



Hardman & Co Presentation

# BBGI Global Infrastructure

April 2022

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Unless otherwise stated, the facts contained herein are accurate as at the time of approval of the Annual Report and Financial Statements on 30 March 2022.

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# Investment proposition



# Our Investment Proposition

Responsible global social infrastructure investor with a low-risk investment strategy focused on delivering long-term attractive and sustainable returns



## Low-risk<sup>1</sup>

Availability-based investment strategy

Secure public sector-backed contracted revenues

Stable & predictable cash flows with progressive long-term dividend growth



## Globally diversified

Focus on highly rated investment grade countries

Stable, well-developed operating environments

A global portfolio, serving society through supporting local communities



## Strong ESG approach

ESG fully integrated into the business model

Focus on delivering social impact and high degree of climate resilience

Executive compensation linked to ESG performance



## Internally managed

Alignment of interests

Shareholder value first, portfolio growth second

Lowest comparative ongoing charges<sup>2</sup>

## Consistent delivery of objectives

Robust shareholder returns with inflation linkage

Low correlation to other asset classes

Sustainable growth

<sup>1</sup> References to "low risk" throughout this presentation are made in comparison to other equity infrastructure asset classes.

<sup>2</sup> In comparison to the latest publicly available information for all closed ended LSE-listed equity infrastructure investment companies.

**BBGi**

INVESTING IN GLOBAL  
INFRASTRUCTURE

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# Highlights



# Financial Highlights

Net asset value<sup>1</sup>

**£1,001.6m**

Dec 2020: £916.0m  
(+9.4%)

Net asset value  
per share

**140.7p**

Dec 2020: 137.8p  
(+2.1%)

2021 dividend  
per share

**7.33p**

FY 2020: 7.18p

2022 target dividend  
per share<sup>2</sup>

**7.48p**

2023 target dividend: 7.63p  
2024 target dividend: 7.78p

Cash dividend cover<sup>3</sup>

**1.31x**

FY 2020: 1.27x

Annualised shareholder  
return<sup>4</sup>

**10.4%**

FY 2020: 11.0%

Ongoing charges<sup>5</sup>

**0.86%**

FY 2020: 0.86%

Five-year Beta<sup>6</sup>

**0.25**

FY 2020: 0.24

<sup>1</sup> On an investment basis (see detailed explanation in the Company's Annual Report).

<sup>2</sup> These are targets for 2022, 2023 and 2024 only and are not profit forecasts. There can be no assurance that these targets will be met or that the Company will make any distributions at all.

<sup>3</sup> Net cash generated in the year / cash dividends paid for the year (see detailed explanation in the Company's Annual Report).

<sup>4</sup> On a compounded annual growth rate basis; representing the steady state annual growth rate based on share price at 31 December 2021 and after adding back dividends paid or declared since IPO.

<sup>5</sup> Calculated using the AIC methodology and excludes all non-recurring costs (see detailed explanation in the Company's Annual Report).

<sup>6</sup> Compared to FTSE All-Share; five-year data represents the five years preceding 31 December 2021.

# Our Operating Model

Robust business model delivering attractive and sustainable returns over the long term

## Value-Driven Active Asset Management

Hands-on approach to preserve and enhance the value of our investments, and to deliver well maintained infrastructure for communities and end-users

- Strong portfolio performance of 54 high-quality availability based assets
- Cash receipts ahead of expectations with no material lock-ups or defaults
- Active management activities contributed to 1.4% increase in NAV
- Consistently high level of asset availability at 99.9%
- Broad range of ESG initiatives progressed and portfolio demonstrates a high-degree of climate resilience

## Prudent Financial Management

Long-term custodian with focus on cash performance to drive efficiencies and generate portfolio optimisations

- A net cash position of £26.9 million and no cash borrowings outstanding
- Progressive long-term average dividend growth of 3.3% since IPO
- A renewed and expanded five-year £230 million revolving credit facility
- Significantly over-subscribed £75 million equity capital raise
- Attractive inflation linkage of c. 0.44%<sup>1</sup>

## Selective Acquisition Strategy

Disciplined acquisition strategy – growing and diversifying the portfolio whilst focusing on shareholder returns and stakeholder benefits

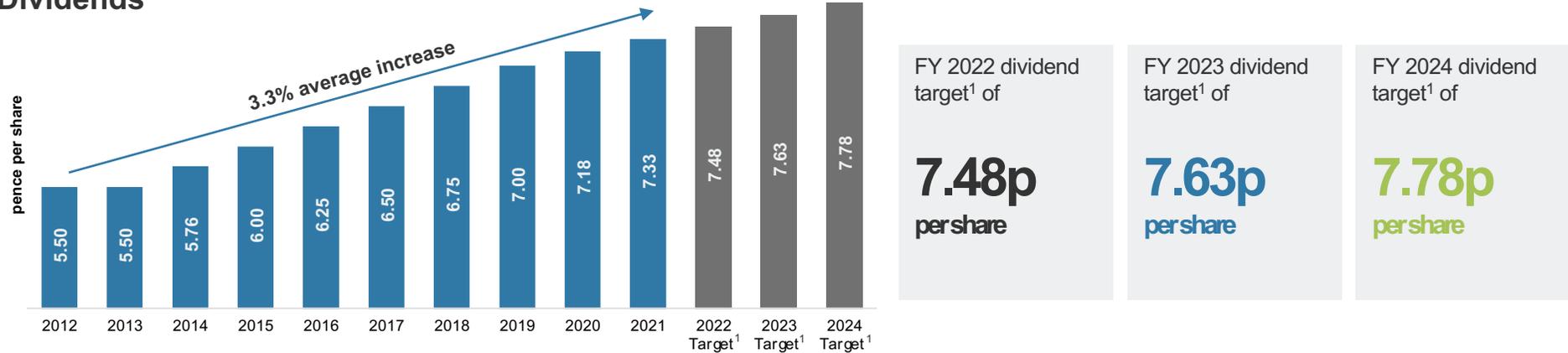
- Focus on availability-based investments only
- £79.2 million of accretive investments completed
- Post year end: completed an additional £24 million investment in clean energy infrastructure<sup>2</sup>
- Further diversification of our social impact portfolio
- Attractive global pipeline of availability-based investments

<sup>1</sup> Calculated by running a 'plus 1.0%' inflation sensitivity on the portfolio cash flows and solving the portfolio discount rate to return the original portfolio valuation. The inflation-linked return is the increase above the portfolio weighted average discount rate.

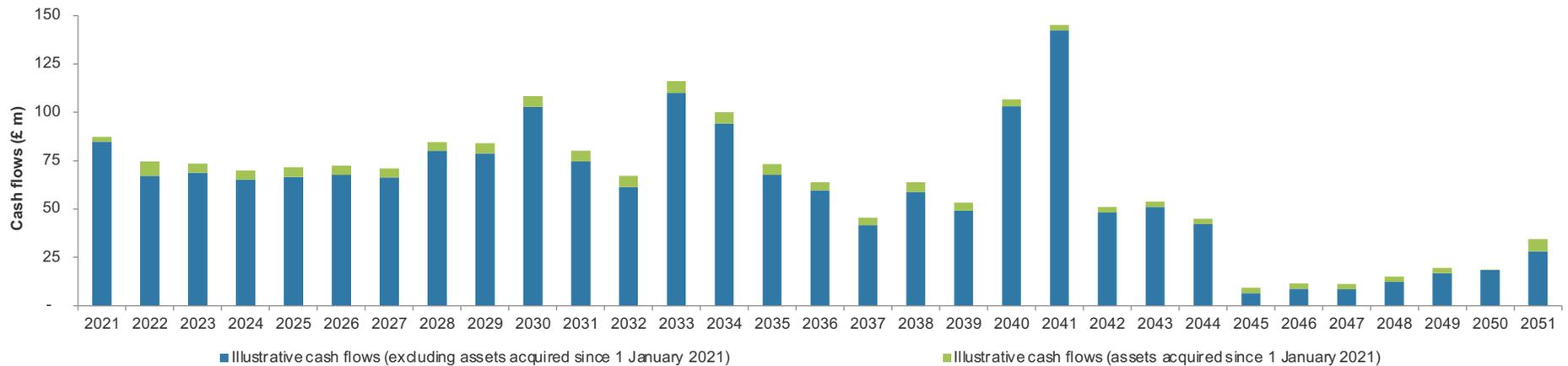
<sup>2</sup> See page 17 for further details on the Company's clean energy investment.

