


BBGI

INTERIM RESULTS PRESENTATION

for the six months ended 30 June 2018

31 August 2018

BBGI SICAV S.A. ◻ bb-gi.com

BBGI A Global Infrastructure Company

AGENDA

   

HIGHLIGHTS

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INVESTMENT PROPOSITION

BBGI is a global infrastructure investor with a prudent, low-risk investment strategy focused on delivering long-term, predictable shareholder returns

STRATEGIC PILLARS	INVESTMENT STRATEGY	TARGET OUTCOMES
LOW-RISK[1]	Pure-play PPP investment platform Strict availability-based investment strategy with focus on lower risk roads and bridges	Stable, predictable cash flows Secure, highly visible, contracted public sector revenues No demand or regulatory risk exposure
GLOBALLY DIVERSIFIED	Focused exposure to highly-rated investment grade countries Stable, well developed operating environments	UK/Europe North America Australia
INTERNALLY MANAGED	In-house management team, focused on delivering shareholder value Incentivised by shareholder returns and NAV per share growth	No NAV-based management or acquisition fees Aligned interest resulting in full pricing discipline Lowest comparative ongoing charges[2]

[1] In comparison to other infrastructure asset classes
[2] In comparison to all LSE-listed equity infrastructure companies as of 30 June 2018

FINANCIAL HIGHLIGHTS

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NET ASSET VALUE[1]	NET ASSET VALUE PER SHARE	FY 2019 TARGET MIN DIVIDEND[2]
£700.9m	**132.5p**	**7.00p**
Dec 2017: £622.5m (+12.6%)	Dec 2017: 129.9p (+2.0%)	2018: 6.75p (+3.7%)

CASH DIVIDEND COVER[3]	ANNUALISED SHAREHOLDER RETURN[4]	ANNUALISED ONGOING CHARGES[5]
1.9x	**9.4%**	**0.96%**
June 2017: 1.7x	FY 2017: 10.5%	FY 2017: 0.99%

[1] On an investment basis / [2] This is a target only and is not a profit forecast. There can be no assurance that this target will be met or that the Company will make any distributions at all
[3] Net operating cash flows / dividends paid for the period (see detailed explanation in interim report)
[4] On a compound annual growth rate basis. This represents the steady state annual growth rate based on share price at 30 June 2018 and after adding back dividends paid or declared since listing
[5] Calculated using the AIC methodology and excludes all non-recurring costs. The Ongoing Charges include an accrual for the Short-Term Incentive Plan/Bonuses and the Long-Term Incentive Plan

PORTFOLIO HIGHLIGHTS

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Stable operational performance	▪ 44 high-quality, availability-based PPP infrastructure assets ▪ Cash receipts ahead of business plan contributing to increase in FY 2019 dividend target
Value-driven active management	▪ Good construction progress on North Commuter Parkway, scheduled to reach operation in October 2018 ▪ Further de-risking of significant assets including Mersey Gateway Bridge and Ohio River Bridges ▪ Total shareholder value increased through accretive enhancements resulting in 1.4% increase in NAV
Prudent financial management	▪ Revised hedging strategy aimed to reduce FX sensitivity of NAV to c. 3% for a 10% movement in FX ▪ Accretive £60.8 million equity capital raise, significantly over-subscribed by new and existing investors ▪ Enhanced £180 million four-year revolving credit facility, with £70 million incremental accordion tranche
Selective acquisition strategy	▪ Completion of McGill University Health Centre in Canada, the fifth investment made through the continuing North American strategic investment partnership ▪ Acquisition of a further 33.3% interest in East Down Colleges PPP project in Northern Ireland ▪ Acquisition of 25.0% interest in Stanton Territorial Hospital in Canada post-period end
Strong, visible pipeline	▪ North American strategic investment partnership provides additional investment opportunities in availability-based PPP assets via right of first offer ▪ Attractive global pipeline of strictly availability-based assets in highly-rated investment grade countries
Long-term custodianship	▪ Responsible, long-term investor in public infrastructure assets with strong relationships with all significant stakeholders ▪ Environmental, Social and Governance framework includes reduction of portfolio's carbon footprint, ecological and environmental management, waste reduction and a strong support of social initiatives at the asset level

