23.

Performance evaluation and reappointment

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 was originally appointed in October 2011 for BBGI's IPO. Mr Denny was originally appointed to the Management Board in April

2013, and Mr Parzych was appointed in January 2024, following the concurrent retirement of Mr Schramm from the Management Board.

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 all other operating unit functions. Grant Thornton Vectis remained as our Internal Auditor for the year ended 31 December 2023.

Our Head of Risk and Compliance is authorised by the CSSF 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 is responsible for the correct and effective operation of the delegated functions listed below.

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. All shares are held in dematerialised form, in accordance with the Luxembourg Dematerialisation Law.

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.

G.I.T.S. PSF provide a fully outsourced IT

solution to BBGI, covering many areas, including but not limited to private managed hosting, backup services, and IT security services.

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

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

Division of Responsibilities *continued*

Supervisory Board

General

The Supervisory Board consists of five Non-Executive Directors, all of whom are independent. All Supervisory Board members are elected for a 12-month period ending at our AGM each year, when they are required to retire, in accordance with the Articles. The members can offer themselves for re-election by shareholders however, reappointment 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. The Supervisory Board considers items in the Notices and Agendas of meetings, which are formally circulated to its members before each meeting as part of the Board papers. It reviews investment performance and associated matters, compliance and risk profile, the performance of key service providers, investment and financial controls, marketing and investor relations, peer group information, industry issues, general administration and other matters relevant to fulfil its oversight remit. At each meeting, members must advise of any potential or actual conflicts of interest before discussion.

The Supervisory Board has formally established Audit, Remuneration and Nomination Committees. Further details are below and in each Committee Report. Copies of the Terms of Reference for each of our Committees are available on our website at www.bb-gi.com.

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 financial and regulatory controls in accordance with AIC Code and Disclosure, Guidance and Transparency Rules requirements.

The Audit Committee operated throughout 2023 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, employees and third parties may be invited by the Audit Committee to attend meetings when appropriate. Ms Whitney is not a Committee member, however, as Supervisory Board Chair, she 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; setting remuneration for the Management Board; and supervising remuneration structure and levels for other employees' compensation and other benefits and entitlements. 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, employees 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 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 oversees 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 and with the relevant and complementary skills for BBGI to maximise stakeholder value.

The Nomination Committee meets at least twice 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, employees and third parties may be invited by the Nomination Committee to attend meetings when appropriate.

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

Further details on the roles of each Committee and their activities during 2023 are in the individual Committee reports in this Annual Report. Committee Chairs attend our AGM, where they can 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 Company's internally managed structure and the Management Board's primary role in overseeing the delegate process, along with the size of the Supervisory Board, the Supervisory Board performs the functions of a Management Engagement Committee. Ms. Whitney serves as the Chair. As a result, we consider it unnecessary to have a separately constituted management engagement committee, as prescribed under AIC Code Provision 17, as there would be no material benefit to BBGI and our shareholders.

In its role as Management Engagement Committee, the Supervisory Board met four times in 2023 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 meetings with third-party service providers.

Composition, Succession and Evaluation

We believe the 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. 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. To ensure continuity and stability, and to maximise retained knowledge transfer, our Non-Executive Directors are expected to retire on a staggered basis, as part of our structured succession plan.

Our Management and Supervisory Boards take the gender and ethnic diversity of their composition into full consideration. We are supporters of the goals of FTSE Women Leaders and the Parker Review on Ethnic Diversity on Boards and integral to this, the Nomination Committee regularly reviews our policies on diversity, equity and inclusion. We remain one of the few FTSE 350 companies with both a female Chair and Audit Committee Chair and female representation on our Supervisory Board at the reporting date remains unchanged at 60 per cent. Several of our staff at the level reporting directly to the Management Board are women, with 39 per cent female representation. 20 per cent of the Supervisory Board and 8 per cent of those employees who report directly to the Management Board are considered to be from an ethnic minority background as categorised by the Parker Review. We intend to comply with the Parker Review's recommendation from next year for disclosure of a target for ethnic minority representation below the Board level by 2027.

We are proud of having a low employee turnover rate, with no change in the year across the consolidated Group. Combined with the small number of people employed, this inevitably presents us with limited opportunities to promote greater diversity of gender and ethnicity to senior roles. Wherever possible, the Management and Supervisory Boards understand our need to take all reasonable and practical steps to evolve diversity throughout the Group, without compromising on the quality and skills of our team.

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

Re-election of Supervisory Board members

In accordance with the Articles, all members of the Supervisory Board will offer themselves for re-election at our forthcoming AGM in 2024 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. Following satisfactory evaluations carried out in 2023, the Supervisory Board resolved to renew Mr Denny's appointment for a year with effect from 30 April 2023, and Mr Ball for a year with effect from 5 October 2023. While Mr Schramm's appointment was also renewed on 5 October 2023, he informed the Board in November 2023 of his intention to retire, after 12 years, as Co-CEO and member of our Management Board. Mr Schramm remained in his position until 31 January 2024 and will be an adviser to the business until December 2024. Mr Parzych was appointed a member of the Management Board on 31 January 2024 for a year. His mandate will also be considered for renewal on an annual basis.

Supervisory Board Gender Diversity

 Male: 40%

 Female: 60%

→ See the Nomination Committee Report on page 77 for further information on Board diversity

→ For more information about our approach to diversity in general, please see our separate ESG Report

Nomination Committee Report

Annual statement from Nomination Committee Chair

Committee membership	Meeting attendance
Sarah Whitney	3/3
Andrew Sykes	3/3
Jutta af Rosenborg	3/3
Chris Waples	3/3
June Aitken	3/3

I am pleased to present the Nomination Committee (the 'Committee') report for the financial year ended 31 December 2023 on behalf of the Supervisory Board.

Terms of Reference

The Committee functioned throughout 2023 according to its defined Terms of Reference, which are prepared in accordance with the AIC Code. They are regularly reviewed throughout the year by the Committee and are available to view on the Company's website. Any proposed amendments to 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 2023.

Responsibilities

The Committee and its Chair are appointed by the Supervisory Board. Membership is solely 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);
- considering 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; and
- the annual performance evaluation of the Supervisory Board and its formally constituted Committees.

Key activities during the year

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

Supervisory Board composition, tenure and diversity

As part of its annual oversight and assessment of the composition of the Supervisory Board, the Committee considered the relationship between the Supervisory and Management Boards, as well as the balance of skills and backgrounds of the Non-Executive Directors. Their collective experience ensures that the relationship with the Management Board is robust, fostering a culture of healthy discourse and diligent inquiry, leading to thorough scrutiny and comprehensive oversight. As such, it is the Committee's view that the size,

structure, and composition of the Supervisory Board and its Committees adequately meet the Company's needs and effectively fulfil their respective duties.

We appreciate the sustained support from shareholders in affirming the reappointment of all the Directors at the April 2023 AGM, providing confidence that we are serving our shareholders' best interests effectively in our oversight of the Company and Management Board.

We wholeheartedly support the initiatives and regulatory efforts aimed at advancing gender and ethnic diversity within publicly-listed companies. This includes initiatives such as the FTSE Women Leaders and the Parker Review. While after the period to which this Report relates, in light of the FTSE Women Leaders' Report published in February 2024 identifying BBGI as maintaining an all-male Executive Committee, we wish to clarify an important aspect of our corporate structure that has a significant impact on the interpretation of these findings.

BBGI operates under a two-tier board system, which the Report does not fully take into account. This structure distinctively separates the roles and responsibilities of our Supervisory Board from those typically associated with an Executive Committee. It is crucial to note that our Supervisory Board boasts a 60 per cent female representation, with both a female Chair of the Supervisory Board and a female Audit Committee Chair, showcasing our firm commitment to diversity and inclusion at the highest levels of governance. This level of female representation is among the highest within the FTSE 350 companies and significantly contributes to the effectiveness and diversity of thought within our leadership.

Furthermore, the characterisation of our Management Board as an equivalent to an Executive Committee does not accurately reflect our operational structure. In reality, a broader Executive Committee within our organisation would encompass a wider range of senior roles, including direct reports that significantly bolster female representation beyond the three Executive Directors. Female representation at the level reporting directly to the Management Board is at 39 per cent.

We strive to meet gender and ethnic compositional goals at all levels, including our Management Board and their direct reports. As at 31 December 2023, our team of 26 colleagues comprised 14 different nationalities. 20 per cent of the Supervisory Board and eight per cent of direct reports to the Management Board are considered to be from an ethnic minority background as categorised by the Parker Review.

Nomination Committee Report *continued*

While we have made significant progress in the area of diversity and inclusion, we remain committed to enhancing the representation and diversity of skills and expertise not just among the members of our Supervisory Board and Committees but throughout the business. This commitment not only aligns with our corporate values but also ensures we continue to meet the evolving needs and expectations of our stakeholders.

It is important to note that one of the key positive attributes of our business has been stability at the Management Board level. Since IPO, the same team has been serving our shareholders investing for the long term, and below them sits a team of people who too have seen an enviable low turnover rate, with no changes in the year across the consolidated Group. Whilst this stability has clearly played an important part in delivering to our investors over the long term, this inevitably presents limited opportunities to promote greater diversity of gender and ethnicity to senior roles within BBGI. Despite these challenges, we are dedicated to taking all reasonable and practical steps to evolve diversity throughout the Group.

Succession planning

Following last year's review of our policy on the Appointment and Tenure of the Supervisory Board Directors, we re-assessed the revised policy, with no material amendments deemed necessary, and only minor changes were incorporated. As stated in last year's Annual Report, the Committee recognises that the AIC does not explicitly preclude a Director from serving more than nine years, but stating that doing so is one of several factors that could lead to a Director losing independent thinking. In recognition of the market sentiment towards excessive periods of tenure beyond nine years, we have retained those same limits in respect of our Supervisory Board members, allowing only for an extension of the Chair in exceptional circumstances, such as to facilitate an effective succession plan and in furthering the development of a diverse Board.

During the year, the Committee reviewed the composition and membership of the Management Board, the Supervisory Board, and their formally constituted Committees. It was determined that no further appointments to the Supervisory Board were necessary.

Following Frank Schramm's retirement on 31 January 2024, we extend a warm welcome to Andreas Parzych upon his appointment to the Management Board. We look forward to the valuable contributions he will make to the Company, leveraging his unique combination of skills and extensive experience with a strong focus on business development.

The appointment of Andreas underscores the depth of senior talent within the Company.

For further information regarding Andreas' background and qualifications, please refer to the Biographies section of this Annual Report.

The Committee will continue its work in assessing capacity within the organisation, key person risks and continuous development of appropriate succession plans for the Supervisory and Management Boards and their direct reports. We remain committed to complying with AIC Code Provision 26, and plan to engage an independent third party to facilitate an external performance evaluation process in 2024.

Succession planning was considered, at both the Supervisory and Management Board level and also for direct reports to the Management Board. As part of those reviews and planning, we consider the existing skills and experience within the business, any potential future departures and key person risks. We also consider the adequacy of plans to develop talent within the Company. Where necessary, the Committee will appoint external consultants to assist with the identification and recruitment of suitable candidates. However, the Management Board remains responsible for recruitment of all senior positions below Board-level, and it regularly keeps the Committee and Supervisory Board apprised 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 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 reviewed its formalised annual work plan. The plan ensures individual Committee members regularly consider all material matters, and that sufficient time is allocated for discussion.

We also reviewed the induction process for, and information pack available to, new Non-Executive Directors. These have been used to support Andreas Parzych's integration on to the Management Board.

We maintain an internal register of training undertaken by all staff and Directors. Members of the Supervisory Board are required to provide evidence of relevant training undertaken in the year. During the year, they were invited to take part in staff-wide training on Anti-Money Laundering ('AML') and Counter-Terrorism Financing ('CTF'), Market Abuse Regulations ('MAR'), cyber-security and ESG related topics.

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 once again be able to say that each Supervisory Board member has undertaken relevant training, ensuring continuing familiarity with the latest regulatory and operational developments relevant to BBGI's business.

Annual performance evaluation

In response to the 2022 performance review of the Supervisory Board's effectiveness, we made some minor changes to the management of the Board's business to improve the effective working of the Board. The 2022 review also recognised the importance of keeping the Company's strategy and risk management processes under review given the challenging macroeconomic environment. The Supervisory Board has allocated a considerable proportion of its time to these activities, and expects to continue doing so in 2024 and beyond.

The Committee decided to postpone its earlier resolution to undertake an externally-facilitated performance review in 2023. This delay is intended to allow for a smooth integration of a new Management Board member and to enhance the effectiveness of the subsequent evaluation process in 2024.

Accordingly, the 2023 performance review was conducted by way of individual one-to-one interviews between myself and each of the Supervisory Board members. The interviews considered the performance of the Supervisory Board, its three Committees and their respective Chairs. I also received feedback from the Management Board. The Committee subsequently met to consider formally the conclusions from these discussions.

The feedback from those interviews and the Management Board concluded that the Supervisory Board and its Committees were effective and collaborative, with all members actively contributing.

The adjustments made in response to last year's performance review, including holding separate discussions on key matters, were recognised for having enhanced the value and effectiveness of our regularly scheduled Board and Committee meetings.

Key priorities for the Supervisory Board for the year will be for enhancing our involvement in oversight of asset management and leadership development. A proposal to increase engagement with our assets through site visits and presentations from key personnel below the Management Board has been set in motion, with potential for an annual site visit to assets. The Management Board has our full confidence, and we will support them in maintaining their

Nomination Committee Report *continued*

continued disciplined approach to asset acquisition and management. The Committee will also review plans for Supervisory Board succession to ensure it remains appropriate, sufficiently forward-looking and well-balanced when accounting for the experience, skills and diversity of our current members.