# Predictable and Growing Returns

## Dividends



## Long-term stable cash flows<sup>2</sup>

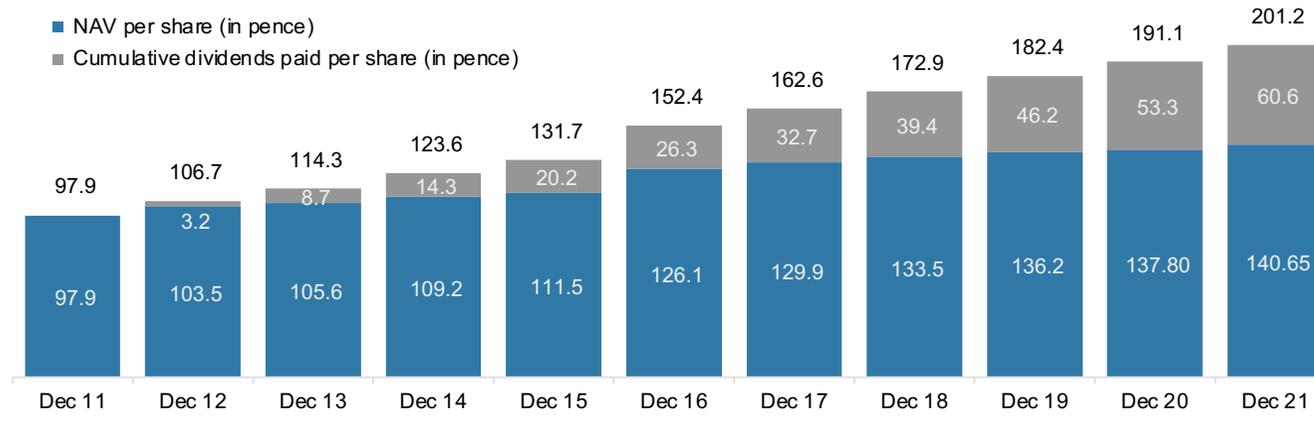


<sup>1</sup> These are targets only and are not profit forecasts. There can be no assurance that these targets will be met or that the Company will make any distributions.

<sup>2</sup> This illustrative chart is a target only, and is not a profit forecast. There can be no assurance that this target will be met. The hypothetical target cash flows do not take into account any unforeseen costs, expenses or other factors which may affect the portfolio investments and therefore the impact on the cash flows to the Company. As such, the graph above should not, in any way, be construed as forecasting the actual cash flows or actual returns from the portfolio.

# Our Track Record

## Total NAV & Dividend Per Share Growth

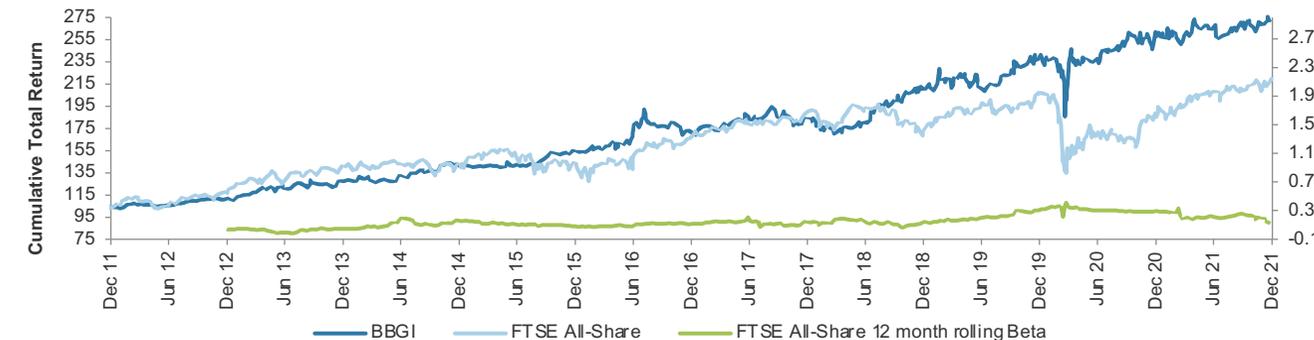


Total NAV Return<sup>1</sup> of 133.2% and annualised Total NAV Return<sup>2</sup> of 7.4%

10 years of positive annualised NAV per share growth of 3.7%

Reliable and progressive dividend with a yield of 4.3%<sup>3</sup>

## BBGI Total Shareholder Return



Total Shareholder Return of 171.1%<sup>4</sup> and an Annualised Shareholder Return of 10.4%<sup>5</sup>

Index-linked provisions provide attractive inflation linkage of c. 0.44%<sup>6</sup>

<sup>1</sup> Based on NAV per share at 31 December 2021 and assuming dividends paid or declared since IPO in December 2011 have been reinvested.

<sup>2</sup> On a compounded annual growth rate basis. This represents the steady state annual growth rate based on the NAV per share at 31 December 2021 and after adding back dividends paid or declared since IPO in December 2011.

<sup>3</sup> As of 31 December 2021 and based on 2022 target dividend of 7.48 pence per share.

<sup>4</sup> Based on share price at 31 December 2021 and after adding back dividends paid or declared since IPO in December 2011.

<sup>5</sup> On a compounded annual growth rate basis since IPO. This represents the steady state annual growth rate based on share price at 31 December 2021 after adding back dividends paid or declared since IPO in December 2011.

<sup>6</sup> Calculated by running a 'plus 1.0%' inflation sensitivity on the portfolio cash flows and solving the portfolio discount rate to return the original portfolio valuation. The inflation-linked return is the increase above the portfolio weighted average discount rate.

# Portfolio Overview

Based on portfolio value as at 31 December 2021

## Investment type



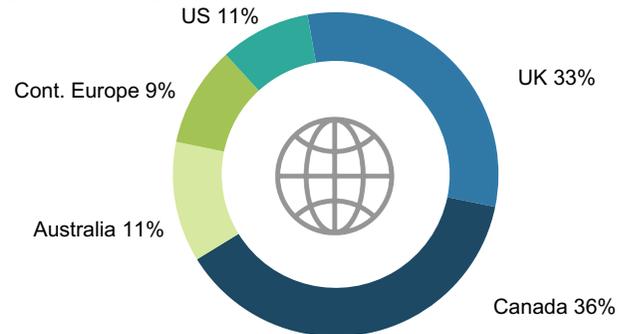
**100%** availability-based investments

## Investment status



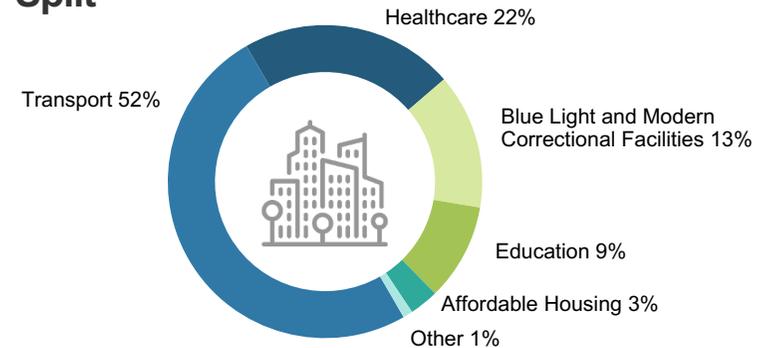
Low-risk  
**99.5%** operational portfolio

## Geographical Split



Geographically diversified and located in countries with ratings between AA and AAA