PROJECTED PORTFOLIO CASH FLOW

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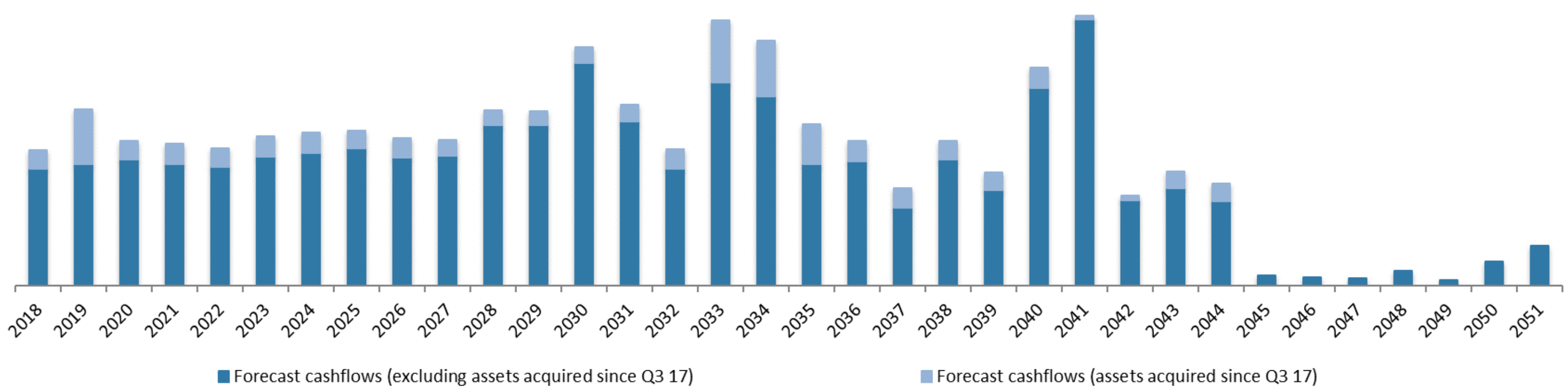
Stable, predictable returns[1]



- Long-term stable cash flows
- Public sector (backed) counterparties and contracted nature of long-term cash flows increase predictability
- Index-linked provisions provide positive inflation correlation

[1] This illustrative chart is a target only, as at 30 June 2018, 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 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. The inclusion of this graph should not be construed as forecasting in any way the actual returns from the portfolio

SUMMARY OF CASH FLOW

£ million	Six months ended 30 June 2018	Six months ended 30 June 2017
Cash and cash equivalents at 1 January	**20.7**	**22.1**
Distributions from investments	*32.5*	*26.2*
Operating costs	*(6.4)*	*(5.6)*
Net financing costs	*(1.9)*	*(0.8)*
Net operating cash flows	***24.2***	***19.8***
Equity investments	(54.7)	-
Deposit made on cash collateral account of a project	-	(19.7)
Repayment of loans and borrowings	(11.7)	(45.2)
Proceeds of capital raise[1]	59.8	57.7
Dividends paid	(12.7)	(11.9)
Proceeds from drawdowns[1]	87.2	(0.2)
Impact of FX gain/(loss) on cash and cash equivalents	0.4	0.0
Cash and cash equivalents at 30 June	**113.2***	**22.6**
Ongoing charges	**0.96%**	**0.98%**
Cash dividend cover	**1.9x**	**1.7x**