The 2023 review 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. Furthermore, the 2023 evaluation concluded that the Board and its Committees operated effectively throughout the year.

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 was 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

With Frank's retirement, 2024 will bring changes to the composition of the Management Board. We have strong confidence in the leadership of Duncan and Michael, both with extensive tenures on the Management Board, serving for 12 and 11 years respectively. Alongside Andreas, who has been a valuable member of the BBGI team since 2016 and has played a significant role in implementing the Company's growth strategy, this team is well-prepared to guide BBGI to success in 2024 and beyond.

As a Committee, we are committed to regular meetings to ensure that the Supervisory Board continues to provide the essential support required by the Management Board. This responsibility remains our top priority and holds the highest position on our agenda for the year. We will also maintain vigilant oversight of the dynamic macroeconomic landscape and its effects on the Company's strategy and risk management procedures.

Approval

This Report was approved by the Board on 27 March 2024 and signed on its behalf by:



Sarah Whitney

Nomination Committee Chair
27 March 2024

Audit Committee Report

Annual statement from Audit Committee Chair

Committee membership	Meeting attendance
Jutta af Rosenborg	5/5
June Aitken	5/5
Andrew Sykes	5/5
Chris Waples	5/5

I am pleased to present the Audit Committee (the 'Committee') report for the financial year ended 31 December 2023 on behalf of the Supervisory Board.

Terms of Reference

The Committee functioned throughout 2023 according to its defined Terms of Reference, which are prepared in accordance with the Disclosure and Transparency Rule 7.1, the AIC Code and applicable Luxembourg regulations. They are regularly reviewed throughout the year by the Committee and are available to view on the Company's website. Any proposed amendments to 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 2023.

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 Whitney, as Chair of the Supervisory Board, is invited to attend each Committee meeting as an observer, but is not a member. 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 consolidated and standalone financial statements of the Company and any formal announcements relating to the Group's financial performance, satisfying 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 reviewing and approving 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 keeping their associated remuneration and terms of engagement under review.
- Reviewing and monitoring the External Auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Luxembourg and UK 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 Auditor and the Company's Non-Audit Services Policy.
- 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, discrimination or any 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, to perform its duties.

The External Auditor is routinely invited to attend Committee meetings, particularly when the Annual and Interim Reports are under review. Additionally, there are occasions throughout the year when the External Auditor engages directly with Committee members, independent of the presence of the Management Board. The Committee maintains direct lines of communication with both the External Auditor and the Management Board, ensuring comprehensive oversight. All findings and recommendations are consistently reported

Audit Committee Report *continued*

to the Supervisory Board for further action and consideration.

Valuation of investments

As in previous years, the Committee engaged in discussions with the Management Board, the External Auditor, and the Internal Auditor, covering a broad range of topics. We continue to regard the fair valuation of the Company's underlying investments as the most significant risk of material misstatement in our financial statements. To address this, we have comprehensive pre-publication discussions of the Company's annual and interim financial statements. Sufficient time is allocated for in-depth conversations with the Management Board, whose twice-yearly valuation of underlying investments, including NAV sensitivity analyses, are independently reviewed by a third-party valuation expert.

The Committee was able to request detailed explanations from the Management Board, scrutinising the rationale behind investment valuations, and examining the applied

assumptions, judgements, and methodologies.

The External Auditor participates in Committee meetings at least twice per year to present and discuss their audit or review findings. Their audit process includes a valuation specialist who reviews and reports on the adequacy of the underlying investment valuations. Special attention is paid to key assumptions for fair valuation, applied discount rates, and the macroeconomic context.

The Committee also received briefings from the External Auditor on the outcomes of their controls testing and audit procedures, with a particular focus on the risk of material misstatement during the audit/review of the Annual and Interim Financial Statements.

Following this process and reviews, the Committee concluded that the valuation methodology applied to the Group's investments in 2023 was appropriate, and the resulting investment values were 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 and the AIC Code; and
- 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.

→ Key activities during the year

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

the Committee's **Terms of Reference and annual work plan**;

semi-Annual Valuation Reports for our investment portfolio, focusing on the assumptions used, sensitivity scenarios, and observations from the External Auditor and third-party independent valuation specialists;

management's **proposals for interim dividends**, including benchmarking against market peers;

our **2022 Annual Report**, the **2023 Interim Report** and the appropriateness and consistency of our accounting policies;

the impact of changes to **IFRS reporting standards**;

the **re-appointment** of PricewaterhouseCoopers as our **External Auditor**, overseeing their independence, and the provision of any non-audit services, where applicable;

the **effectiveness of the audit process** and recommending the **External Auditor's plan** for the financial year to the Supervisory Board, including key business risks relevant to the audit;

reports from the External Auditor to the Committee;

an in-depth review with management on **BBGI's tax strategy**;

the introduction and enhancement of **comprehensive climate-related disclosures**;

an analysis of our overall **Risk Profile, Key Risk Indicators**, related tools, 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**, including the review of the **Internal Auditor's Annual Regulatory Report** for 2022 and the scope of the 2020–2022 triennial internal audit plan, as well as the upcoming 2023–2025 triennial plan;

the potential ongoing impact of **geo-political conflicts** on our portfolio and broader macroeconomic consequences;

a thorough review of **internal controls and policies**;

the results of an externally conducted **cyber-security risk assessment** for BBGI, including a review of existing controls and recent adaptations to mitigate this risk;

ongoing consultations on, and updates to, the **UK BEIS Audit and corporate governance reforms**;

quarterly presentations from the Head of Compliance and Risk to the Committee, with all Supervisory Board members present, on the activities and achievements of the Compliance function, including;

- periodic updates on the **oversight of delegated activities** and risk-based

monitoring of service providers, including new and forthcoming legislation concerning **IT outsourcing risks**;

- the increasing reporting requirements being imposed by the Luxembourg regulator (CSSF) and across the EU, including self-assessment questionnaires, **financial crime surveys, sustainability disclosures, targeted financial sanctions screening**, etc;
- **training** in regulatory and corporate governance matters made available by the Company to staff and board members; and
- periodic updates on the **internal control framework** including anti-fraud safeguards such as the **whistleblowing hotline**, policy updates and data protection monitoring of group entities and service providers.

the Director ESG/Sustainability, who chairs BBGI's ESG Committee, presented to the members of the Committee and Supervisory Board the status of the Company's various ESG workstreams and related topics, including;

- alignment with the **UN Sustainable Development Goals** and setting of **net zero targets**;
- **stakeholder engagement**;
- collection of **portfolio GHG inventories**; and
- ongoing compliance and disclosures in accordance with regulatory and voluntary reporting frameworks, including **SFDR** and **TCFD**.

Audit Committee Report *continued*

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

- the External Auditor’s fulfilment of the agreed audit plan and variations;
- feedback from the Management Board evaluating the performance of the audit team; and
- the Financial Reporting Councils (‘FRC’s’) Annual Report on audit quality inspections.

With regards to the Audit Plan, I also spoke directly with the External Audit Partner to ensure that the Committee’s specific expectations were met with regard to any topics of relevance to the Company.

In reviewing the performance of the External Auditors, the Committee noted with approval the high level of professional scepticism exhibited during the fiscal year. This was evident from the thorough and probing nature of the questions posed by the External Auditor, particularly regarding the valuation process. The Committee was further reassured by the quality and depth of Management’s responses, especially concerning the applied discount rates and macroeconomic assumptions. These interactions underscored a robust and effective audit process.

The Committee has reviewed the audit process and confirms its satisfaction with the adherence to the established terms of engagement. We have observed that the audit carried out by the

External Auditor upholds the principles of independence and objectivity, thus ensuring its effectiveness. This conclusion is based on an evaluation of the External Auditor’s methodologies and the transparency of their audit procedures.

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, in accordance with the Non-Audit Services Policy.

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

For the financial year ended 31 December 2023, the External Auditor did not provide any non-audit services. There were no other non-audit related fees paid to the External Auditor during the year ended 31 December 2023.

Internal controls and risk management

The Committee reviews the effectiveness of the Group’s internal financial control systems.

The Company has a well-established framework for assessing the effectiveness of the internal controls. During the year, I worked with our

Head of Compliance and Risk, CFO and Company Secretary to ensure that this framework was fully documented and that it remained appropriate to the present risks and operational strategy.

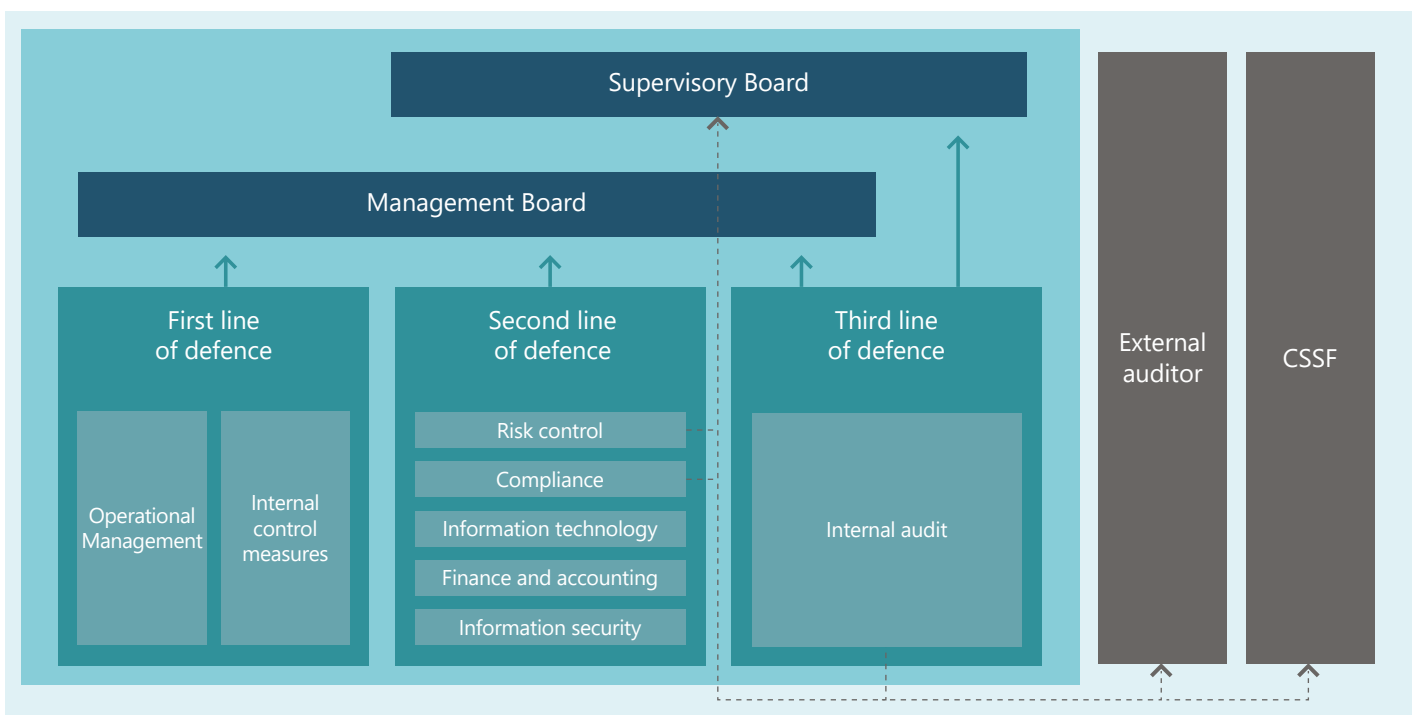
As a Committee, we believe that this framework remains effective, operating within the three lines of defence:

- The **first line of defence** are the business units that take or acquire risks under predefined policy and limits and carry out controls.
- The **second line of defence** is monitoring the effectiveness and implementation of those controls on an ongoing basis by the Compliance and Risk Management functions.
- The **third line of defence** is the internal audit function providing an independent, objective and critical review of the first two lines of defence, and which itself has been delegated to an external and independent third party, providing further reassurance.

As further reinforcement of the framework’s effectiveness, the Committee receives regular presentations throughout the year from relevant members of staff and third parties in respect of the Risk Management, Compliance and Internal Audit functions;

- Risk Management: The Head of Risk and Compliance, in her role as Risk Manager, presents the Annual and Semi-Annual Risk Reports in person directly to the

System of internal control



Audit Committee Report *continued*

Committee, with all members of the Committee and Supervisory Board in attendance at those presentations. During these presentations, as well as outside of them, 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 regularly receives and reviews BBGI's risk profile and related key risk indicators, including any changes thereto, prepared by the Risk Manager and overseen by the Designated Management Board Member for Risk.

- **Compliance:** The Head of Risk and Compliance also presents on matters of compliance to the Committee on a quarterly basis. To this end, the Committee receives quarterly compliance reports, which describe the work performed by the Compliance function, and cover all key areas of the compliance monitoring programme, including, but not limited to, AML/CTF, delegate oversight, conflicts of interest, training, regulatory watch, data protection, fraud, cyber-security, whistleblowing, implementation and update of policies, ESG and personal transactions. As with our oversight of Risk, the Management Board members and other representatives were available and responded to the Committee members' queries and requests for further clarification. The Head of Risk and Compliance further presented the Committee with the Annual Compliance Report for the Financial Year ended 31 December 2022, which was required to be submitted to the Luxembourg Regulator, CSSF, during the year.
- **Internal audit:** As described in the responsibilities section above, the Committee undertook a review of the Internal Auditor's effectiveness, the 2022 Internal Auditor's Annual Regulatory Report and the final year of the Internal Auditor's 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 2022 engagement. The Internal Auditor also presented its next triennial internal audit plan, for fiscal years 2023–2025, to the Committee.