## Sector Split



Social impact portfolio with a diversified sector exposure

# Responsible Investor in social infrastructure



# Responsible Investor in social infrastructure

## Contribution to UN Sustainable Development Goals



### Good health and well-being

- 41 essential healthcare facilities
- Over 2,400 beds<sup>1</sup>
- More than 4.4 million patients treated in the last year



Portfolio of social infrastructure investments



### Quality education

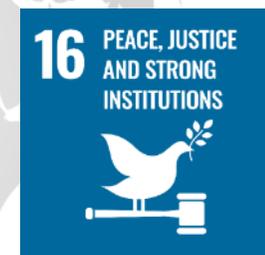
- 33 schools and colleges
- Providing effective learning environment for over 39,000 students
- Total serviced area of more than 400,000m<sup>2</sup>

### Sustainable cities and communities

- 18 transportation investments globally<sup>1</sup> including 1 fully electric public transit system investment powered by green energy
- Safe, accessible and sustainable transport systems for all
- Reduced travel times for over 300 million vehicles each year



helping to build resilient infrastructure, promoting inclusive and sustainable industrialisation, and fostering innovation



### Peace, justice and strong institutions

- 4 police stations keeping a community of over 1.6 million people safe
- 4 modern correctional facilities



In 2021, BBGI has set net zero targets in line with Net Zero Asset Manager Initiative using science-based targets, with the aim of enhancing asset-level resiliency to climate change.

<sup>1</sup> Based on portfolio composition at 31 December 2021.

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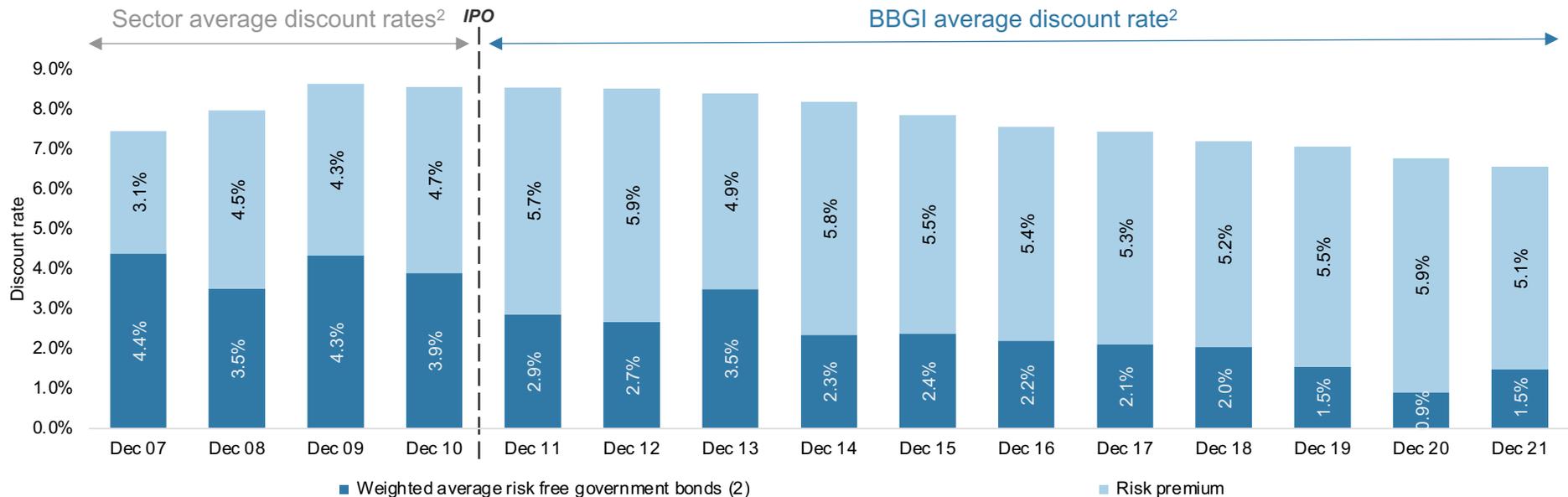
# Valuation



# Discount Rates

Significant risk premium above risk-free rate

## Average discount rates<sup>1</sup>



Weighted average discount rate of 6.55% at 31 December 2021  
(31 December 2020: 6.77%)

BBGI individual investment discount rates range between 6.00% and 8.58%

Discount rates in the secondary market continue to be very competitive, as a result of continued high investment demand in the availability-based infrastructure sector

Attractive premium over the risk-free rate of 5.1%

<sup>1</sup> Sector average from listed peers for the period from December 2007 until December 2010 and the BBGI discount rate from December 2011.  
<sup>2</sup> Both Sector and BBGI weighted average risk-free rate estimates are based on the geographical breakdown of BBGI portfolio as at 31 December 2021.

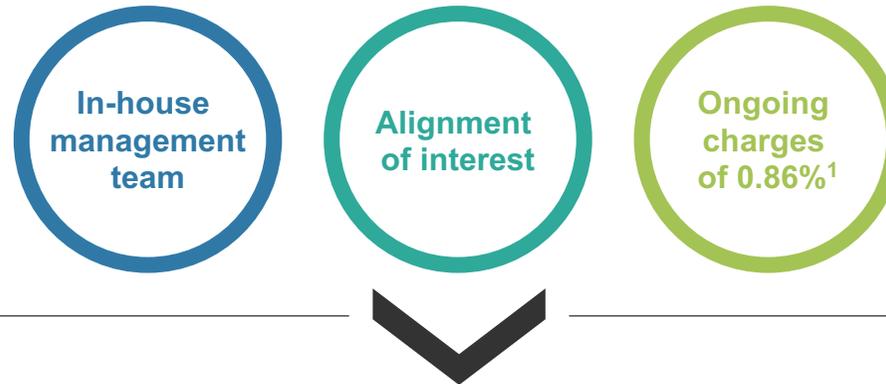
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# Internal management



# Internal management

BBGI is the only internally-managed LSE-listed equity infrastructure investment company



## Delivering economic value for shareholders

No NAV-based management fees

No acquisition fees

Lowest ongoing charges<sup>2</sup> of all LSE-listed equity infrastructure investment companies

## No conflict of interest

Management team incentivised based on total shareholder return, NAV per share growth and ESG performance

No growth for the sake of growth – pricing discipline and no style drift

Full management focus, not distracted by other investment mandates

<sup>1</sup> Calculated using the AIC methodology and excludes all non-recurring costs (see detailed explanation the Company's Annual Report).

<sup>2</sup> In comparison to the latest publicly available information for all closed ended LSE-listed equity infrastructure investment companies.

# Pipeline



# Our pipeline

Strong pipeline of investment opportunities in global markets

## Secondary pipeline

Attractive pipeline of secondary opportunities



Signed agreement for the acquisition of Center Hospitalier de l'Université de Montréal; total investment of C\$88m<sup>1</sup>



Strong pipeline of transportation and social infrastructure investments for 2022

## Strategic Partnership pipeline

To date, resulting in the acquisition of six assets amounting to approximately C\$230m of investments



Successful acquisition of John Hart Generating Station in Q1 2022; total investment of C\$41m



Four SNC-Lavalin pipeline investments; total investment volume in excess of C\$200m<sup>2</sup>

## Primary pipeline

Attractive pipeline of selective opportunities



Shortlisted bidder; EU transport infrastructure investment c. £190m<sup>3</sup>

Sourcing transactions through the Company's extensive industry relationships

Strategic investment partnership in North America provides attractive pipeline

Acquiring equity interests from co-shareholders in existing investments

<sup>1</sup> Subject to certain adjustments.

<sup>2</sup> Expected investment opportunity.

<sup>3</sup> Includes both debt and equity.