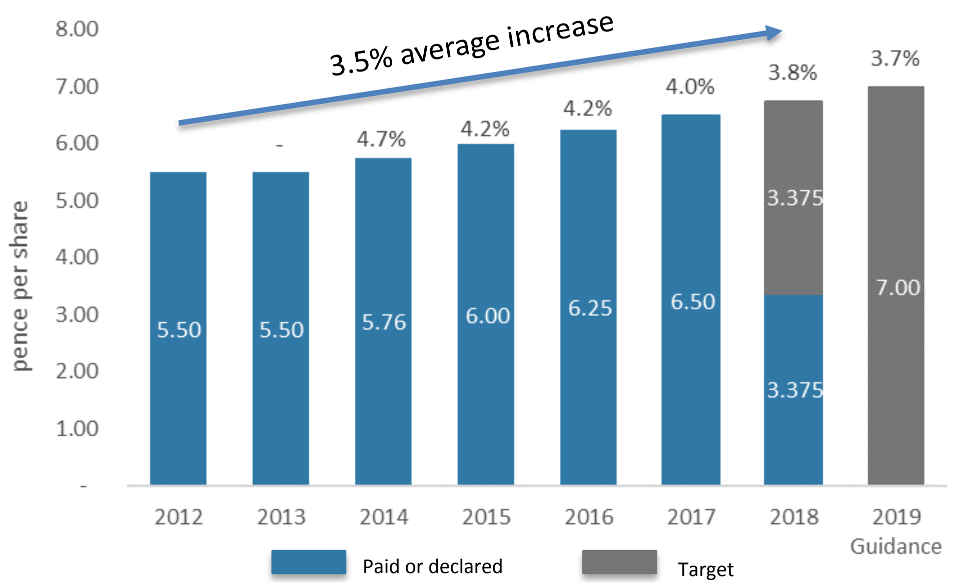
- Highly cash generative with strong cash receipts of £32.5m from investments in H1 2018 (H1 2017: £26.2m; +24%)
- Strong cash dividend cover of 1.9x (30 June 2017: 1.7x; +12%)
- Ongoing charges reduced to 0.96%, with the potential to reduce further