For all three internal control functions – Risk Management, Compliance and Internal Audit – the Committee and its members are presented with necessary information to monitor their respective effectiveness. For 2023, the Committee concluded that each of the Risk Management, Compliance, and Internal Audit functions have performed effectively and continue to have suitable processes and controls in place.

Annual Deep Dive: Tax

In alignment with its Annual Work Plan, the Committee allocates time to explore specific topics preselected earlier in the year. In 2023, Management presented an overview of BBGI's tax strategy. The Committee engaged in discussions about global tax regulations, their impact on the Group, and the existing policies and measures to address tax-related risks. The Management Board is responsible for tax management and regularly updates the Committee and Supervisory Board on taxation matters and their influence on the Group. The Committee appreciates the presentation and the conservative approach to tax risk, with no aggressive tax structures employed.

Following the presentation, the Committee acknowledged the Company's commendable standards in tax management. Looking ahead to 2024, the Company plans to invite its global tax adviser to a scheduled meeting. This will provide additional reassurance regarding the Company's stance on taxation and risk appetite.

Going concern and viability statements

Having regard to our assets and liabilities, the Committee considered the Viability and Management Board Responsibilities Statements, and the 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; and
- 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 would be 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 that the financial statements comply with all relevant regulations; and
 - safeguarding the Group's assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Having considered all of the above, and the

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 2023, 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 is 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 2024

For 2024, we will continue our oversight of the External Auditor and their effectiveness. We will continue to monitor the integrity of the Company's reported financial position and disclosures, the effectiveness of the internal audit function, and our response to material regulatory changes.

As part of our Annual Work Plan to dedicate sessions to deeper analysis of specific topics, in 2024 the Committee has invited BBGI's Director, Sustainability and ESG, who also chairs BBGI's ESG Committee, to present on the topic of sustainability, including global regulatory developments and disclosure expectations, which she believes are relevant to BBGI.

More generally, the Committee will also continue its work in monitoring the effectiveness of our internal controls, financial reporting and disclosures, as well as the impact of political, tax and regulatory developments in relevant geographies, including the ongoing developments in the UK around audit and corporate governance reforms.

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

Approval

This report was approved by the Board on 27 March 2024 and signed on its behalf by:



Jutta af Rosenberg
Audit Committee Chair
27 March 2024

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 2023 on behalf of the Supervisory Board.

Committee membership	Meeting attendance
Andrew Sykes	4/4
June Aitken	4/4
Jutta af Rosenborg	4/4
Chris Waples	4/4
Sarah Whitney	4/4

Terms of Reference

The Committee functioned throughout 2023 according to its defined Terms of Reference, which are prepared in accordance with the AIC Code, and were last updated on 26 January 2023. They are regularly reviewed throughout the year by the Committee and are available to view on the Company's website. Any proposed amendments to 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 2023.

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.

Each of our five Independent Non-Executive Directors is also a Committee member. Our biographies are in the Biographies section of this Annual Report.

Key activities during the year

The Committee met four 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, for setting the remuneration of the Management Board and Supervisory Board, and for determining 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 2023

Despite ongoing macroeconomic challenges, the operational performance of BBGI's globally diversified portfolio of social infrastructure assets was strong throughout 2023. This performance is a testament to the Company's low-risk investment strategy, prudent financial management, and a value-driven asset management approach.

Financial performance proved resilient, notwithstanding the challenging macroeconomic environment. The Company met its full-year dividend target of 7.93pps, an increase of six per cent compared to the prior year, with strong cash dividend coverage of 1.40x. NAV was £1,056.6 million representing a decrease of 1.4 per cent on a NAV-per-share basis. This decline can be attributed to several factors, including shifts in the market discount rate, adverse foreign exchange movements affecting the portfolio's value, and a provision made to account for the impact of draft Canadian tax legislation, which seeks to limit excessive interest and financing expense deductibility for tax purposes, affecting both domestic and international investors and which is commonly referred to as EIFEL.

The Management and Supervisory Boards of the Company continue to assert the importance of sound ESG practices for long-term value and resilience, with sustainable investments in social infrastructure at its core. Several of BBGI's employees have ESG-related targets and the Management Board's remuneration framework includes both LTIP and STIP metrics related to ESG.

This year, BBGI advanced its ESG goals, notably collecting comprehensive Financed Emissions data (Scope 1, 2, and significant Scope 3 GHG emissions) across all assets, being a key step in the Company's journey to net zero.

Key decisions during the year

As part of its planned remuneration review process, the Committee commissioned an independent review of the Management Board compensation framework in 2023.

The review indicated that the compensation framework is in line with market practice and benchmarks, and the Committee has therefore concluded that no material changes to the framework are required. The Committee's work in 2023 included the following key decisions:

- approval of the annual Remuneration Committee cycle;
- assessing performance against the 2022 STIP targets and approving the outcome;
- formalising the assessment of the 2019 LTIP outcome;
- setting metrics and targets for 2023 STIP and LTIP awards¹⁸; and

18 The 2023 LTIP award was granted in February 2024. The vesting period under these awards is from December 2023 to December 2026.

Remuneration Committee Report *continued*

- reviewing and updating the Company's Remuneration Policy and the Remuneration Committee terms of reference.

Detailed decisions of the Committee

Salary increases

There were no salary increases awarded to the Management Board in 2023. The average increase awarded to our employees was 7.7 per cent. This approach reflects the Company's commitment to equitable compensation practices and furthermore acknowledges the broader economic challenges and increased costs of living faced by our employees.

Annual bonus (FY22) outcome

For the financial year ended 31 December 2023, the Co-CEOs and CFO were each eligible for a maximum bonus of 150 per cent of base salary as at 31 December 2023. 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 strong performance and progress against targets, with the annual bonus outcomes at 70 per cent of the maximum opportunity for the 2023 financial year. One-third of the earned bonus is deferred and will be used to purchase shares, to be held for three years.

LTIP outcome (2020 award)

In December 2020, LTIP awards were granted to the Co-CEOs and CFO. These equated to an award value of 200 per cent of salary for the Co-CEOs, and 150 per cent of salary for the CFO, and were based on a stretching NAV total return target. The 2020 awards will be released following the publication of the Group's 2023 audited accounts, vesting at 100 per cent of the maximum for the Co-CEOs and CFO. This outcome reflects the performance against targets for the three-year period to 31 December 2023. In the period the Company achieved a NAV total return of 23 per cent.

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

Supervisory Board remuneration

The Supervisory Board fees were unchanged in 2023, with the last review conducted in 2022. Further details are provided in this report.

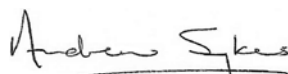
Management Board changes

As announced on 24 November 2023, Frank Schramm informed the Board of his intention to retire after 12 years as Co-CEO and stepped down from the Management Board on 31 January 2024. In accordance with his service contract, Frank's notice period runs to the end of 2024 during which time he will continue to be available to ensure an orderly handover and seamless transition.

Remuneration payments for Frank will be made in line with his service contract and will be disclosed in full in the 2024 Remuneration Committee report. The Committee agreed to treat Mr Schramm as a good leaver in accordance with the provisions of the incentive plan rules in respect of his outstanding incentive awards. Frank was eligible for the 2023 and the 2024 annual bonus award which will be paid in cash and shares. He did not participate in the LTIP award made to the Management Board in February 2024. Frank will be subject to post-employment shareholding requirements in line with the remuneration policy.

Following Frank's departure, Duncan Ball will continue in his role as sole CEO. From 1 February 2024, Michael Denny was appointed COO alongside his existing CFO duties. Effective from 31 January 2024, Andreas Parzych was appointed to the Management Board.

Mr Parzych's base salary on appointment was set at €250,000 per annum. The committee believes that this salary level is representative of Mr Parzych's skills and experience and is appropriately positioned in the market. In line with other Management Board members, Mr Parzych will receive a pension allowance of 15 per cent of base salary and will participate in the existing short-term and long-term incentive plans, with a maximum award opportunity of 75 per cent of salary under both plans.



Andrew Sykes

Remuneration Committee Chair
27 March 2024

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 2023, 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

Management Board remuneration framework summary for 2023

Element	
Base salary	Base salaries ¹⁹ : Co-CEOs: C\$902,839 and €596,035 ²⁰ 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 BBGI 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 at threshold, 75 per cent of salary at target and: 150 per cent of salary at maximum. Performance is measured over three years. For the 2023 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	The Management Board members are required to build and maintain a minimum holding of BBGI shares with a value of 200 per cent of salary ²¹ . <i>Post-employment shareholding requirements:</i> Management Board members are required to hold 100 per cent of salary in shares for two years after leaving BBGI.

- assessments; and
- 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,

Single figure table – Management Board

In Sterling	Duncan Ball (Co-CEO)		Frank Schramm (Co-CEO)		Michael Denny (CFO)	
	2023	2022	2023	2022	2023	2022
Base salary	538,189	553,435	518,444	500,097	332,058	320,307
Benefits	15,165	15,594	14,547	14,032	–	–
Annual bonus	563,376	843,542	542,708	762,245	347,598	488,210
Pension	80,728	84,354	77,767	76,225	49,809	48,821
LTIP ²²	757,242	239,942	786,303	240,822	377,713	40,134
Total fixed	634,082	653,384	610,758	590,354	381,867	369,128
Total variable	1,320,618	1,083,484	1,329,010	1,003,067	725,311	528,343
Total remuneration	1,954,700	1,736,868	1,939,768	1,593,421	1,107,178	897,471

¹⁹ Base salaries were unchanged during the year ended 31 December 2023.

²⁰ The Co-CEOs, Duncan Ball and Frank Schramm, are paid in Canadian Dollars and Euro, respectively. The CFO is paid in Euro.

²¹ This minimum holding is calculated based on the Director's salary at 1 May 2023 and is fixed for three years.

²² The 2020 LTIP vests by reference to performance in the three-year period to 31 December 2023. The associated shares will be released to the Management Board members following the publication of BBGI's 2023 audited accounts.

Remuneration at a glance *continued***The figures in the table on the previous page 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 2023, the relevant average exchange rates were £1 = C\$1.6776 and £1 = €1.1497.
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 2020 LTIP award multiplied by the average share price over the last quarter of the year ended 31 December 2023 (£1.319).

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 levels of risk-taking which are inconsistent with the risk profile of BBGI.

On the previous page we have set out total remuneration for each Management Board member for the year ended 31 December 2023²³.

Additional disclosures for the single figure table

Management Board members receive an annual base salary, payable monthly in arrears. Both Mr Denny and Mr Schramm receive salaries in Euro (€381,754 and €596,035 respectively). Mr Ball receives his salary in Canadian Dollars (C\$902,839). The table above presents figures in Sterling, the Group's reporting currency. The changes in these figures, when compared, solely result from exchange rate fluctuations, as there were no adjustments made to the base salaries of Management Board members during the year.

The combined annual base salary received by the members of the Management Board during the year ended 31 December 2023 was £1,388,691 (2022: £1,373,839).

Base salary	Base salary at 31 December 2023	Base salary at 31 December 2022
Duncan Ball	£535k	£551k
Frank Schramm	£517k	£528k
Michael Denny	£331k	£338k

Taxable benefits and pension-related benefits

The Co-CEOs received a car allowance amounting to a total amount of £29,712 (2022: £29,627) for 2023. 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 2023.

BBGI has fewer than 30 employees across six different countries and individual pension arrangements across the team vary by location. In Luxembourg, where most of the Group's employees are located, normal pension contributions are made up of eight per cent of

salary from the employer, eight per cent of salary from the state and eight per cent from the employee.

STIP – annual bonus for year ended 31 December 2023

The table below summarises the STIP performance metrics and achievements in respect of the financial year ended 31 December 2023. 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. Against a challenging economic backdrop, the Management Board delivered strong performance and progress against the targets set at the start of the year and as a result achieved 70 per cent of the maximum outturn. No payment under the STIP is made if performance is below the threshold criteria.

For 2023, awards of 105 per cent of base salary were achieved by the Co-CEOs and CFO. One-third of the earned bonus will be settled in BBGI shares, with the net number of shares after settling the associated tax liability to be held for

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 7.93pps was declared for 2023, representing dividend growth of 6 per cent.				
Key financial targets - NAV per share	– The Company's NAV per share decreased by 1.4 per cent in the year. Therefore, the threshold performance requirement was not met and as a result there will be no payout under this metric.			20%	50%
Operational financial targets - ongoing charge, cash management and budgetary controls	<ul style="list-style-type: none"> – BBGI maintained the sector's low comparative ongoing charge at 0.93 per cent, attributed to its efficient and cost-effective internal management, in line with target performance. – Effective cash management and capital allocation were consistently maintained, ensuring appropriate cash balances, limited use of the RCF and robust dividend coverage. – Expenses were well controlled, with an outturn below budget in line with maximum performance. 			20%	86%

²³ The detail in the table goes significantly beyond that required to be disclosed under the relevant Luxembourg law.