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# Conclusion



# Conclusion



## Low-Risk & Resilient Portfolio

Availability-based portfolio delivering long-term, predictable, inflation linked, attractive and sustainable returns

Strong, globally diversified portfolio in AAA/AA rated countries

Sustainable investment portfolio that benefits from a strong social purpose



## Performance

Strong operational and financial performance during the year delivering tangible results for all stakeholders

Selective acquisition strategy has resulted in five new investments<sup>1</sup>

Internally-managed with highly experienced management team resulting in low ongoing charges<sup>2</sup>



## Outlook

Under-investment in public infrastructure persists and constraints on public finance necessitates the involvement of the private sector

Robust pipeline of investment opportunities

Strong counterparties, predictable returns and a low correlation to equity markets supports attractiveness of our investment proposition

<sup>1</sup> One investment occurred after the end of the reporting year.

<sup>2</sup> Calculated using the AIC methodology and excludes all non-recurring costs (see detailed explanation the Company's Annual Report).

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# Appendices



# Company Overview

<b>The Company</b>	<ul style="list-style-type: none"> <li>• Luxembourg Investment Company</li> <li>• Chapter 15 Premium Listing on the UK Official List</li> <li>• £ denominated shares</li> </ul>
<b>Investment policy</b>	<ul style="list-style-type: none"> <li>• Infrastructure investments predominantly availability-based or equivalent</li> <li>• Principally operational investments</li> <li>• Predominantly public sector-backed counterparties</li> <li>• Single investment exposure limit of 25% of portfolio value</li> <li>• Construction investments limited to maximum 25% of portfolio value</li> <li>• Demand-based investments limited to maximum 25% of portfolio value</li> </ul>
<b>Portfolio</b>	<ul style="list-style-type: none"> <li>• 54 availability-based essential social infrastructure investments</li> <li>• Weighted average concession length of 20.3 years</li> <li>• Globally and diversified portfolio of infrastructure investments that generate long-term, attractive, and sustainable returns</li> </ul>
<b>Gearing</b>	<ul style="list-style-type: none"> <li>• Prudent use of leverage with a maximum ratio of 33% of portfolio value</li> </ul>
<b>Further investments</b>	<ul style="list-style-type: none"> <li>• Attractive pipeline of future opportunities</li> </ul>
<b>Management</b>	<ul style="list-style-type: none"> <li>• Internal management team with extensive infrastructure experience</li> <li>• Independent oversight performed by experienced Supervisory Board</li> <li>• Performance-based and ESG linked remuneration (short and long-term)</li> </ul>
<b>Dividend</b>	<ul style="list-style-type: none"> <li>• Dividend declared of 7.33 pence per share for 2021, with targets of 7.48 pence per share for 2022, 7.63 pence per share for 2023, and 7.78 pence per share for 2024<sup>1</sup></li> </ul>
<b>Strategic focus</b>	<ul style="list-style-type: none"> <li>• Low-risk, ESG focused, globally diversified investment proposition, generating availability-based revenue with attractive inflation linkage</li> </ul>
<b>Ongoing charges</b>	<ul style="list-style-type: none"> <li>• Very competitive ongoing charges percentage of 0.86%<sup>2</sup> at 31 December 2021</li> </ul>
<b>Discount management</b>	<ul style="list-style-type: none"> <li>• Discretionary share repurchases and tender offer authorisations in place with annual renewal</li> <li>• Next continuation vote in 2023 and every second year thereafter</li> </ul>
<b>Financial year end</b>	<ul style="list-style-type: none"> <li>• 31 December</li> </ul>

<sup>1</sup> These are targets only and are not profit forecasts. There can be no assurance that these targets will be met or that the Company will make any distribution.

<sup>2</sup> Calculated using the AIC methodology and excludes all non-recurring costs (see detailed explanation the Company's Annual Report).

# Company Overview

Value-driven active asset management

**BBGi** | INVESTING IN GLOBAL  
INFRASTRUCTURE

Value preservation  
+  
Value enhancement



# Portfolio Overview

## Healthcare



Gloucester Royal Hospital



Liverpool & Sefton Clinics (LIFT<sup>1</sup>)



North London Estates Partnerships (LIFT<sup>1</sup>)



Barking Dagenham & Havering Clinics (LIFT)



Mersey Care Hospital (LIFT)



Royal Women's Hospital



Women's College Hospital



Kelowna and Vernon Hospitals



Restigouche Hospital Centre



McGill University Health Centre



Stanton Territorial Hospital



Ayrshire and Arran Hospital

## Education



Scottish Borders Schools



Clackmannanshire Schools



Kent Schools



Bedford Schools



Coventry School



East Down College



Lisburn College



Tor Bank School



Lagan College



North West Regional College



Belfast Metropolitan College



Frankfurt Schools



Cologne Schools



Rodenkirchen School

# Portfolio Overview

## Transport



Canada Line



Golden Ears Bridge



Kicking Horse Canyon



North East Stoney Trail



Champlain Bridge



North Commuter Parkway



South East Stoney Trail



William R. Bennett Bridge



Northwest Anthony Henday Drive



Aberdeen Western Peripheral Route



Ohio River Bridges



M1 Westlink



Mersey Gateway Bridge



M80 Motorway



E18 Motorway



A1/A6 Motorway



N18 Motorway



Highway 104

## Blue Light and Modern Correctional Facilities



Avon & Somerset Police HQ



Stoke & Staffs Rescue Service



Burg Correctional Facility



Northern Territory Secure Facilities



Victoria Correctional Facilities



North West Fire & Rescue

## Affordable Housing & Other



Furst Wrede Military Base



Unna Administrative Centre



Westland Town Hall



Poplar Affordable Housing and Recreation Centres

# Portfolio Spotlight

## Aberdeen Western Peripheral Route (UK)



Ultimate Client is Scottish Ministers	In phased operation since 2016	Reducing congestion and reducing trucks having to enter the city
£665 million Capital investment <sup>1</sup>	Low risk profile due to NPD structure	O&M Contractor <i>Balfour Beatty</i>
33.33% BBGI ownership	Concession end 2047	Strong environmental and social stewardship

### Investment

- Availability-based long-term non-profit distributing (NPD) investment which consists of a major road that bypasses the city of Aberdeen, Scotland; included the upgrading of 12km section to provide a dual carriageway and 47km of new dual two and three lane carriageway
- A NPD project is a type of public private partnership where the shareholders receive a fixed subordinated debt coupon and dividends are paid to the authority as surplus payments

### Strong environmental and social stewardship

- A number of road design elements and optimisations aimed at reducing biodiversity loss: 3 wildlife bridges form part of the scope and c. 1.4 million of trees and shrubs planted
- Air quality improved for c. 75,000 homes
- A number of road designs and optimisations aiming to improve safety with a focus on diverting heavy vehicles, realisation of new cycling and walking paths and traffic lights
- During 2019, the first full year after opening, and depending on the section congestion reduced significantly varying by 14% to 31% and journey times reduced by 10 to 27 minutes
- Transport for Scotland expects the motorway will generate an additional £6 billion for the North East Scotland economy. Over the life of the project, it is estimated that the motorway will help to create over 14,000 jobs
- The Aberdeen Bypass is designed to enhance public transport networks in the north east of Scotland. The road will improve various Park & Ride links. The project will enable much smoother and faster routes for buses travelling in and out of the city of Aberdeen. Bus services should, as a result, become more reliable and frequent

<sup>1</sup> Total original capital investment including both debt and equity.