*Cash position reduced to c. £29m as of 28 August 2018

[1] Net of issue costs

DIVIDEND GROWTH

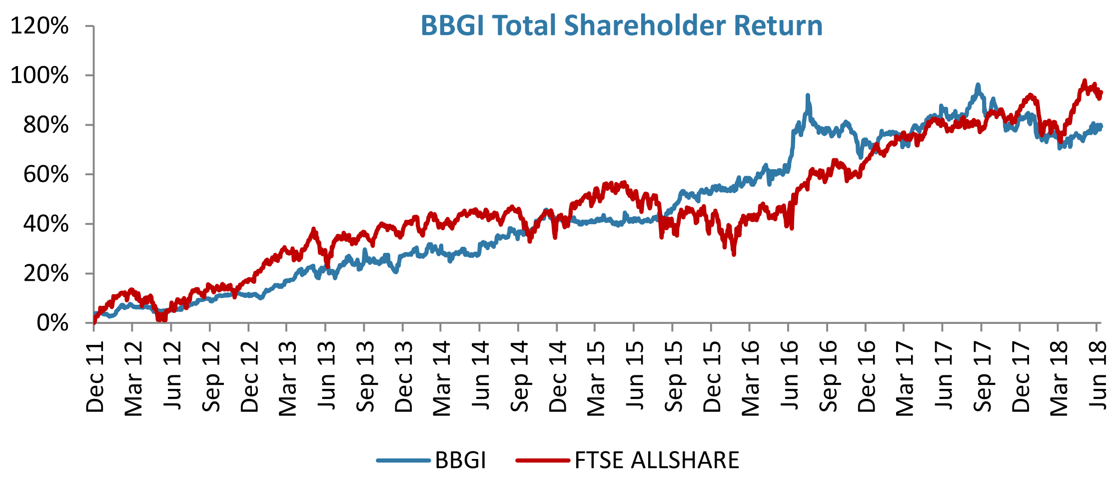
Proven progressive dividend policy

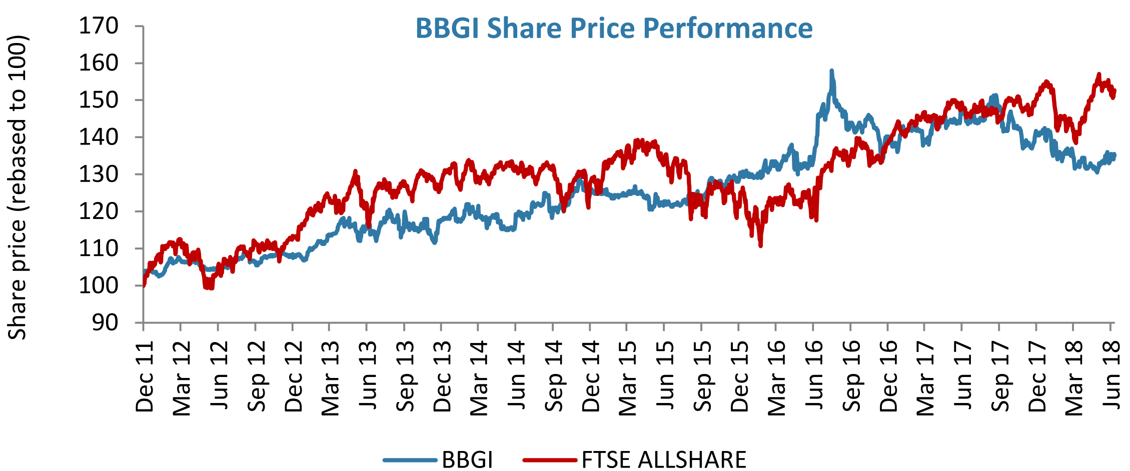


- FY 2018 interim dividend of 3.375 pps - in line with revised dividend target[1] of 6.75 pps (+3.8%)
- FY 2019 dividend guidance of 7.00 pps[1], up 3.7%
- Average annual dividend increase of 3.5% from 2012 to 2018

[1] This is a target only and is not a profit forecast. There can be no assurance that this target will be met or that the Company will make any distribution at all

RETURN TRACK RECORD





Sources: Datastream

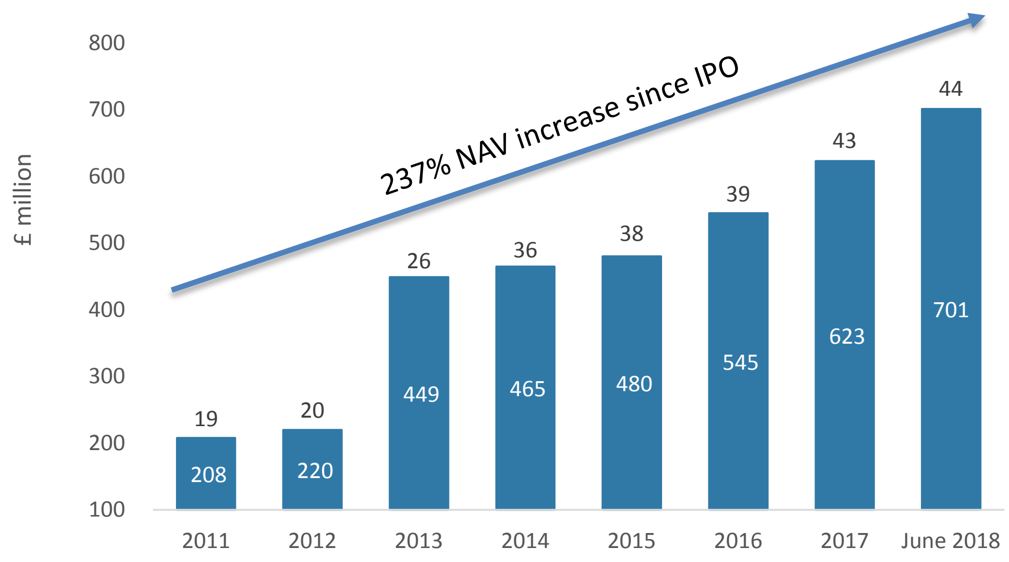
- Total Shareholder Return[1] (TSR) since IPO of 80.0%
- Annualised shareholder return of 9.4%[2]
- 4.5% accounting return per share for the six months ended 30 June 2018 [3]
- Reliable, attractive dividend yield relative to market of 4.8%, compared to FTSE All-Share Index of 3.7%