Remuneration at a glance *continued*

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)		
Disciplined growth	Throughout the year, the Management Board assessed various acquisition opportunities. However, adhering to the Company's disciplined capital allocation strategy, it was decided not to proceed with these opportunities as they were not deemed accretive to the overall portfolio key performance metrics. Instead, the primary focus, was on repaying all drawings under the Group's RCF, which was achieved through using free cash flows generated from the underlying Portfolio Companies.			15%	0%
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: <ul style="list-style-type: none"> – high levels of asset availability at 99.9 per cent; and – no material lock-ups or defaults. 			20%	100%
Effective oversight, regulatory watch, and risk management	The Committee considered the effectiveness of the control frameworks in place to ensure continued regulatory compliance, the strategy for future regulatory adaptability and the quality of the risk management and reporting. Achievements include the following: <ul style="list-style-type: none"> – 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; and – risk management was seen as strong overall with an outcome between target and maximum achieved. 			10%	75%
ESG	The Committee considered the significant progress against the Company's ESG objectives during the reporting period, including the following achievements: <ul style="list-style-type: none"> – enhanced portfolio-ESG data collection and reporting enabling the company to have a detailed overview of the portfolio's Financed Emissions, covering scope 1, 2, and material scope 3 GHG emissions across all our assets; – full compliance with the Sustainable Finance Disclosure Regulation; – voluntary compliance with TCFD disclosure requirements; and – improved UN PRI ratings across two modules Policy Governance and Strategy and Direct Infrastructure, scoring 100/100 and 99/100 respectively. 			15%	100%
Overall bonus out-turn (% of maximum)					70%

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 2023. During the year ended 31 December 2023, the total amount accrued in respect of the 2023 STIP amounted to £1,453,683 (2022: £2,093,997). Cash payments under the STIP are made in Canadian Dollars and Euros.

LTIP – awards vesting (2020 award)

In December 2020, LTIP awards were granted to the Co-CEOs and CFO. These equated to an award value of 200 per cent of salary for the Co-CEOs and 150 per cent of salary for the CFO. Following the achievement of a NAV Total Return of 23.5 per cent against stretching targets, the awards vested at 100 per cent of maximum. NAV Total Return reflects both capital returns generated, and dividends returned to shareholders.

These reflect performance against targets for the three-year period to 31 December 2023.

LTIP – awards granted with effect during the financial year

An LTIP award of 200 per cent of base salary was granted to the Co-CEO (CEO designate) in February 2024 with effect from December 2023. The CFO's maximum LTIP award is set at 150 per cent of base salary. As Frank Schramm was retiring from the Company, he did not participate in the 2023 LTIP award (award in respect of the period December 2023 to December 2026). All awards granted are within the approved limits under the current LTIP Plan.

For awards issued in February 2024, 80 per cent of the performance target will be subject to stretching 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) ten per cent linked to a reduction in corporate GHG emissions (Scopes 1, 2 & 3)

(against a 2019 baseline) and (ii) ten 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.

For the CEO designate, 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. Refer to Note

Remuneration at a glance *continued*

2023 LTIP Award Performance metric	Threshold performance	Target performance	Maximum performance
NAV growth per share + dividends paid (expressed as a percentage of opening NAV) (80% of weighting)	17%	19%	23%
ESG – percentage of corporate GHG emissions (Scope 1, 2 & 3) (10% weighting)	GHG emissions as a percentage of 2019 baseline (at 31 December 2026)		
	68%	65%	61%
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'		
	31%	35%	40%

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 2023.

During the year ended 31 December 2023, we settled our 2019 award obligation by issuing the respective share entitlement to each Management Board member. In total, we issued and allotted 175,242 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 2023 was £3.6 million (2022: £3.4 million). The total amount accrued for cash-settled variable remuneration at 31 December 2023 was £1.6 million. The total variable remuneration paid in cash in 2023 relating to the 2022 financial year was £1.9 million (2022: £1.8 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 2023, we recorded an expense of £0.3 million (2022: £0.2 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 2023, 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 considers 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 2023, the Supervisory Board received fees totalling £315,000 (2022: £259,190). The table at the bottom of this page outlines the fees paid in Sterling to each of the Supervisory Board members.

Supervisory Board fees

Details of Supervisory Board fees are below.

Supervisory Board fees In Sterling	2023	Fees with effect from 1 October 2022
Chair	80,000	80,000
Non-Executive Director	55,000	55,000
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 during 2023.

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

Single Total Figure Table – Supervisory Board

In Sterling	Base fee		Senior Non-Executive Director		Committee Chair		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
June Aitken ⁽ⁱ⁾	55,000	32,788	–	–	–	–	55,000	32,788
Howard Myles ⁽ⁱⁱ⁾	–	14,835	–	1,648	–	1,648	–	18,131
Jutta af Rosenborg	55,000	47,500	–	–	5,000	5,000	60,000	52,500
Andrew Sykes ⁽ⁱⁱⁱ⁾	55,000	32,788	5,000	3,365	5,000	3,365	65,000	39,518
Chris Waples	55,000	47,500	–	–	–	–	55,000	47,500
Sarah Whitney	80,000	68,750	–	–	–	–	80,000	68,750
Total	300,000	244,161	5,000	5,013	10,000	10,013	315,000	259,187

(i) June Aitken was appointed to the Supervisory Board with effect from 29 April 2022.

(ii) Howard Myles retired from the Supervisory Board with effect from 29 April 2022.

(iii) Andrew Sykes was appointed to the Supervisory Board with effect from 29 April 2022.

Remuneration at a glance *continued*

Share interests and statement of Directors' shareholdings

Total share interests as at 31 December 2023

The Directors' interests and those of their connected persons in BBGI's ordinary shares as at 31 December 2023 are below.

Shares owned by Directors:

	At 31 December 2023	At 31 December 2022
Management Board		
Duncan Ball	1,071,358	870,983
Michael Denny	650,485	504,004
Frank Schramm	1,001,290	829,184
Supervisory Board		
June Aitken	56,000	31,000
Jutta af Rosenborg	8,000	–
Andrew Sykes	40,000	40,000
Chris Waples	17,321	17,321
Sarah Whitney	59,641	39,000

Awards under share plans:

Management Board	Award	At 31 December 2022 ⁽ⁱ⁾	Granted in the year ⁽ⁱⁱ⁾	Vested in the year	Lapsed or forfeited in the year	At 31 December 2023
Duncan Ball	LTIP	2,194,628	791,704	(152,125)	(200,729)	2,633,478
Frank Schramm	LTIP	2,160,819	–	(152,683)	(201,466)	1,806,670
Michael Denny	LTIP	918,774	367,527	(25,445)	(25,445)	1,235,411

(i) Reflects maximum potential number of shares under all the awards granted, including the 2019 award settled in May 2023.

(ii) This LTIP award was announced in February 2024 with effect in December 2023.

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 2023 is summarised below:

Management Board	Shares counting towards the guideline at 31 December 2023	Required shareholding to achieve ⁽ⁱ⁾	Percentage of shareholding requirement achieved
Duncan Ball	1,071,358	699,903	153%
Frank Schramm	1,001,290	688,427	145%
Michael Denny	650,485	440,930	148%

(i) Two times the base salary with effect from 1 May 2023 divided by the Company share price on the same date. The minimum holding requirement is fixed for a period of three years and will be reset in 2026.

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 £43k for 2023. 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.

Remuneration at a glance *continued*

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.

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

The following parties may attend Committee meetings by invitation 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 disappplied by the Company during or for 2023.

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 2024

Base salary

Management Board salaries were unchanged during the year ended 31 December 2023 and are as follows:

Duncan Ball	Co-CEO	£535k
Frank Schramm	Co-CEO	£517k
Michael Denny	CFO	£331k
Andreas Parzych	Executive Director	£217k (effective 1 February 2024)

As noted earlier in this report, the Committee commissioned an independent review of the Management Board's compensation packages in 2023. The review indicated that the compensation framework is in line with market practice and benchmarks, and the Committee has therefore concluded that no material changes to the framework are required. However, acknowledging the importance of maintaining competitiveness and alignment with evolving market standards, the Committee will keep the remuneration packages under review throughout 2024. This approach ensures that our compensation policies remain relevant and effectively support our strategic objectives in a changing market environment. As previously noted, both Mr Denny and Mr Schramm receive salaries in Euro (€381,754 and €596,035, respectively). Mr Ball receives his salary in Canadian Dollars (C\$902,839). Mr Parzych will receive his salary in Euro (€250,000).

Full details of any salary changes made in 2024 will be disclosed in the 2024 Remuneration Committee report.

Annual bonus (STIP)

The maximum bonus opportunity for 2024 will be 150 per cent of salary for the CEO²⁴, former Co-CEO (now in an advisory role), the CFO and 75 per cent of salary for the Executive Director. 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.

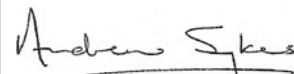
Payment of the annual bonus is subject to stretching financial and strategic targets, which are commercially sensitive and therefore remain confidential. However, the Committee will disclose an overview of the bonus performance measures and out-turns in the 2024 Directors' Remuneration Report.

LTIP

The Committee intends to recommend the grant of ongoing annual maximum LTIP awards of 200 per cent of salary to the CEO, 150 per cent of salary to the CFO and 75 per cent of salary to the Executive Director, subject to stretching NAV Total Return and climate-related ESG targets.

Approval

This Report was approved by the Board on 27 March 2024 and signed on its behalf by:



Andrew Sykes

Chair of the Remuneration Committee

²⁴ Mr Schramm will step down from the Management Board of the Company on 31 January 2024. In accordance with his service contract, Mr Schramm's notice period runs to the end of 2024 during which time he will continue to be available to ensure an orderly handover and seamless transition. In line with his service contract, Mr Schramm will participate in the 2024 STIP. Mr Schramm will not participate in the 2023 LTIP award (award running from December 2023 to December 2026).

Viability Statement

As part of the ongoing risk monitoring process, and in compliance with AIC Code Principle N and Provision 36, the Management Board has conducted a thorough evaluation of BBGI's viability and prospects for the next five years.

While the average remaining life of the portfolio of assets is 19.3 years, we believe that five years is an appropriate and acceptable length of time to consider the risks to BBGI's continuing existence. This judgement involves a comprehensive review of information 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; and
- annual and semi-annual valuations.

This viability assessment is an integral part of BBGI's broader annual risk review process, with further information on principal risks and uncertainties, including detailed descriptions of the areas and factors of the risks, and the processes by which the Management Board monitors, reviews, and assesses them, outlined in the Risk section of this Annual Report.

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

Our Management Board regularly reviews and assesses principal risks faced by our business, including those that could threaten our business model, strategy, solvency, liquidity and future performance. All identified risks are assessed based on their:

- probability or likelihood of occurrence;
- impact; and
- mitigation measures.

These risks 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 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 our 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 oversight 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 this Annual Report.

Having conducted its 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 2029. This assessment is subject to the following conditions: the availability of sufficient capital and market liquidity allowing 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, with the next scheduled to take place at the AGM in April 2025.

Management Board Responsibilities Statement

The Management Board is responsible for ensuring proper preparation of BBGI's Annual and Interim Reports and financial statements for each financial reporting 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; and
- 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 prudently;
- stating whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business;
- maintaining proper accounting records, which disclose with reasonable accuracy the Group's financial position and enable it to ensure that the financial statements comply with all relevant regulations; and
- safeguarding the Group's assets 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, 27 March 2024



Duncan Ball
CEO



Michael Denny
CFO



Andreas Parzych
Executive Director

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 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards 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 2023;
- 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

Audit Report *continued*

To the Shareholders of BBGI Global Infrastructure S.A.

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
<p><i>Investments at fair value through profit or loss</i></p> <p>Refer to the consolidated financial statements (Note 3, summary of significant accounting policies; Note 9, Investments at FVPL).</p> <p>Investments at fair value through profit or loss, GBP 1 billion, is the most significant balance on the consolidated statement of financial position. It consists 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.</p> <p>The valuation of the investments is determined using the discounted cash flow methodology.</p> <p>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.</p> <p>Taking this into account, coupled with the magnitude of the amounts involved, we consider this area as a key audit matter.</p>	<p>In assessing the valuation of investments at fair value through profit or loss, we performed the procedures outlined below:</p> <p>We assessed that the investments valuation policy was in compliance with the applicable accounting framework.</p> <p>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.</p> <p>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.</p> <p>The key controls on which we placed reliance for the purposes of our audit were appropriately designed and implemented and were operating effectively.</p> <p>In addition, we obtained substantive audit evidence over the valuation of investments at fair value through profit or loss as follows:</p> <ul style="list-style-type: none"> - 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, discount rate setting were appropriate and/or within acceptable ranges based on market research. 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.

Audit Report *continued*

To the Shareholders of BBGI Global Infrastructure S.A.

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 IFRS Accounting Standards 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

Audit Report *continued*

To the Shareholders of BBGI Global Infrastructure S.A.

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 April 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is one year.