# Portfolio Spotlight

## John Hart Generating Station (Canada)



Payments from AA / Aaa counterparty	In operation since 2019	Serving local community through the provision of clean reliable energy
Stable operational project	Recipient of Multiple Awards <sup>2</sup>	FM Providers <i>SLI Hydro Service Provider BC Inc.</i> <sup>1</sup>
80.0% BBGI ownership	Availability-based payments	Strong environmental and social stewardship

### Investment

- PPP agreement for the design, construction, finance, operation, and maintenance, of a new three-turbine, 132-MW hydroelectric power generation station located in British Columbia (Canada)
- Availability-based payments are received from British Columbia Hydro & Power, a crown corporation wholly-owned by the Government of British Columbia, with no exposure to hydrology or electricity price risk
- The new underground powerhouse replaced the existing outdated above-ground powerhouse built in 1947, with a more reliable, seismically robust and environmentally friendly facility
- No exposure to electricity demand or power price risk

### Strong environmental and social stewardship

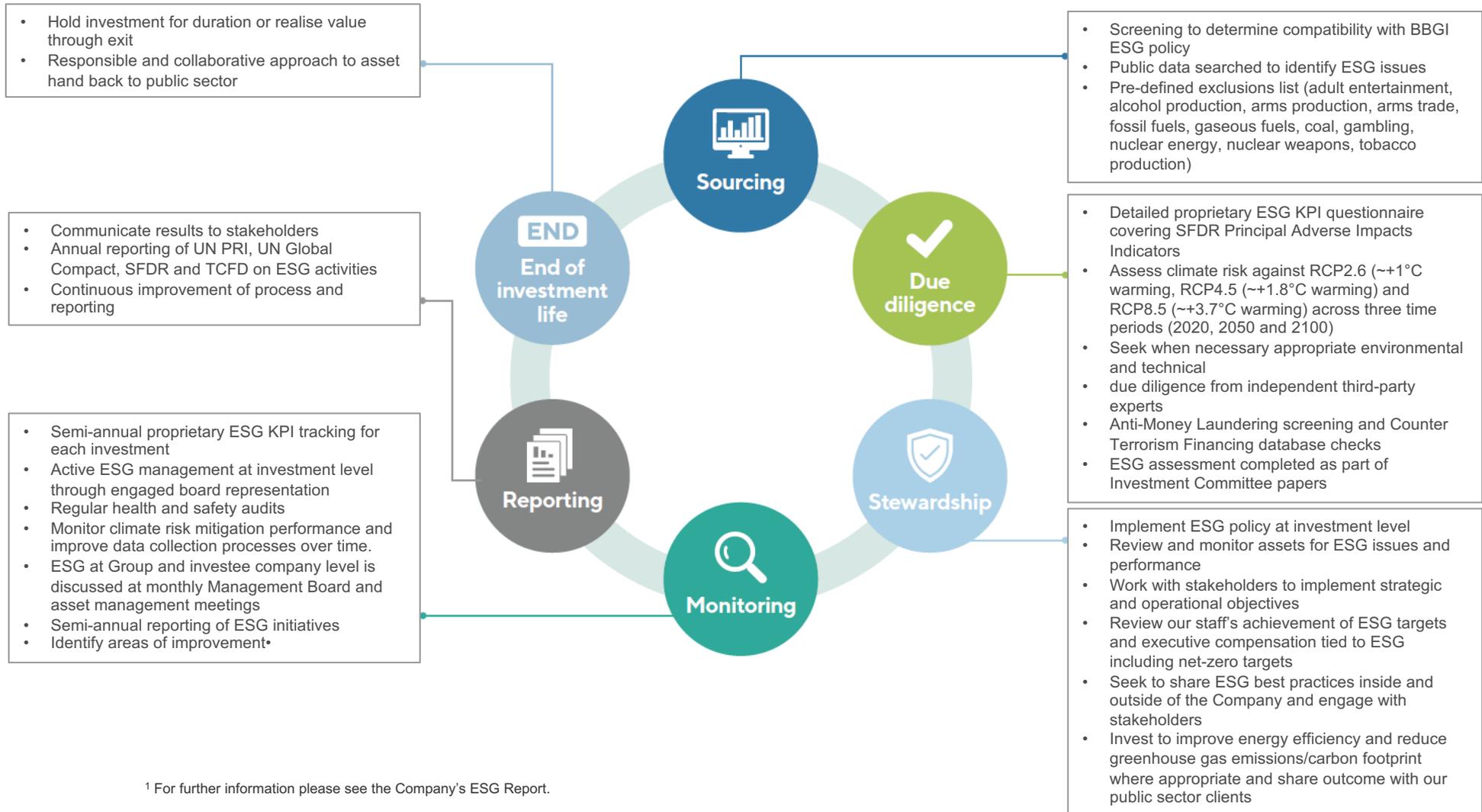
- The station is located on the on the Campbell River on Vancouver Island. Water intake comes from the John Hart Reservoir Dam, directed to an underground powerhouse through 2.2kms of tunnels
- The generating station provides clean reliable power for over 80,000 homes
- The facilities not only generate electricity, but also contribute to the surrounding communities by providing such services as flood control, domestic water supply and recreation
- The design provides continuous water flow to the downstream habitat for fish, and reforestation of former aboveground penstock area
- The facilities significantly increased power availability, and reliability
- During the 5 year construction period over 2,000 people were employed, and 360 people are employed during the maintenance period. (incl. First Nations communities)

<sup>1</sup> SLI Hydro Service Provider BC Inc., 100% owned by SNC Lavalin Group Inc. Operator has subcontracted all scope related to turbines and generator to Alstom Renewable Power Canada Inc.

<sup>2</sup> CCPPP 2014 National Gold Award, P3 Bulletin 2015 award, Outstanding Project award from the Canadian Hydropower Association, and the Canadian Innovation Project of the Year 2018 from the Tunnelling Association of Canada.

# Responsible Investors in social infrastructure

ESG is an integrated part of our investment process<sup>1</sup>



<sup>1</sup> For further information please see the Company's ESG Report.

# Responsible Investor in social infrastructure

## Sustainability highlights



TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

- Voluntary disclosures aligned with Task Force on Climate-Related Financial Disclosures ('TCFD') recommendations
- Detailed climate risk assessment of our portfolio undertaken; modelling considered physical risk from 8 different perils, under three different climate scenarios over multiple time horizons
- Portfolio demonstrates a high degree of climate resilience



Carbon  
Neutral  
Organisation

- All Scope 1, 2 and 3 corporate emissions reported and results have been independently verified
- Certified as carbon neutral for 2021
- Started to track and report Scope 1 and 2 emissions at our portfolio companies and will continue reporting from 2022 onwards



SFDR Article 8 fund

- Compliant with the Sustainable Finance Disclosure Regulation ("SFDR") since March 2021
- Article 8 product classification and meet the criteria for socially beneficial investments
- Enhanced disclosure in line with SFDR requirements and we will actively report against the new standards as they emerge



- Comprehensive stakeholder materiality assessment undertaken involving employees, shareholders, clients, and subcontractors
- Identified ten material topics influencing our ESG strategy
- Introduced KPIs to track material topics and to ensure incremental progress in our delivery of positive stakeholder outcomes

- Introduction of enhanced ESG Best Practice Guide across all its portfolio companies
- 80+ questions screening tool covering all aspects of our ESG oversight
- Supports the implementation of BBGI's Sustainability strategy and SFDR disclosure obligations



- BBGI became a signatory to the Net Zero Asset Managers initiative in 2021
- Committed to supporting the goal of net zero greenhouse gas emissions by 2050
- Set net zero targets for our Corporate and Financed emissions



- Signatory of UN Principles of Responsible Investments since 2019; rated A
- Signatory of UN Global Compact and TCFD supporter since 2020
- 59% of our assets have a sustainability certification

# Risk Management

## General



### Economic and Market

- The Company has observed inflationary pressure across all jurisdictions in which it invests
- Portfolio Companies typically mitigate this risk by seeking to match the indexation of the revenues and costs
- BBGI's equity cash flows are positively correlated to inflation at c. 0.44%. This means that if long-term inflation were to be 1% higher than the Company's assumptions for all future periods, the Company's returns would increase from 6.55% to 6.99%<sup>1</sup>



### Supply chain exposure

- Due diligence conducted before committing to enter into contractual relationships
- Rigorous monitoring of supply chain exposure
- Diversified supply chain in place



### Sustainability

- BBGI seeks to integrate and evaluate material sustainability risks in our processes
- Systematically consider whether, and to what extent, material financial ESG risks might meaningfully impact our investments
- Events arising from adverse climate change are typically mitigated through insurance coverage, being pass-down to subcontractors, and covered by the public sector as client relief events



### Cyber-Risk

- Cyber-attacks, which are increasingly common, come in many forms and may have different motivations (political, criminal extortion, etc.)
- BBGI has taken several measures to reduce the risk of a cyber-attack at corporate level
- In a typical PPP structure, the public sector client has its own IT systems and the vast majority of our Portfolio Companies do not maintain their own IT systems
- IT related obligations and risks of Portfolio Companies are typically passed down to subcontractors
- Residual risks could nevertheless affect BBGI's reputation but could also affect the Group legally, financially, and operationally

<sup>1</sup> Calculated by running a 'plus 1.0%' inflation sensitivity on the portfolio cash flows and solving the portfolio discount rate to return the original portfolio valuation. The inflation-linked return is the increase above the portfolio weighted average discount rate.