PricewaterhouseCoopers, Société coopérative

Represented by



Emanuela Sardi

Luxembourg, 27 March 2024

Consolidated Income Statement

For the year ended 31 December 2023

In thousands of Sterling	Notes	2023	2022
Income from investments at fair value through profit or loss	9	38,865	159,545
Other operating income	10	10,659	83
Operating income		49,524	159,628
Administrative expenses	6	(12,130)	(11,756)
Other operating expenses	7	(154)	(12,781)
Operating expenses		(12,284)	(24,537)
Results from operating activities		37,240	135,091
Net finance result	8	(2,524)	(2,005)
Net gain/(loss) on balance sheet hedging	19	8,874	(10,572)
Profit before tax		43,590	122,514
Tax expense – net	12	(3,303)	(3,472)
Profit for the year		40,287	119,042
Earnings per share			
Basic earnings per share (pence)	15	5.64	16.70
Diluted earnings per share (pence)	15	5.62	16.68

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

Consolidated Statement of Other Comprehensive Income

For the year ended 31 December 2023

In thousands of Sterling	Notes	2023	2022
Profit for the year		40,287	119,402
<i>Items that may be reclassified to profit or loss, net of tax</i>			
Exchange difference on translation of foreign operations		(351)	(450)
<i>Items that will not be reclassified to profit or loss, net of tax</i>			
Net loss on a previously consolidated subsidiary		(453)	–
Other comprehensive income for the year, net of tax		(804)	(450)
Total comprehensive income for the year		39,483	118,592

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

Consolidated Statement of Financial Position

As at 31 December 2023

In thousands of Sterling	Notes	2023	2022
Assets			
Property and equipment		93	123
Investments at fair value through profit or loss	9,19	1,047,244	1,102,844
Deferred tax assets	12	983	153
Derivative financial assets	19	2,663	–
Other non-current assets	16	994	275
Non-current assets		1,051,977	1,103,395
Trade and other receivables	21	865	909
Other current assets	13	1,329	994
Derivative financial assets	19	–	2,885
Cash and cash equivalents	11	9,672	31,157
Current assets		11,866	35,945
Total assets		1,063,843	1,139,340
Equity			
Share capital	14	852,386	850,007
Additional paid-in capital	22	3,113	2,502
Translation and other capital reserves	14	(1,635)	14,371
Retained earnings		202,764	202,298
Equity attributable to the owners of the Company		1,056,628	1,069,178
Liabilities			
Loans and borrowings	16	–	56,390
Derivative financial liabilities	19	–	5,687
Non-current liabilities		–	62,077
Loans and borrowings	16	233	230
Trade and other payables	17	2,697	3,242
Derivative financial liabilities	19	2,823	3,006
Tax liabilities	12	1,462	1,607
Current liabilities		7,215	8,085
Total liabilities		7,215	70,162
Total equity and liabilities		1,063,843	1,139,340
Net asset value attributable to the owners of the Company	14	1,056,628	1,069,178
Net asset value per ordinary share (pence)	14	147.81	149.89

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

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 2023		850,007	2,502	14,371	202,298	1,069,178
Total comprehensive income for the year ended 31 December 2023						
Profit for the year		–	–	–	40,287	40,287
Other movements in other comprehensive income		–	–	3	(456)	(453)
Exchange difference on translation of foreign operation		–	–	(16,009)	15,658	(351)
Total comprehensive income for year		–	–	(16,006)	55,489	39,483
Transactions with the owners of the Company, recognised directly in equity						
Scrip dividends	14	1,536	–	–	(1,536)	–
Cash dividends	14	–	–	–	(53,487)	(53,487)
Equity settlement of share-based compensation	14,22	888	(1,427)	–	–	(539)
Share-based payment	22	–	2,038	–	–	2,038
Share issuance costs	14	(45)	–	–	–	(45)
Balance as at 31 December 2023		852,386	3,113	(1,635)	202,764	1,056,628

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	14	1,092	–	–	(1,092)	–
Cash dividends	14	–	–	–	(51,683)	(51,683)
Equity settlement of share-based compensation	14,22	1,084	(1,068)	–	–	16
Share-based payment	22	–	1,737	–	–	1,737
Share issuance costs	14	(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 2023

In thousands of Sterling	Notes	2023	2022
Operating activities			
Profit for the year		40,287	119,042
Adjustments for:			
Depreciation expense	6	44	34
Net finance results	8	2,524	2,005
Income from investments at fair value through profit or loss	9	(38,865)	(159,545)
Loss/(gain) on derivative financial instruments – net	19	(18,107)	21,899
Foreign currency exchange loss/(gain) – net	7,10	(1,319)	840
Share-based compensation	22	2,038	1,737
Tax expense – net	12	3,303	3,472
Working capital adjustments:			
Trade and other receivables		(114)	(506)
Other assets		(435)	(508)
Trade and other payables		(780)	92
Cash used in operating activities		(11,424)	(11,438)
Interest paid and other borrowing costs		(2,735)	(1,870)
Interest received	8	537	172
Realised loss on derivative financial instruments – net	19	(913)	(3,779)
Taxes paid		(4,817)	(3,391)
Net cash flows used in operating activities		(19,352)	(20,306)
Investing activities			
Acquisition of/additional investments at fair value through profit or loss	9	–	(64,407)
Distributions received from investments at fair value through profit or loss	9	94,465	96,333
Realised gain/(loss) on derivative financial instruments – net	19	13,371	(12,550)
Acquisition of property and equipment		(14)	(89)
Net cash flows from investing activities		107,822	19,287
Financing activities			
Dividends paid	14	(53,487)	(51,683)
Repayment of loans and borrowings	16	(71,404)	(17,000)
Proceeds from the issuance of loans and borrowings	16	15,000	72,512
Debt and equity instrument issue cost	14	(45)	(26)
Net cash flows from/(used in) financing activities		(109,936)	3,803
Net increase/(decrease) in cash and cash equivalents		(21,466)	2,784
Impact of foreign exchange on cash and cash equivalents		(19)	1,511
Cash and cash equivalents as at 1 January		31,157	26,862
Cash and cash equivalents as at 31 December	11	9,672	31,157

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

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 ('AIFM') 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 6E, route de Trèves, L-2633 Senningerberg, Luxembourg and is registered with the Registre de Commerce et des Sociétés Luxembourg under the number B163879.

The Company is a closed-ended investment company that invests, through its subsidiaries, predominantly in a globally diversified portfolio of Public Private Partnership ('PPP')/Private Finance Initiative ('PFI') infrastructure or similar style assets (Investment portfolio'). As at 31 December 2023, the Group has no investment where the asset is under construction (31 December 2022: one).

As at 31 December 2023, the Group employed 26 staff (31 December 2022: 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 2022.

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 27 March 2024.

2. Basis of preparation

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards accounting 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:

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.

Definition of Accounting Estimate - 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.

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

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

2. Basis of preparation (continued)

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 Investment 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 2023, 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 material 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, also 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 20).

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 16 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.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

3. Summary of material accounting policies (continued)

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. Foreign currency movements during the reporting period relating to investments are included as part of the 'Income from investments at fair value through profit or loss' (income from Investments at FVPL).

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 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 19.

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.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

3. Summary of material accounting policies (continued)

d) Financial instruments (continued)

Financial assets at amortised cost (debt instruments)(continued)

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 19.

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.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

3. Summary of material accounting policies (continued)

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) Subscription 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. Subscription tax is recognized as a tax expense in the consolidated income statement for the period in which it is incurred.

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;

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

3. Summary of material accounting policies (continued)

n) Current versus non-current classification (continued)

- 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.

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. Material accounting judgements, estimates and assumptions

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

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

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

4.1 Assessment as an investment entity

Refer to Note 2 for the discussion on this topic.

4.2 Fair value determination

Refer to Note 3 e) for the discussion on this topic.

4.3 Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of equity-settled transactions for the Long-Term Incentive Plan ('LTIP'), the Group uses a Monte Carlo simulation model for the market-based performance condition element of the awards. Non-market based performance conditions are not taken into account in the valuation of the unit fair value per share of the LTIP. Instead, the number of shares is adjusted at each reporting date to take into account the actual level of non market-based performance condition.

For the measurement of the fair value of equity-settled transactions for the Deferred Short-Term Incentive Plan ('Deferred STIP'), the Group recognises a portion of the annual estimated bonus of the Management Board. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 22.

4.4 Going concern basis of accounting

The Group's portfolio is currently 100 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.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

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 2023 In thousands of Sterling	UK	North America	Australia	Continental Europe	Holding Activities	Total Group
Income/(loss) from investments at FVPL (Note 9)	18,803	17,030	(4,022)	7,054	–	38,865
Administrative expenses	–	–	–	–	(12,130)	(12,130)
Other operating income – net	–	–	–	–	10,505	10,505
Results from operating activities	18,803	17,030	(4,022)	7,054	(1,625)	37,240
Net finance result	–	–	–	–	(2,524)	(2,524)
Net gain on balance sheet hedging	–	–	–	–	8,874	8,874
Tax expense – net	–	–	–	–	(3,303)	(3,303)
Profit/(loss) for the year	18,803	17,030	(4,022)	7,054	1,422	40,287

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
Administration 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/(loss) for the year	66,910	72,902	10,707	9,026	(40,503)	119,042

Statement of financial position per segment information as at 31 December 2023 and 2022 are presented below:

As at 31 December 2023 In thousands of Sterling	UK	North America	Australia	Continental Europe	Holding Activities	Total Group
Assets						
Property and equipment	–	–	–	–	93	93
Investments at FVPL	341,635	477,734	97,181	130,694	–	1,047,244
Other non-current assets	–	–	–	–	4,640	4,640
Current assets	–	–	–	–	11,866	11,866
Total assets	341,635	477,734	97,181	130,694	16,599	1,063,843
Liabilities						
Non-current	–	–	–	–	–	–
Current	–	–	–	–	7,215	7,215
Total liabilities	–	–	–	–	7,215	7,215

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

5. Segment reporting (continued)

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

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 2023	Year ended 31 December 2022
Personnel expenses		
Short-term benefits	5,639	5,919
Share-based compensation expenses (Note 22)	2,038	1,737
Supervisory Board fees	315	260
	7,992	7,916
Legal and professional fees	2,716	2,630
Office and other expenses	1,378	1,176
Depreciation expense	44	34
	12,130	11,756

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 £395,000 (2022: £383,000).

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

6. Administrative expenses (continued)

During the year, the Company and its consolidated subsidiaries obtained the following services from the external auditors.

In thousands of Sterling	Year ended 31 December 2023	Year ended 31 December 2022
Group auditor remuneration:		
Statutory audit fees	290	238
Interim review and other permitted assurance services	104	56
Non-assurance fees	–	5
	394	299
Audit and audit-related fees from non-Group auditor	43	65
	437	364

7. Other operating expenses

In thousands of Sterling	Year ended 31 December 2023	Year ended 31 December 2022
Acquisition-related costs and others (including unsuccessful bid costs)	154	615
Loss on derivative financial instruments at FVPL – net (Note 19)	–	11,326
Foreign currency exchange loss – net	–	840
	154	12,781

8. Net finance results

In thousands of Sterling	Year ended 31 December 2023	Year ended 31 December 2022
Finance costs on loans and borrowings (Note 16)	3,061	2,177
Interest income on bank deposits	(537)	(172)
	2,524	2,005

9. Investments at FVPL

In thousands of Sterling	Year ended 31 December 2023	Year ended 31 December 2022
Balance as at 1 January	1,102,844	975,225
Acquisitions of/additions in Investments at FVPL	–	64,407
Income from investments at FVPL ⁽ⁱ⁾	38,865	159,545
Distributions received from Investments at FVPL	(94,465)	(96,333)
Balance as at 31 December	1,047,244	1,102,844

(i) This account reflects the unrealised gain on valuation of investments.

Income from Investments at FVPL include the impact of net foreign exchange losses for the year ended 31 December 2023 amounting to £23.3 million (year ended 31 December 2022: net foreign exchange gain of £34.2 million). Refer to Note 19 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 2023 and 2022, 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 including but not limited to interest income, dividend income, asset-related management fee income and other income.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

9. Investments at FVPL (continued)

Details of various asset investments in the Group's portfolio and their respective acquisition dates are as follows:

Company ^o	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	Victorian 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 Highway	Canada	50%	2012
NorthwestConnect Holdings Inc.	Northwest Anthony Henday Drive	Canada	50%	2012
BBGI KVH Holdings Inc., BBGI KVH Holdings 2 Inc.	Kelowna & Vernon Hospitals	Canada	100%	2013 and 2020
WCP Holdings Inc.	Women's College Hospital	Canada	100%	2013
Stoney Trail Group Holdings Inc.	North East Stoney Trail	Canada	100%	2013
BBGI NCP Holdings Inc.	North Commuter Parkway	Canada	50%	2015
SNC-Lavalin Infrastructure Partners LP	William R. Bennett Bridge	Canada	80%	2017
	South East Stoney Trail	Canada	40%	2017
	Canada Line	Canada	26.7%	2017
	Restigouche Hospital Centre	Canada	80%	2017
	McGill University Health Centre	Canada	40%	2018
	John Hart Generating Station	Canada	80%	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 Facilities	Germany	90%	2012
Hochtief PPP 1 Holding GmbH & Co. KG	Cologne Schools	Germany	50%	2014
	Rodenkirchen Schools	Germany		
	Frankfurt Schools	Germany		
	Fürst Wrede Barracks	Germany		
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 Schakel Holding 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 Vegselaskap 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 (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

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

9. Investments at FVPL (continued)

Company ^①	Asset	Country of Incorporation	Ownership Interest	Year Acquired
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	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 & 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

^① and its subsidiary companies.

10. Other operating income

In thousands of Sterling	Year ended 31 December 2023	Year ended 31 December 2022
Gain on derivative financial instruments – net (Note 19)	9,233	–
Foreign currency exchange gain – net	1,319	–
Others	107	83
	10,659	83

11. Cash and cash equivalents

Cash and cash equivalents relate to bank deposits amounting to £9,672,000 (31 December 2022: £31,157,000).

12. Taxes

In thousands of Sterling	Year ended 31 December 2023	Year ended 31 December 2022
Current tax:		
Income tax and other taxes	3,755	3,705
Subscription tax	532	515
	4,287	4,220
Deferred tax:		
Relating to origination and reversal of temporary differences	(984)	(748)
	3,303	3,472

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.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

12. Taxes (continued)

Reconciliation of tax expense and the accounting profit multiplied by the Company's effective corporate tax rate for the year is as follows:

In thousands of Sterling	Year ended 31 December 2023	Year ended 31 December 2022
Profit before tax	43,590	122,514
Income tax using the Luxembourg domestic tax rate of 24.94%	10,871	30,555
Subscription tax during the year	532	515
Reconciling difference mainly due to fair valuation of assets	(8,100)	(27,598)
Tax charge for the year	3,303	3,472

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.

Deferred tax relates to the following:

In thousands of Sterling	Consolidated statement of financial position 31 December		Consolidated income statement 31 December	
	2023	2022	2023	2022
Losses available for offsetting against future taxable income	983	153	984	748

The Group has additional tax losses carried forward amounting to £12,257,000 (2022: £18,032,000) for which no deferred tax asset was recognised.

Tax liability as at 31 December 2023 amounted to £1,462,000 (31 December 2022: £1,607,000).

13. Other current assets

In thousands of Sterling	31 December 2023	31 December 2022
Prepaid taxes	833	537
Prepaid expenses	230	227
Others	266	230
	1,329	994

14. Capital and reserves

Share capital

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

In thousands of Sterling	31 December 2023	31 December 2022
Share capital as at 1 January	850,007	847,858
Share capital issued through scrip dividends	1,536	1,092
Equity settlement of share-based compensation (Note 22)	888	1,084
Shares issuance costs	(45)	(27)
	852,386	850,007

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

14. Capital and reserves (continued)

Share capital (continued)

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

In thousands of shares	31 December 2023	31 December 2022
In issue at beginning of the year	713,331	712,126
Shares issued through scrip dividends	1,017	649
Shares issued as share based compensation – net ⁽ⁱ⁾	529	556
	714,877	713,331

(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 2023	31 December 2022
LTIP	330	636
STIP	463	367
	793	1,003

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 debit balance of £1,635,000 (31 December 2022: credit balance of £14,153,000) 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 2023 are as follows:

In thousands of Sterling except as otherwise stated	31 December 2023
2022 2 nd interim dividend of 3.740 pence per qualifying ordinary share – for the period 1 July 2022 to 31 December 2022	26,679
2023 1 st interim dividend of 3.965 pence per qualifying ordinary share – for the period 1 January 2023 to 30 June 2023	28,345
Total dividends declared and paid during the year	55,024

The 31 December 2022 2nd interim dividend was paid in April 2023. The value of the scrip election was £1,536,000, with the remaining amount of £25,143,000 paid in cash to those investors that did not elect for the scrip.

The 30 June 2023 1st interim dividend was paid in October 2023. The value of the scrip election was £28,345,000. The scrip alternative was not available with this dividend payment.

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 2 nd interim dividend of 3.665 pence per qualifying ordinary share – for the period 1 July 2021 to 31 December 2021	26,099
2022 1 st 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

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

14. Capital and reserves (continued)

Dividends (continued)

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.

Net Asset Value ('NAV')

The consolidated NAV and NAV per share as at 31 December 2023, 31 December 2022 and 31 December 2021 were as follows:

In thousands of Sterling/pence	2023	2022	2021
NAV attributable to the owners of the Company	1,056,628	1,069,178	1,000,543
NAV per ordinary share (pence)	147.81	149.89	140.50

15. 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 2023	Year ended 31 December 2022
Profit for the year	40,287	119,042
Weighted average number of ordinary shares in issue	714,387	712,917
Basic earnings per share (in pence)	5.64	16.70

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 2023	Year ended 31 December 2022
Shares outstanding as at 1 January	713,331	712,126
Effect of scrip dividends issued	763	443
Shares issued as share-based compensation	293	348
Weighted average – outstanding shares	714,387	712,917

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 2023	Year ended 31 December 2022
Weighted average number of ordinary shares for basic earnings per share	714,387	712,917
Effect of potential dilution from share-based payment	2,412	852
Weighted average – outstanding shares	716,799	713,769

The price of the Company's shares for the purpose of calculating the potential dilutive effect of award letters (see Note 22) was based on the average market price for the year ended 2023 and 2022, during which period the awards were outstanding.

16. Loans and borrowings

The Group 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, on which no commitment fees are paid.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

16. Loans and borrowings (continued)

Outstanding borrowings under the RCF as at 31 December 2023 amounted to £nil million (31 December 2022: £57.5 million). As at 31 December 2023, the Group has utilised £1.4 million (31 December 2022: £1.3 million) of the £230 million RCF, to cover letters of credit.

The interest and other related fees payables under the RCF as at 31 December 2023 amounted to £233,000 (31 December 2022: £230,000).

The RCF unamortised debt issuance cost amounted to £771,000 as at 31 December 2023 (2022: £1,094,000). The unamortised debt issuance cost is presented as part of 'Other non-current assets' in the Consolidated Statement of Financial Position (2022: as part of 'Loans and borrowings').

The total finance cost incurred under the RCF for the year ended 31 December 2023 amounted to £3,061,000 (31 December 2022: £2,171,000) which includes amortisation of debt issuance costs of £323,000 (31 December 2022: £549,000).

Changes in liabilities arising from financing activities

In thousands of Sterling	1 January 2023	Proceeds	Repayment	Foreign exchange	Others	31 December 2023
Loans and borrowings non-current	56,390	15,000	(71,404)	(1,080)	1,094	–

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

Pledges and collaterals

As of 31 December 2023, and 31 December 2022, 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.

17. Trade and other payables

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

18. Financial risk review and management

Risk management framework

The Management Board has overall responsibility for the establishment and control of the Group's risk management framework.

The Group has exposure to credit risk, liquidity risk and market risk. This note presents information about the Group's exposure to each of these 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 these risk areas.

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 2023	31 December 2022
Derivative financial assets	2,663	2,885
Trade and other receivables	865	909
Cash and cash equivalents	9,672	31,157
	13,200	34,951

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

18. Financial risk review and management (continued)

Exposures to credit risks (continued)

The maximum exposure to credit risk on receivables that are neither overdue nor impaired as of 31 December 2023, amounts to £865,000 (2022: £909,000).

As of 31 December 2023, 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 £275,833,000 (2022: £282,378,000).

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 A+/-/Aa3.

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 2023 In thousands of Sterling	Carrying amount	Contractual cash flows		
		Total	Within 1 year	1-5 years
Loans and borrowings (Note 16)	233	3,318	1,377	1,941
Trade and other payables	2,697	2,697	2,697	–
Net derivative liability	2,823	2,823	2,823	–
	5,753	8,838	6,897	1,941

31 December 2022 In thousands of Sterling	Carrying amount	Contractual cash flows		
		Total	Within 1 year	1-5 years
Loans and borrowings (Note 16)	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	74,162	23,270	50,892

The Group needs to maintain certain financial covenants under the RCF. Non-compliance with such covenants may trigger an event of default (see Note 16). At 31 December 2023 and 2022, the Group was not in breach of any of the covenants under the RCF.

Depending on capital market conditions, the Company has the possibility of raising capital through the issuance of shares, or it can also use free cash flows generated by the Investments at FVPL 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.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

18. Financial risk review and management (continued)**Currency risk** (continued)

The Group is exposed to currency risk as a result of the cash flows from 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 2023 In thousands of Sterling	A\$	C\$	€	NOK	US\$
Financial assets measured at fair value					
Investments at FVPL	97,181	373,986	109,323	21,371	103,749
Financial assets measured at amortised cost					
Cash and cash equivalents	1,177	4,084	782	2	96
Trade and other receivables	90	761	–	–	–
	1,267	4,845	782	2	96
Financial liabilities measured at amortised cost					
Trade and other payables	–	(581)	(844)	–	–
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)
Loan and borrowings	–	–	(42,497)	–	–
	(17)	(688)	(43,374)	–	(80)

The significant exchange rates applied during the year ended 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	
	Average £	Spot rate £
A\$ 1	0.535	0.535
C\$1	0.596	0.593
€1	0.870	0.867
NOK 1	0.076	0.077
US\$ 1	0.804	0.785

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

18. Financial risk review and management (continued)

Currency risk (continued)

	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

The sensitivity of the NAV to a 10 per cent positive and adverse movement in foreign exchange rates is disclosed in Note 19 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 2023 and 2022, 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 16). 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 19 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 14) and the RCF (see Note 16) 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.

19. 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).

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

19. Fair value measurements and sensitivity analysis (continued)

The table below analyses financial instruments carried at fair value, by valuation method.

31 December 2023 In thousands of Sterling	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments at FVPL	–	–	1,047,244	1,047,244
Derivative financial assets	–	2,663	–	2,663
Financial liabilities measured at fair value				
Derivative financial liabilities	–	(2,823)	–	(2,823)
31 December 2022 In thousands of Sterling	Fair value			
	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)

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.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

19. Fair value measurements and sensitivity analysis (continued)

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

- 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 2023	31 December 2022	
Inflation	UK ⁽ⁱ⁾ RPI/CPIH	5.20% (actual) for 2023; 3.80% for 2024 then 3.00% (RPI) / 2.25% (CPIH)	13.40% (actual) for 2022; 5.80% for 2023 then 2.75% (RPI) / 2.00% (CPIH)
	Canada	3.90% (actual) for 2023; 2.50% for 2024; 2.10% for 2025 then 2.00%	6.30% (actual) for 2022; 4.00% for 2023; 2.30% for 2024 then 2.0%
	Australia	4.50% for 2023; 3.50% for 2024; 3.00% for 2025 then 2.50%	8.00% for 2022; 4.75% for 2023; 3.25% for 2024 then 2.50%
	Germany ⁽ⁱⁱ⁾	3.70% (actual) for 2023; 2.70% for 2024; 2.10% for 2025 then 2.00%	8.40% for 2022; 6.30% for 2023; 3.40% for 2024 then 2.00%
	Netherlands ⁽ⁱⁱ⁾	3.80% (actual) for 2023; 2.70% for 2024; 2.10% for 2025 then 2.00%	8.40% for 2022; 6.30% for 2023; 3.40% for 2024 then 2.00%
	Norway ⁽ⁱⁱ⁾	4.80% (actual) for 2023; 4.50% for 2024; 2.50% for 2025 then 2.25%	5.90% (actual) for 2022; 4.90% for 2023 then 2.25%
	US	3.40% (actual) for 2023 then 2.50%	6.50% (actual) for 2022; 3.40% for 2023 then 2.50%
	Deposit rates (p.a.)	UK	4.50% to Q4 2024, then 2.50%
Canada		4.75% to Q4 2024, then 2.50%	3.50% to Q4 2024, then 1.75%
Australia		4.75% to Q4 2024, then 3.50%	3.25% to Q4 2024, then 3.00%
Germany/ Netherlands		3.25% to Q4 2024, then 2.00%	0.50% to Q4 2024, then 1.00%
Norway		4.75% to Q4 2024, then 2.75%	2.00% to Q4 2024, then 2.00%
US		4.50% to Q4 2024, then 2.50%	3.75% to Q4 2024, then 1.50%
Corporate tax rates (p.a.)	UK	25.00%	19.00% until March 2023 then 25.00%
	Canada ⁽ⁱⁱⁱ⁾	23.00%/26.50%/27.00%/29.00%	23.00%/26.50%/27.00%/29.00%
	Australia	30.00%	30.00%
	Germany ^(iv)	15.83%	15.83%
	Netherlands	25.80%	25.80%
	Norway	22.00%	22.00%
	US	21.00%	21.00%

(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 Territories; Saskatchewan; British Columbia; New Brunswick.

(iv) Including solidarity charge; 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 7.3 per cent (31 December 2022: 6.9 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.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

19. Fair value measurements and sensitivity analysis (continued)**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:

Effects in thousands of Sterling	+1% to 8.3% in 2023 ⁽ⁱ⁾		-1% to 6.3% in 2023 ⁽ⁱ⁾	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2023	(76,995)	(76,995)	88,329	88,329
31 December 2022	(87,101)	(87,101)	100,702	100,702

(i) Based on the weighted average rate of 7.3 per cent (31 December 2022: 6.9 per cent).

Inflation has increased in all jurisdictions across BBG's geographies, and interest rates have risen from historical lows, although in some jurisdictions these trends have reversed over the period. Should long-term interest rates change substantially further, this is likely to further affect discount rates, and as a result, impact portfolio valuation.

Combined sensitivity: inflation, deposit rates and discount rates

It is reasonable to assume that macroeconomic movements would affect discount rates, deposit rates and inflation rates, and not be isolated to one variable. To illustrate the effect of this combined movement on the Company's NAV, two scenarios were created assuming a one percentage point change in the weighted average discount rate, and a one percentage point change in both deposit and inflation rates above the macroeconomic assumptions.

Effects in thousands of Sterling	Increase by 1%		Decrease by 1%	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2023	(16,344)	(16,344)	19,915	19,915
31 December 2022	(22,796)	(22,796)	n/a	n/a

Inflation sensitivity

The Company's investments are contractually entitled to receive contracted 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 assumptions in the table above:

Effects in thousands of Sterling	+1%		-1%	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2023	45,370	45,370	(40,852)	(40,852)
31 December 2022	51,508	51,508	(45,524)	(45,524)

Short-term inflation sensitivity

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

In thousands of Sterling	+2%	
	Equity	Profit or loss
Inflation +2% for one year	11,667	11,667
Inflation +2% for three years	30,737	30,737

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

19. Fair value measurements and sensitivity analysis (continued)

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:

Effects in thousands of Sterling	Increase by 10% ⁽ⁱ⁾		Decrease by 10% ⁽ⁱ⁾	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2023	(30,875)	(30,875)	31,161	31,161
31 December 2022	(23,665)	(23,665)	31,488	31,488

(i) Sensitivity in comparison to the spot foreign exchange rates as at 31 December 2023 and considering the contractual and natural hedges in place, derived by applying a ten 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 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:

Effects in thousands of Sterling	+1 %		-1%	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2023	21,029	21,029	(21,674)	(21,674)
31 December 2022	20,659	20,659	(20,635)	(20,635)

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, 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:

Effects in thousands of Sterling	Increase by 10% ⁽ⁱ⁾		Decrease by 10% ⁽ⁱ⁾	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2023	(24,865)	(24,865)	22,801	22,801
31 December 2022	(25,956)	(25,956)	23,459	23,459

(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:

In thousands of Sterling	+1%		-1%	
	Equity	Profit or loss	Equity	Profit or loss
31 December 2023	(12,189)	(12,189)	12,045	12,045
31 December 2022	(11,150)	(11,150)	11,011	11,011

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

19. Fair value measurements and sensitivity analysis (continued)

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 in the forecasted debt rate.