# Financial Overview

## Key macroeconomic assumptions

		31 December 2021	31 December 2020
<b>Discount rate</b>		Weighted average 6.55%	6.77%
<b>Inflation</b>		UK <sup>1</sup>	2.75% / 2.00%
		Canada	2.00% / 2.35%
		Australia	2.50%
		Germany	2.00%
		Netherlands <sup>2</sup>	2.00%
		Norway <sup>2</sup>	2.25%
		US <sup>3</sup>	2.50%
<b>Deposit rates (p.a.)</b>		UK	0.00% to Q4 2023, then 1.00%
		Canada	0.50% to Q4 2023, then 1.50%
		Australia	0.25% to Q4 2023, then 2.00%
		Germany	0.00% to Q4 2023, then 0.50%
		Netherlands	0.00% to Q4 2023, then 0.50%
		Norway	0.00% to Q4 2023, then 2.00%
		US	0.00% to Q4 2023, then 1.50%
<b>Corporate tax rates (p.a.)</b>		UK <sup>4</sup>	19.0% to Q1 2023, then 25.0%
		Canada <sup>5</sup>	23.0% / 26.5% / 27.0% / 29.0%
		Australia	30.0%
		Germany <sup>6</sup>	15.8% (incl. solidarity charge)
		Netherlands <sup>7</sup>	25.8%
		Norway	22.0%
		US	21.0%

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

<sup>2</sup> CPI indexation only. Where investments are subject to a basket of indices, a projection for non-CPI indices are used.

<sup>3</sup> 80% of ORB indexation factor for revenue is contractual and is not tied to CPI.

<sup>4</sup> On 10 Jun, 2021, the UK Government enacted an increase in the UK Corporate Tax rate to 25.0% with effect from April 2023.

<sup>5</sup> Individual tax rates vary among Canadian Provinces: Alberta; Ontario, Quebec, Northwest Territory; Saskatchewan, British Columbia; New Brunswick.

<sup>6</sup> Individual local trade tax rates are considered in addition to the tax rate above.

<sup>7</sup> On 21 December 2021, the Dutch Government enacted an increase in the Corporate Tax rate to 25.8%.

# Financial Overview

## Credit risk management

Country	Number of investments <sup>1</sup>	% of portfolio	S&P rating	Moody's rating
 Canada	15	36%	AAA	Aaa
 UK	25	33%	AA	Aa3
 Australia	3	11%	AAA	Aaa
 US	1	11%	AA+	Aaa
 Netherlands	} 10	9%	AAA	Aaa
 Norway			AAA	Aaa
 Germany			AAA	Aaa

Top 5 projects	Public sector counterparty	% of portfolio	S&P rating	Moody's rating
Ohio River Bridges	Indiana Finance Authority (IFA)	11%	AAA	Aaa
Golden Ears Bridge	Translink	9%	AA (DBRS)	Aa2
Northern Territory Secure Facilities	Northern Territory	6%	N/A	Aa3
McGill University Health Centre	McGill University Health Centre	5%	AA(low) (DBRS)	Aa2
Victoria Correctional Facilities	State of Victoria	4%	AA	Aa1

All investments are located in AAA to AA rated countries, including Canada, UK, Australia, US, Netherlands, Norway and Germany

Public sector counterparties on all investments either have strong investment grade ratings or are government-backed:

- In Canada, counterparty ratings range from A+ to AAA by S&P and DBRS, and from Aaa to Aa3 by Moody's
- In the UK, local authorities procuring PPP projects may benefit from central government backing
- In Australia, counterparties are rated AAA / Aaa and Aa3
- In the US, the counterparty is rated AA+/Aa1
- In Netherlands, local authorities procuring PPP projects may benefit from central government backing
- In Norway, the counterparty is rated AAA/Aaa
- In Germany, local authorities benefit from legislative support from the Republic of Germany rated AAA/Aaa

<sup>1</sup> As at 31 December 2021.

# Financial Overview

## Foreign exchange

GBP /	Valuation impact	FX rates as at 31 December 2021	FX rates as at 31 December 2020	FX rate change	
AUD	▼	1.861	1.771	(5.06)%	Depreciation of Pounds Sterling against the CAD and USD
CAD	▲	1.716	1.739	1.33%	Appreciation of Pounds Sterling against the AUD, EUR, and NOK
EUR	▼	1.191	1.113	(7.02)%	Negative FX impact on portfolio value since IPO, after considering the effect of balance sheet hedging: £11.8 million
NOK	▼	11.911	11.670	(2.07)%	Diversified currency exposure
USD	▲	1.351	1.365	1.01%	Hedging strategy results in an implied Pounds Sterling exposure of c. 71%

# Risk Management

## Foreign exchange and hedging

**BBGi**

INVESTING IN GLOBAL  
INFRASTRUCTURE

## Continued mitigation of FX rate risk

### Natural hedge for EUR denominated cash flow

Majority of BBGI's running costs are paid in EUR

### Balance sheet hedging through FX forward contracts

Enter into one-year FX forward contracts to partially hedge non-GBP/EUR portfolio values

### Hedging of forecast portfolio distributions

Rolling four-year hedging policy for non-GBP/EUR portfolio distributions reducing risk of adverse currency movements on target dividends

### Borrowing in non-GBP

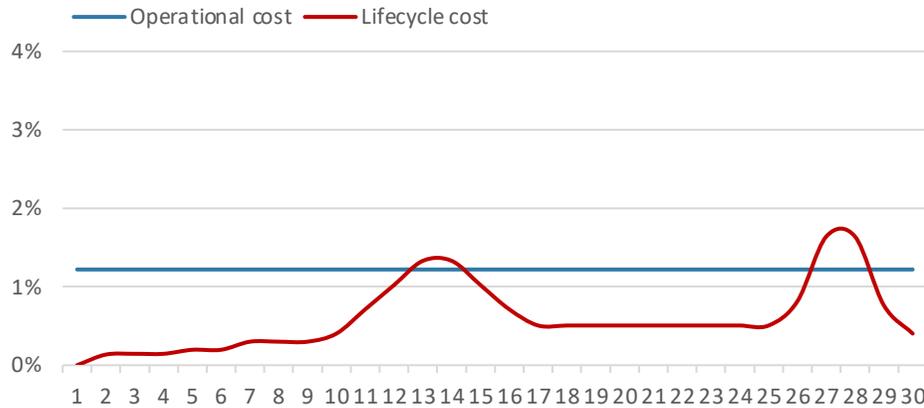
Multi-currency revolving credit facility permits borrowing in the currency of the underlying investment creating a natural hedge

# Risk Management

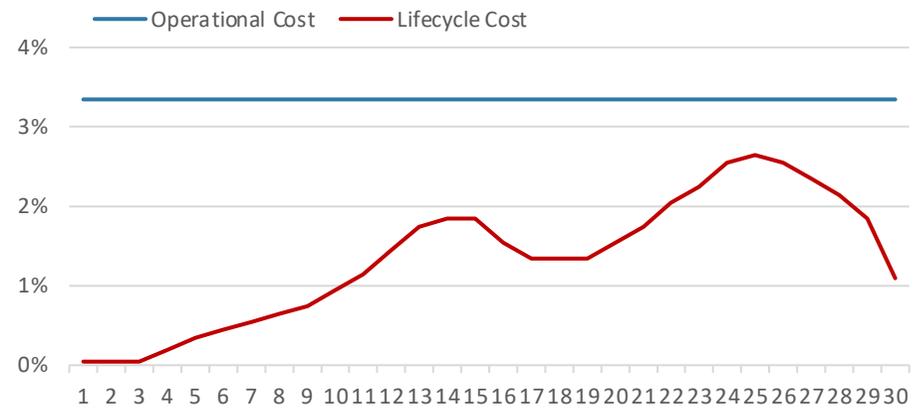
## Operational gearing

### Operational gearing is typically lower in availability roads & bridges than buildings

Typical O&M and Lifecycle Profile - Roads and Bridges



Typical O&M and Lifecycle Profile - Buildings (e.g. schools, hospitals)