In thousands of Sterling	Margin +1%	
	Equity	Profit or loss
2023	(7,942)	(7,942)
2022	(9,051)	(9,051)

Refinancing sensitivity relates to the Northern Territory Secure Facilities, as it is common practice in the Australian infrastructure market to have senior debt durations that are typically between five and seven years. We assume three refinancings for the Northern Territory Secure Facilities, between the fourth quarter of 2025 and the fourth quarter of 2038. Long-term interest rate hedges fully mitigate base rate risk, leaving exposure only to potential changes in margin.

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 2023 amounted to a net liability of £160,000 (31 December 2022: £5,808,000 – 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 gains/(losses) on derivatives financial instruments at FVPL:

In thousands of Sterling	Year ended 31 December 2023		Year ended 31 December 2022	
	Realised	Unrealised	Realised	Unrealised
Cash flow hedging	(913)	10,146	(3,779)	(7,547)
Balance sheet hedging	13,371	(4,497)	(12,550)	1,978
	12,458	5,649	(16,329)	(5,569)

20. Subsidiaries

During the year ended 31 December 2023, 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 Ireland Limited	Ireland	100%	2017

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

20. Subsidiaries (continued)

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	Victorian Correctional Facilities	Australia	100%	2012
BBGI Guernsey Holding Limited ⁽ⁱ⁾	Northern Territory Secure Facilities	Australia	100%	2013
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 & Vernon Hospitals	Canada	100%	2013
BBGI KVH Inc.	Kelowna & Vernon Hospitals	Canada	100%	2013
BBGI KVH Holdings 2 Inc.	Kelowna & Vernon Hospitals	Canada	100%	2020
BBGI KVH 2 Inc.	Kelowna & Vernon Hospitals	Canada	100%	2020
Infusion Health KVH General Partnership	Kelowna & 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.	North East Stoney Trail	Canada	100%	2013
Stoney Trail LP Inc.	North East Stoney Trail	Canada	100%	2013
Stoney Trail Investments Inc.	North East Stoney Trail	Canada	100%	2013
Stoney Trail Inc.	North East Stoney Trail	Canada	100%	2013
Stoney Trail Global Limited Partnership	North East Stoney Trail	Canada	100%	2013
Stoney Trail General Partnership	North East Stoney Trail	Canada	100%	2013
BBGI NCP Holdings Inc.	North Commuter Parkway	Canada	100%	2015

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

20. Subsidiaries (continued)

Company	Asset name	Country of Incorporation	Effective Ownership	Date Acquired/ Controlled
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 Facilities	Germany	100%	2012
Projektgesellschaft Justizvollzug Burg GmbH & Co. KG	Burg Correctional Facilities	Germany	90%	2012
PJB Management GmbH	Burg Correctional Facilities	Germany	100%	2012
Kreishaus Unna Holding GmbH	Unna Administrative Centre	Germany	100%	2012 and 2020
Projekt und Betriebsgesellschaft Kreishaus Unna mbH	Unna Administrative Centre	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 Vegselkap 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 (LIFT)	UK	100%	2012
Barking Dagenham Havering Community Ventures Limited	Barking Dagenham & Havering (LIFT)	UK	60%	2012
Barking & Havering LIFT (Midco) Limited	Barking Dagenham & Havering (LIFT)	UK	60%	2012
Barking & Havering LIFT Company (No.1) Limited	Barking Dagenham & Havering (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	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
Highway Management (City) Finance Plc	M1 Westlink	UK	100%	2014
Highway Management (City) Limited	M1 Westlink	UK	100%	2014
GB Consortium 1 Limited	North London Estates Partnership (LIFT) Liverpool & Sefton Clinics (LIFT)	UK	100%	2012, 2014 and 2018

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

20. Subsidiaries (continued)

Company	Asset name	Country of Incorporation	Effective Ownership	Date Acquired/ Controlled
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
Blue Light Partnership (ASP) NewCo Limited ⁽ⁱ⁾	Avon & Somerset Police HQ	UK	100%	2014 and 2016
Blue Light Partnership (ASP) Holdings Limited	Avon & Somerset Police HQ	UK	100%	2014, 2015 and 2016
Blue Light Partnership (ASP) NewCo 2 Limited ⁽ⁱⁱ⁾	Avon & Somerset Police HQ	UK	100%	2015
GT ASP Limited ⁽ⁱⁱ⁾	Avon & Somerset Police HQ	UK	100%	2015
Blue Light Partnership (ASP) Limited	Avon & 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) Accounted as part of Investment at FVPL starting at 1 July 2023

(ii) In the process of liquidation as at 31 December 2023

21. 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 £315,000 for the year ended 31 December 2023 (2022: £260,000).

Directors' shareholding in the Company

In thousands of shares	31 December 2023	31 December 2022
<i>Management Board</i>		
Duncan Ball	1,071	871
Frank Schramm ⁽ⁱ⁾	1,001	829
Michael Denny	650	504
<i>Supervisory Board</i>		
Sarah Whitney	60	39
June Aitken	56	31
Andrew Sykes	40	40
Christopher Waples	17	17
Jutta af Rosenborg	8	–
	2,903	2,331

(i) Retired on 31 January 2024

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

21. Related parties and key contracts (continued)

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 2023	Year ended 31 December 2022
Short-term benefits	2,676	2,944
Share-based payments	1,750	1,536
	4,426	4,480

Trade and other receivables

As at 31 December 2023, trade and other receivables include short-term receivables from non-consolidated subsidiaries amounting to £865,000 (2022: £909,000).

22. Share-based compensation

Each of the members of the Management Board received award letters ('2022 Award', '2021 Award', and '2020 Award', respectively and referred collectively as 'Awards') under the Group's LTIP. 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 including the increase in the Company's Investment Basis NAV per share ('NAV condition'), key climate-related environmental metrics, including a reduction in corporate GHG emissions (Scopes 1, 2 & 3) (against a 2019 baseline) and 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 decrease in Corporate Greenhouse Gas Emissions ('GHG') over the Return Periods.

2020 Award

For 2020 awards, 100 per cent of the performance target will be subject to stretching NAV Total Return 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 – percentage of Corporate GHG emissions (Scope 1, 2 & 3) (10% weighting)	GHG emissions as a percentage of 2019 baseline (as at 31 December 2024)		
	77%	75%	72%

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

22. Share-based compensation (continued)

2022 Award

For the 2022 award, 80 per cent of the performance target will be subject to stretching NAV Total Return targets over a three-year period.

20 per cent of the award will be linked to key climate-related ESG 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 (as 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%

The fair value of the equity instruments awarded to the Management Board was determined using the following key parameters:

	2022 Award	2021 Award	2020 Award
Share price at grant date	£1.550	£1.760	£1.700
Maturity	3 years	3 years	3 years
Annual target dividend (2025)	£0.0793	–	–
Annual target dividend (2024)	£0.0840	£0.0771	–
Annual target dividend (2023)	£0.0793	£0.0755	£0.0733
Annual target dividend (2022)	–	£0.0741	£0.0733
Annual target dividend (2021)	–	–	£0.0733

The Group also 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 2023	31 December 2022
2022 Award	407	–
2021 Award	707	354
2020 Award	1,036	691
2019 Award	–	445
Deferred STIP	519	708
Staff Award Plan	444	304
Amount recognised in additional paid-in capital	3,113	2,502

During the year ended 31 December 2023, the 2019 Award vested, resulting in a gross entitlement before tax, of 330,253 shares. A portion of the 2019 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 2019 Award as at 31 December 2022 was £445,000. This amount was transferred from Additional paid in capital to Share capital at the settlement date plus an adjustment of £124,000 for the non-market based performance condition.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

22. Share-based compensation (continued)

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 2023	Year ended 31 December 2022
2022 Award	407	–
2021 Award	353	354
2020 Award	345	345
2019 Award	123	148
2018 Award	–	(28)
Deferred STIP	522	718
Staff Award Plan	288	200
Amount recognised in administrative expenses	2,038	1,737

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 2023 was £519,000 (31 December 2022: £708,000).

23. 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 2023, the Group had utilised £1.4 million (31 December 2022: £1.3 million) of the £230 million RCF to cover letters of credit. Refer to Note 16 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).

24. Service Concession Agreements

As at 31 December 2023, 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:

Asset Name	% Equity Owned	Short Description of Concession Arrangement	Phase	Period of Concession (Operational 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 roads and infrastructure from Stepps in North Lanarkshire to Haggs in Falkirk (Scotland).	Operational	July 2011	September 2041

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

24. Service Concession Agreements (continued)

Asset Name	% Equity Owned	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase)	
				Start Date	End Date
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
North East 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 19 km rapid transit line connecting the cities of Vancouver and Richmond with Vancouver International Airport in British Columbia, Canada.	Operational	August 2009	July 2040
South East Stoney Trail	40%	Design, build, finance, operate and maintain a 25 km 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 1.1 km 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 27 km 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 38 km to the existing divided highway just west of the Addington Fork Interchange (Exit 31) at Antigonish.	Operational	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
Victorian 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

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

24. Service Concession Agreements (continued)

Asset Name	% Equity Owned	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase)	
				Start Date	End Date
Burg Correctional Facilities	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	August 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

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

24. Service Concession Agreements (continued)

Asset Name	% Equity Owned	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase)	
				Start Date	End Date
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 Hospitals	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 Barracks	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

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2023

24. Service Concession Agreements (continued)

Asset Name	% Equity Owned	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase)	
				Start Date	End Date
John Hart Generating Station	80%	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%	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 m ² noise barriers and a c.550-metre noise enclosure tunnel.	Operational	December 2019	August 2044

25. Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024 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 new standard is not expected to have a significant impact on the Group's financial statements.

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 2024 and must be applied retrospectively.

26. Events after the end of the reporting period

Dividend declaration

In February 2024, the Company declared a 2nd interim dividend of 3.965 pence per share for qualifying shareholders for the period 1 July – 31 December 2023. The dividend is expected to be paid in April 2024.

Grant of Share Awards under LTIP

In February 2024, each of the members of the Management Board received an award letter ('2023 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 2023, as ascertained from the Official List, which was 134.31 pence per share. Subject to the achievement of the performance conditions, the awards will vest after 31 December 2026.

Audit Report

To the Shareholders of 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 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards 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 2023;
 - 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.

Audit Report *continued*

To the Shareholders of BBGI Global Infrastructure S.A.

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

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 354 million and GBP 243 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 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.

How our audit addressed the 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.

Audit Report *continued*

To the Shareholders of BBGI Global Infrastructure S.A.

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 IFRS Accounting Standards 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.

Audit Report *continued*

To the Shareholders of BBGI Global Infrastructure S.A.

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 April 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is one year.

PricewaterhouseCoopers, Société coopérative

Represented by



Emanuela Sardi

Luxembourg, 27 March 2024

Company Statement of Comprehensive Income

For the year ended 31 December 2023

In thousands of Sterling	Notes	2023	2022
Administrative expenses	5	(10,525)	(11,617)
Other operating expenses	6	(3,517)	(22,748)
Other operating income	7	19,761	4,883
Results from operating activities		5,719	(29,482)
Net finance result	8	20,563	21,496
Profit/(loss) before tax		26,282	(7,986)
Tax expense	9	(532)	(515)
Profit/(loss) for the year		25,750	(8,501)
Other comprehensive income for the year		–	–
Total comprehensive income/(loss) for the year		25,750	(8,501)

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

Company Statement of Financial Position

As at 31 December 2023

In thousands of Sterling	Notes	2023	2022
Assets			
Property and equipment		61	73
Loans receivable from subsidiary	13	233,673	243,212
Investment in subsidiary	13	354,233	354,233
Non-current assets		587,967	597,518
Loans receivable from subsidiary	13	–	37,663
Interest and other receivables from subsidiary	13	10,750	11,164
Other current assets		895	733
Cash and cash equivalents	10	4,710	18,738
Current assets		16,355	68,298
Total assets		604,322	665,816
Equity			
Share capital	11	854,669	852,391
Retained earnings		(251,673)	(222,400)
Equity attributable to the owners of the Company		602,996	629,991
Liabilities			
Trade and other payables		1,326	1,200
Advances from subsidiary	13	–	34,496
Tax liabilities	9	–	116
Current liabilities		1,326	35,825
Total liabilities		1,326	35,825
Total equity and liabilities		604,322	665,816
Net asset value attributable to the owners of the Company	11	602,996	629,991
Net asset value per ordinary share (pence)	11	84.35	88.32

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 2023

In thousands of Sterling	Notes	Share Capital	Retained Earnings	Total Equity
Balance as at 31 December 2022		852,391	(222,400)	629,991
Total comprehensive income for the year		–	25,750	25,750
Transactions with the owners of the Company recognised directly in equity				
Cash dividends	11	–	(53,487)	(53,487)
Scrip dividends	11	1,536	(1,536)	–
Shares issued on behalf of a subsidiary	11	787	–	787
Share issuance costs	11	(45)	–	(45)
Balance as at 31 December 2023		854,669	(251,673)	602,996

In thousands of Sterling	Notes	Share Capital	Retained Earnings	Total Equity
Balance as at 1 January 2022		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 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		(27)	–	(27)
Balance as 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 2023

In thousands of Sterling	Notes	2023	2022
Operating activities			
Profit/(loss) for the year		25,750	(8,501)
Adjustments for:			
Net finance result	8	(20,563)	(21,496)
Foreign currency exchange loss/(gain) – net	6,7	3,352	(4,883)
Tax expense	9	532	515
Depreciation		16	3
Working capital adjustments:			
Advances/other receivables from subsidiary		(10,825)	19,475
Other current assets		(162)	(407)
Trade and other payables		273	53
Cash used in operating activities		(1,627)	(15,241)
Interest received		365	24
Taxes paid		(661)	(502)
Net cash flows used in operating activities		(1,923)	(15,719)
Investing activities			
Loan repayment from subsidiary		21,148	59,557
Loans provided to subsidiary		(200)	–
Investment in subsidiary	13	–	(3,780)
Interest received		20,502	19,134
Acquisition of property and equipment		(9)	(69)
Net cash flows from investing activities		41,441	74,842
Financing activities			
Equity instruments issue costs	11	(45)	(27)
Dividends paid	11	(53,487)	(51,683)
Net cash flows used in financing activities		(53,532)	(51,710)
Net increase/(decrease) in cash and cash equivalents		(14,014)	7,413
Impact of foreign exchange on cash and cash equivalents		(14)	14
Cash and cash equivalents as at 1 January	10	18,738	11,311
Cash and cash equivalents as at 31 December	10	4,710	18,738

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 2023

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 6E, route de Treves, L-2633 Senningerberg, Luxembourg and is registered with the Registre de Commerce et des Sociétés Luxembourg under the number B163 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 ('Investment portfolio'). As at 31 December 2023, the Company has no indirectly held investment that is under construction (31 December 2022: one).

The Company had no employees as at 31 December 2023 and 2022, 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 2022.

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 or settled within one year. These financial statements were approved by the Management Board on 27 March 2024.

2. Basis of preparation

Statement of compliance

The separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards accounting standards ('IFRS') as adopted by the European Union ('EU'). Please refer to Note 3d) 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 are as follows:

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.

Definition of Accounting Estimate - 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.

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.

Notes to the Company Financial Statements *continued*

For the year ended 31 December 2023

3. Summary of material 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.

Notes to the Company Financial Statements *continued*

For the year ended 31 December 2023

3. Summary of material accounting policies (continued)

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 Investment portfolio. The Company performs a fair valuation of the underlying Investment portfolio every six months and considers any ECL on the loans and receivables, among others based on the results of the valuation. The fair valuation of the underlying Investment 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 2023, the Company identified no ECL to be recorded on its loans and receivables from subsidiary (2022: 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. Subscription tax is recognised as a tax expense in the Company statement of comprehensive income for the period in which it is incurred.

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

Notes to the Company Financial Statements *continued*

For the year ended 31 December 2023

3. Summary of material accounting policies (continued)

k) Current versus non-current classification (continued)

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. Material 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 3e) 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 2023	Year ended 31 December 2022
Support agreement fees (Note 13)	7,593	8,914
Legal and professional fees	2,201	2,207
Supervisory Board fees	315	260
Others	416	236
	10,525	11,617

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 £248,000 (2022: £201,000) and audit related fees of £89,000 (2022: £73,000). Non-assurance services charged by the Company's external auditors during the year amounted to £nil (2022: £5,000). Also included in the legal and professional fees are depositary and custodian related charges which amounted to £395,000 (2022: £383,000)

6. Other operating expenses

In thousands of Sterling	Year ended 31 December 2023	Year ended 31 December 2022
Foreign currency exchange loss – net	3,352	–
Acquisition-related costs and others (including unsuccessful bid costs)	165	422
Foreign exchange indemnity agreement expense (Note 13)	–	22,326
	3,517	22,748

7. Other operating income

In thousands of Sterling	Year ended 31 December 2023	Year ended 31 December 2022
Foreign exchange indemnity agreement income (Note 13)	19,761	–
Foreign currency exchange gain – net	–	4,883
	19,761	4,883

Notes to the Company Financial Statements *continued*

For the year ended 31 December 2023

7. Other operating income (continued)

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 2023	Year ended 31 December 2022
Finance income from multi-currency facility (Note 13)	20,198	21,474
Interest income from deposits	365	24
Other finance costs	–	(2)
	20,563	21,496

9. Taxes

As at 31 December 2023, tax payable with respect to subscription tax amounted to £nil (2022: £129,000).

A reconciliation of the tax expense and the tax at applicable tax rate is as follows:

In thousands of Sterling	Year ended 31 December 2023	Year ended 31 December 2022
Profit/(loss) before tax	26,282	(7,986)
Income tax using the Luxembourg domestic tax rate of 24.94%	6,555	(1,991)
Effect of tax-exempt deductions/(income)	(6,555)	1,991
Subscription tax expense	532	515
Tax charge for the year	532	515

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 2023, the Company incurred a subscription tax charge of £532,000 (2022: £515,000).

10. Cash and cash equivalents

Cash and cash equivalents relate to bank deposits amounting to £4,710,000 (2022: £18,738,000).

11. Share capital

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

In thousands of Sterling	31 December 2023	31 December 2022
Share capital as at 1 January	852,391	850,355
Share capital issued through scrip dividends	1,536	1,092
Shares issued as share based compensation	787	971
Shares issuance cost	(45)	(27)
	854,669	852,391

BBGI Management HoldCo S.à r.l. ('MHC'), a wholly owned direct subsidiary of the Company, provides share-based compensation to senior executives whereby it 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 175,242 shares, in connection with the 2019 LTIP award at 150.9 pence per share for a total amount of £264,000 (2022: £604,000). The amount of £264,000 was recorded as an advance made by the Company to MHC during the year (2022: £604,000).

Deferred STIP

The STIP provided to senior executives at MHC include a deferred component 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 £398,000 was recorded as an advance made by the Company to MHC during the year (2022: £366,000).

Notes to the Company Financial Statements *continued*

For the year ended 31 December 2023

11. Share capital (continued)

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

In thousands of shares	31 December 2023	31 December 2022
In issue at beginning of the year	713,331	712,126
Shares issued through scrip dividends	1,017	649
Shares issued as share based compensation	529	556
	714,877	713,331

All 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 2023 are as follows:

In thousands of Sterling except as otherwise stated	31 December 2023
2022 2 nd interim dividend of 3.740 pence per qualifying ordinary share – for the period 1 July 2022 to 31 December 2022	26,679
2023 1 st interim dividend of 3.965 pence per qualifying ordinary share – for the period 1 January 2023 to 30 June 2023	28,345
Total dividends declared and paid during the year	55,024

The 31 December 2022 2nd interim dividend was paid in April 2023. The value of the scrip election was £1,536,000, with the remaining amount of £25,143,000 paid in cash to those investors that did not elect for the scrip.

The 30 June 2023 1st interim dividend was paid in October 2023. Cash dividend was £28,345,000. The scrip alternative was not available with this dividend payment.

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 2 nd interim dividend of 3.665 pence per qualifying ordinary share – for the period 1 July 2021 to 31 December 2021	26,099
2022 1 st 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.

Net asset value ('NAV')

The Company NAV and NAV per share as of 31 December 2023, 31 December 2022 and 31 December 2021 were as follows:

In thousands of Sterling/pence	2023	2022	2021
NAV attributable to the owners of the Company	602,996	629,991	689,231
NAV per ordinary share (pence)	84.35	88.32	96.78

12. Financial risk and capital risk management

Risk management framework

The Management Board has overall responsibility for the establishment and control of the Company's risk management framework.

The Company has exposure to credit risk, liquidity risk and market risk. This note presents information about the Company's exposure to each of these 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 these risk areas.

Notes to the Company Financial Statements *continued*

For the year ended 31 December 2023

12. Financial risk and capital risk management (continued)

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 2023	31 December 2022
Loans and other receivable to subsidiary (including accrued interest)	244,423	292,039
Cash and cash equivalents	4,710	18,738
	249,133	310,777

The maximum exposure to credit risk on receivables that are neither overdue nor impaired as of 31 December 2023, amounts to £244,423,000 (2022: £292,039,000).

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 2023 In thousands of Sterling	Carrying amount	Contractual cash flows		
		Total	Within 1 year	1-5 years
Trade and other payables	1,326	1,326	1,326	–

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	–

Notes to the Company Financial Statements *continued*

For the year ended 31 December 2023

12. Financial risk and capital risk management (continued)

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 Board 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 Board is as follows:

31 December 2023 In thousands of Sterling	A\$	C\$	€	NOK	US\$
Cash and cash equivalents	1,177	9	473	2	2
Trade and other payables	–	(7)	(839)	–	–
	1,177	2	(366)	2	2

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

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 2023 and 31 December 2022 are as follows:

	31 December 2023	
	Average £	Spot rate £
A\$ 1	0.535	0.535
C\$ 1	0.596	0.593
€1	0.870	0.867
NOK 1	0.076	0.077
US\$ 1	0.804	0.785

	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

The impact of a strengthening or weakening of Sterling against the A\$, C\$, NOK and US\$, as applicable, by 5 per cent as at 31 December 2023 and 31 December 2022 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.

Notes to the Company Financial Statements *continued*

For the year ended 31 December 2023

12. Financial risk and capital risk management (continued)

Fair values versus carrying amounts

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

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

The carrying amounts of cash and cash equivalents, receivables and payables approximates their fair value due to their short-term nature with maturity of one year or less, or on demand.

The fair value of loans and other receivables from subsidiary and investment in subsidiary, with a total carrying value of £587,906,000 (2022: £635,108,000), amounts to £1,047,000 (2022: £1,104,000). 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 2023, the aggregate remuneration paid to the Supervisory Board was £315,000 (2022: £260,000).

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 Investment 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 2023	31 December 2022
1 January	243,212	243,638
Capitalisation of interest under MCF	90	94
Principal payments received	(6,408)	(5,253)
Foreign exchange movements	(3,221)	4,733
	233,673	243,212

During the year, the finance income from the MCF amounted to £20,198,000 (2022: £21,474,000).

Loans receivable from subsidiary - interest free loan agreements

The Company has entered into various interest free loan agreements ('IFL') with MHC, a direct 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 are as follows:

In thousands of Sterling	31 December 2023	31 December 2022
IFL receivable from MHC	–	37,663

Notes to the Company Financial Statements *continued*

For the year ended 31 December 2023

13. Related parties and key contracts (continued)

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 2023	31 December 2022
Interest receivable from MCF	10,564	11,164
Other advances to MHC	186	–
	10,750	11,164

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 exchange movements, then it shall pay an equivalent amount to the Company. As at 31 December 2023, the Company recorded an Indemnity Agreement income amounting to £19,761,000 (2022: £22,326,000 expense).

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 2023, the Company recorded Support Agreement expenses amounting to £7,593,000 (2022: £8,914,000).

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 2023 amounted to £nil (2022: £34,496,000).

Investment in subsidiary

The Company's total equity investment in MHC amounted to £354,233,000 as of 31 December 2023 (2022: £354,233,000). The movements in the Company's investment in MHC are as follows:

In thousands of Sterling	31 December 2023	31 December 2022
1 January	354,233	350,453
Additional investment through capital contribution	–	3,780
	354,233	354,233

The Company's investments portfolio, were made and will continue to be made through MHC.

14. 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 £nil outstanding principal from the RCF as at the 31 December 2023.

15. Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024 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 standard is not expected to have a significant impact on the Company's financial statements.

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

Notes to the Company Financial Statements *continued*

For the year ended 31 December 2023

16. Events after the reporting period

Dividend declaration

In February 2024, the Company declared a 2nd interim dividend of 3.965 pence per share for qualifying shareholders for the period 1 July – 31 December 2023. The dividend is expected to be paid in April 2024.

Board Members, Agents and Advisers

Supervisory Board

Sarah Whitney (Chair)
Andrew Sykes (Senior Independent Director)
June Aitken
Jutta af Rosenberg
Christopher Waples

Management Board

Duncan Ball (Chief Executive Officer)
Michael Denny (Chief Financial and Operations Officer)
Frank Schramm (retired on 31 January 2024)
Andreas Parzych (appointed as of 31 January 2024)
(Executive Director)

Registered Office

6E route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

Central Administrative Agent, Luxembourg Registrar and Transfer Agent, Depository and Principal Paying Agent

CACEIS Investor Services Bank S.A.
14 Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Corporate Brokers

Jefferies International Limited
100 Bishopsgate
London EC2N 4JL
United Kingdom

EEA based Centralised Securities Depository

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42 Avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Communications Adviser

H/Advisors Maitland
3 Pancras Square
London N1C 4AG
United Kingdom

Auditors

PricewaterhouseCoopers, Société cooperative
2 rue Gerhard Mercator
B.P. 1443
L-1014 Luxembourg
Grand Duchy of Luxembourg

Depository, Receiving Agent and UK Transfer Agent

Link Market Services Trustees Limited
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL
United Kingdom

Corporate Brokers

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

Luxembourg CSD Principal Agent

Banque Internationale à Luxembourg S.A.
69 route d'Esch
Office PLM 018A
L-2953 Luxembourg
Grand Duchy of Luxembourg

Registre de Commerce et des Sociétés Luxembourg B163879

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

Glossary

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.

CAPM

Capital Asset Pricing Model

Carbon neutral

A state where the residual GHG emissions have been balanced out by financing activities that remove atmospheric CO₂ ('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

Lock-up

In a PPP project, a lock-up period refers to a contractual restriction that prevents equity holders from distributing profits or dividends to ensure financial stability and reinvestment in the project during its critical phases

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 CO₂ 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 BBTI Global Infrastructure S.A. and its subsidiaries when viewed as a whole.

BBGi

www.bb-gi.com

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