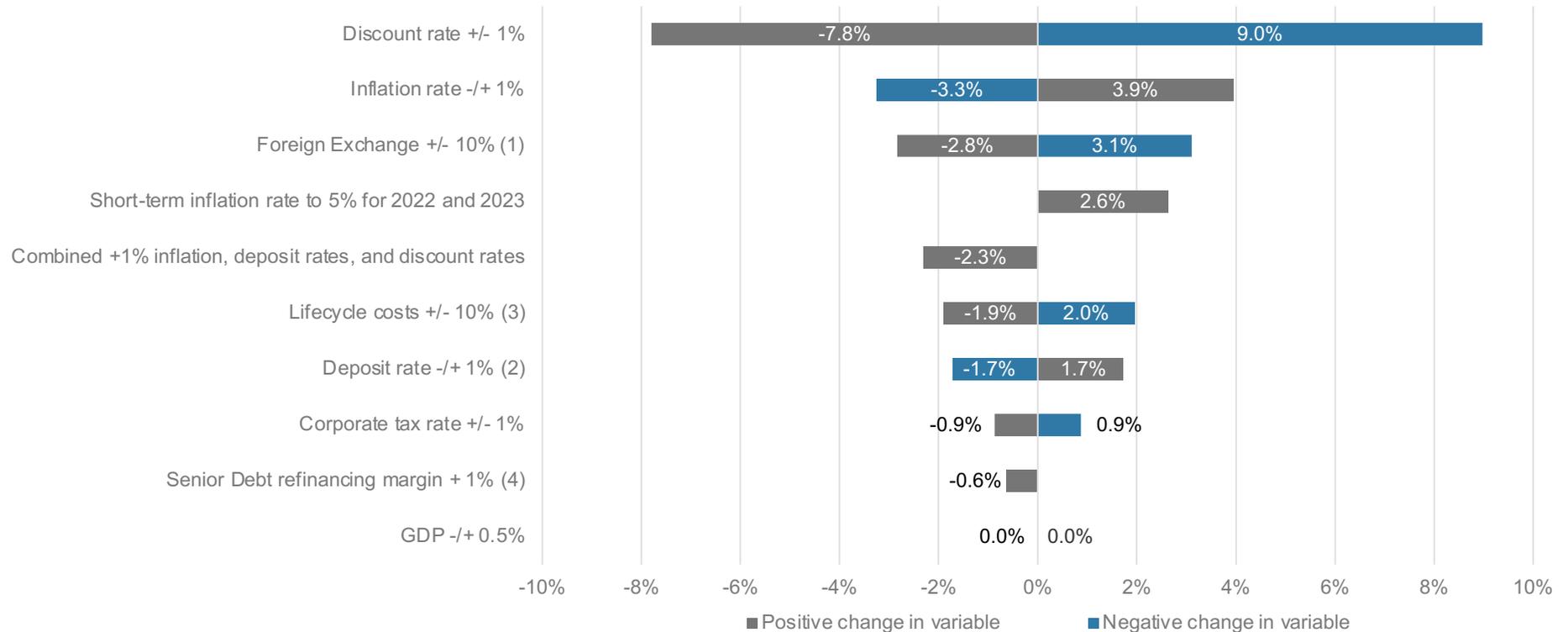


<b>Lifecycle costs<sup>1</sup></b>	c. 18% of construction cost over concession	c. 40% of construction cost over concession
<b>Lifecycle spending<sup>1</sup></b>	c. 2-3 consolidated main interventions	Several interventions with more even distribution over operating period
<b>Operational cost<sup>1</sup></b>	c. 1% p.a. of construction cost	c. 3% p.a. of construction cost
<b>Maintenance profile</b>	Fewer maintenance groups – less complex coordination	Many maintenance groups – complex coordination and organisation of maintenance and replacement work
<b>Client interaction</b>	Client is not the main user of the asset and has fewer interfaces	Client is the user of the asset with day-to-day exposure

<sup>1</sup> Analysis based on investments within the BBGi portfolio, June 2021 financial models, percentages are based on nominal operational and lifecycle cost compared to original construction cost.

# Key Sensitivities

## Results Expressed as a % of NAV



<sup>1</sup> Considering the contractual and natural hedges in place (see hedging strategy in the Company's Annual Report).

<sup>2</sup> Applied to the long-term rates in comparison to the macroeconomic assumptions.

<sup>3</sup> Applied to investments where Portfolio Company retains the lifecycle risk.

<sup>4</sup> The Northern Territory Secure Facility investment is the only investment in the BBGi portfolio carrying refinancing risk. The base rate for senior debt is either fixed or has a long-term interest swap available; therefore, none of our remaining investments are subject to changes in base rates.

# PPP Sector Differentiation

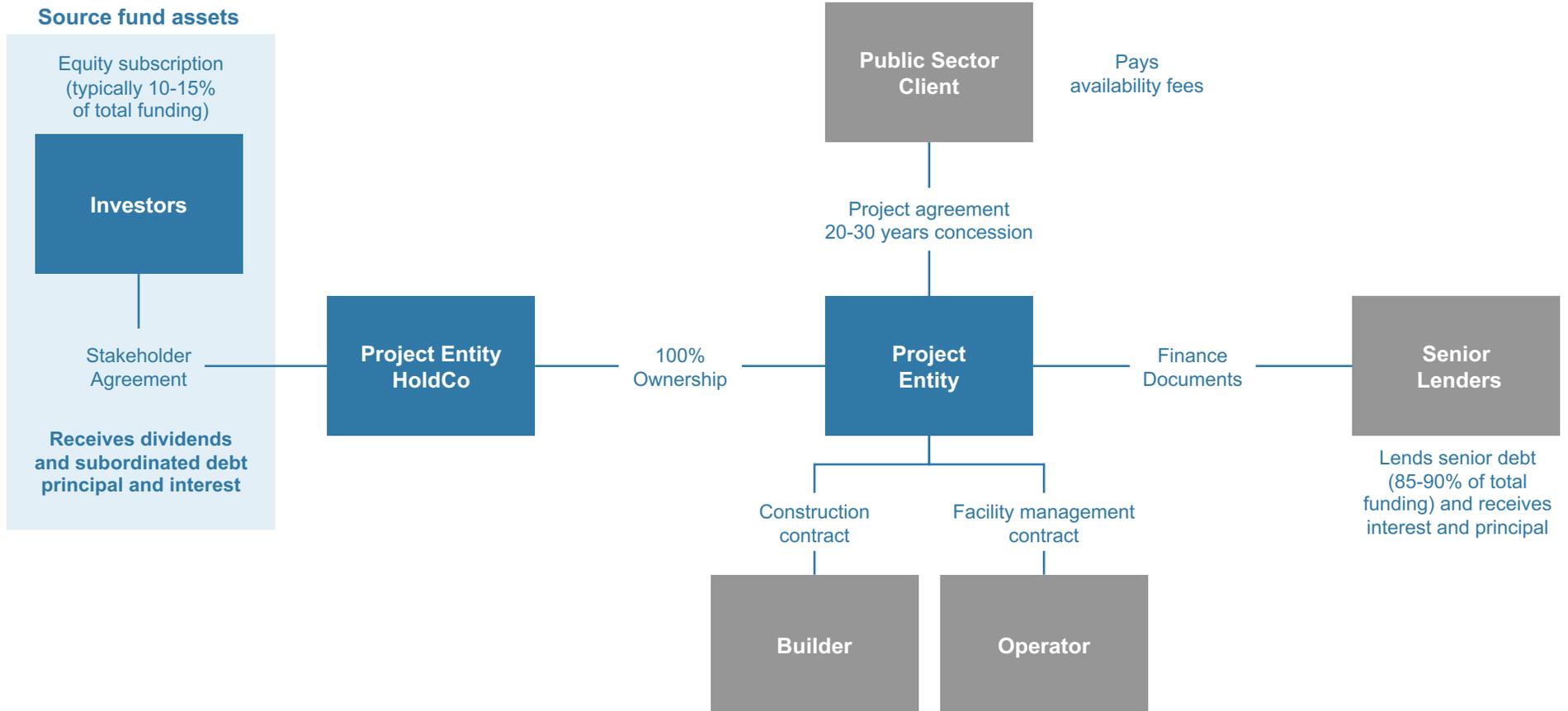
BBGI PPP sector exposure is towards the lower end of the risk spectrum<sup>1</sup>



<sup>1</sup>This is a simplified assessment of PPP sector risk and actual risk profile may be different depending on the facts and circumstances.

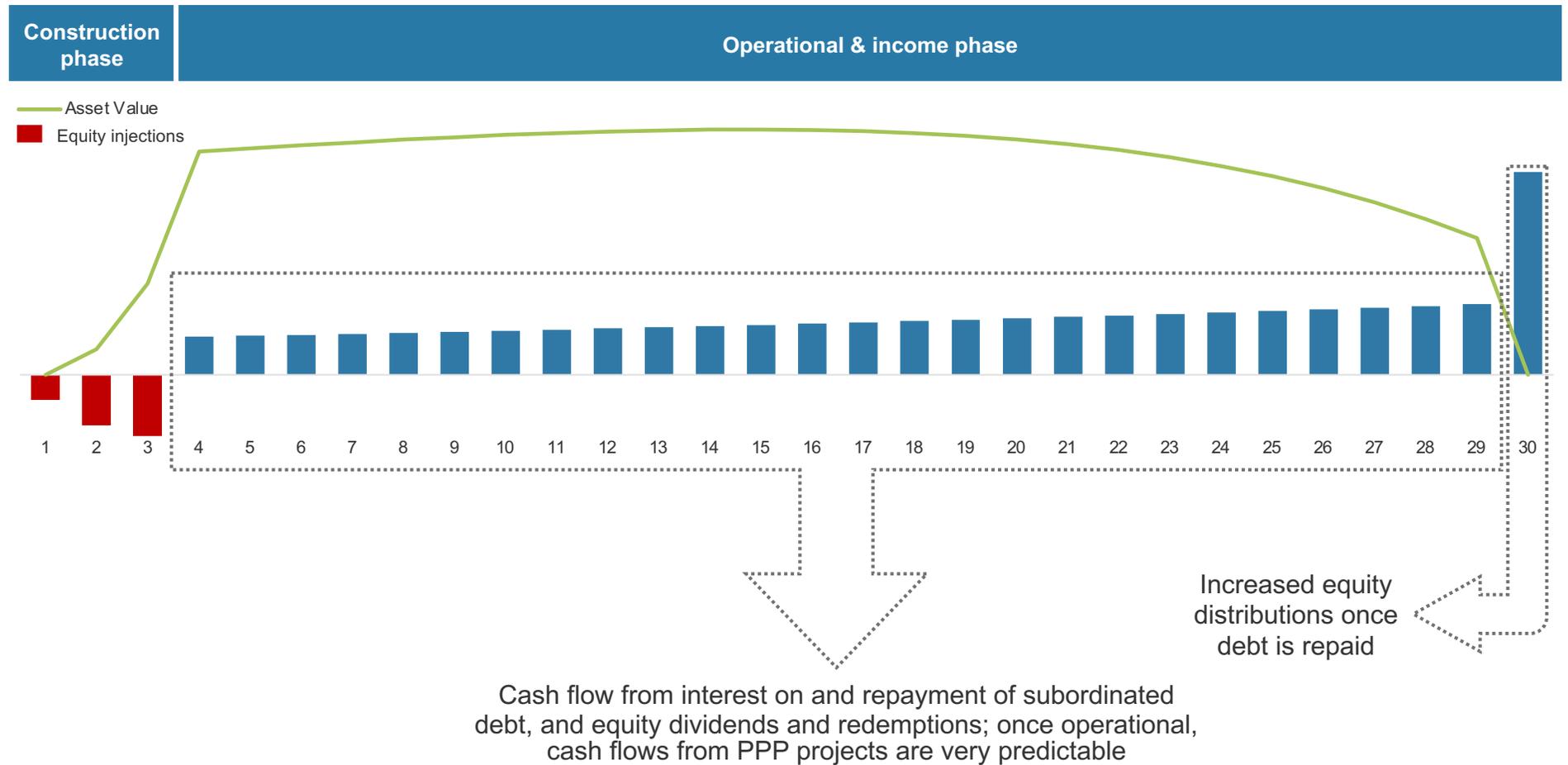
# PPP Overview

## Typical ownership structure



# PPP Overview

## Illustrative PPP equity investment cash flow profile



# Co-CEOs



**Duncan Ball**  
Co-CEO

Duncan Ball has been co-CEO of BBGI from inception and was actively involved in the establishment and IPO listing of BBGI in 2011 and the subsequent growth from 19 investments at IPO to 54 investments currently.

Mr Ball has worked in the infrastructure sector, investment banking and advisory business for over 30 years.

As co-CEO of BBGI, he is responsible for overall strategy and management of the Company. He is one of three members of the Management Board, and sits on the Investment Committee and the ESG Committee. Additionally, he is a shareholder representative or holds directorships in key investments of BBGI.



**Frank Schramm**  
Co-CEO

Frank Schramm has been co-CEO of BBGI from inception and was actively involved in the establishment and IPO listing of BBGI in 2011 and the subsequent growth from 19 investments at IPO to 54 investments currently.

Mr Schramm has worked in the infrastructure sector, investment banking and advisory business for over 25 years.

As co-CEO of BBGI, he is responsible for overall strategy and management of the Company. He is one of three members of the Management Board, and sits on the Investment Committee and the ESG Committee. Additionally, he is a shareholder representative or holds directorships in key investments of BBGI.

# Supervisory Board



**Sarah Whitney**  
Independent Chair  
of the Supervisory  
Board

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

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

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

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

Ms Whitney serves as a Non-Executive Director of two other listed companies



**Howard Myles**  
Senior Independent  
Director

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

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

Mr Myles holds an MA from Oxford University.

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

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



**Jutta af Rosenberg**  
Independent Director  
and Chair of the Audit  
Committee

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

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

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

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

Ms af Rosenberg serves as a Non-Executive Director on three other listed companies



**Chris Waples**  
Independent Director

Chris Waples CDir FIOD has 35 years' global experience of managing the acquisition, construction and divestment of infrastructure projects. Mr Waples has an extensive track record of asset management in progressive high-profile companies, including 12 years with the John Laing Group plc where he held the position of Executive Director Asset Management and led the international portfolio of PPP assets across Europe, North America and Asia Pacific regions. Mr Waples was a member of the executive team that oversaw the successful initial public offering of the John Laing Group plc in February 2015 with approximately a £1 billion market capitalisation. Additionally, he held the positions of Chair of the Investment Committee, Chair of the Investment Portfolio Committee and Trustee of the John Laing Charitable Trust. He previously served as Managing Director of Amey plc, for public and private sector clients, before and leading up to its acquisition by Grupo Ferrovial. Prior to this, he held senior positions with Scottish Power plc and Blue Circle plc.

Mr Waples is a Fellow and Chartered Director of the Institute of Directors and holds a Postgraduate degree in Management Studies as well as Agricultural Engineering LICG. Mr Waples was appointed by shareholders at the Company's 2020 AGM as a Non-Executive Director with effect from 1 May 2020. Mr Waples does not hold Non-Executive Director mandates at any other listed company.

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