[1] Based on share price at 30 June 2018 and after adding back dividends paid or declared since listing
[2] On a compound annual growth rate basis. This represents the steady state annual growth rate based on share price at 30 June 2018 and after adding back dividends paid or declared since listing
[3] Based on NAV per share growth and dividend paid

GROWTH TRACK RECORD

History of accretive and disciplined growth, not just for growth's sake

NAV and number of assets



- Demonstrated ability to grow responsibly
- Strategic discipline in acquisition strategy and portfolio composition, with no style drift

PORTFOLIO OVERVIEW

Based on portfolio value at 30 June 2018

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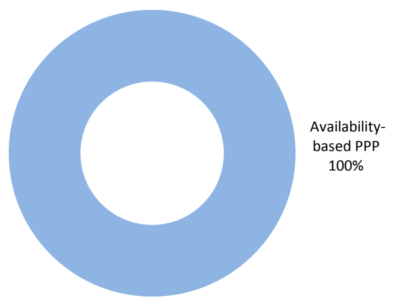
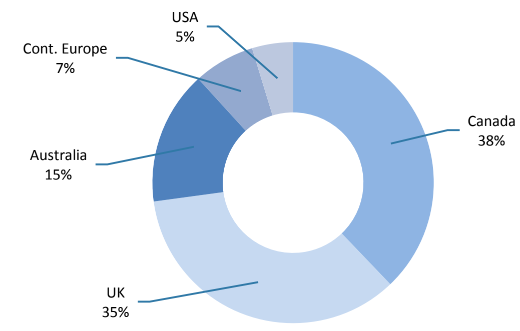
Investment Type



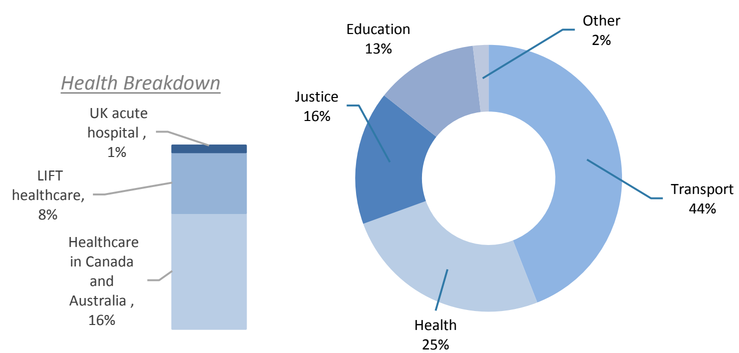
100% availability-based PPP revenue stream with no exposure to demand or regulatory risk assets

Geographical Split



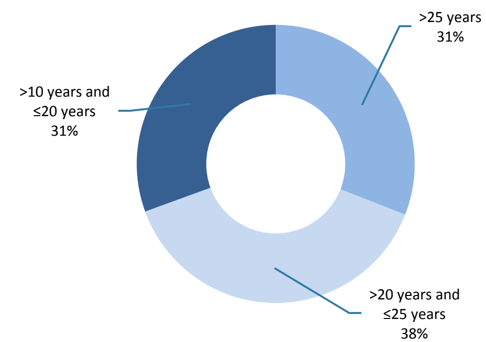
Geographically diversified in stable, developed countries with AAA-AA country credit rating

Sector Split



Well-diversified sector exposure with large allocation to lower risk availability-based road & bridge assets[1], and limited acute health

Investment Life



Long investment life with 69% of portfolio by value enjoying a concession length >20 years; average life of 21.6 years; average portfolio debt maturity of 18.6 years

[1] This includes one rail project in Canada

PORTFOLIO OVERVIEW

Based on portfolio value at 30 June 2018

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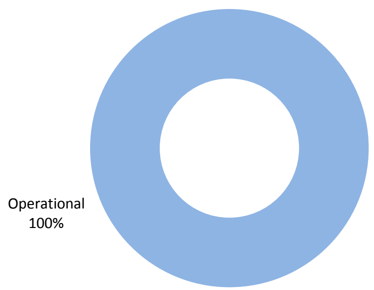
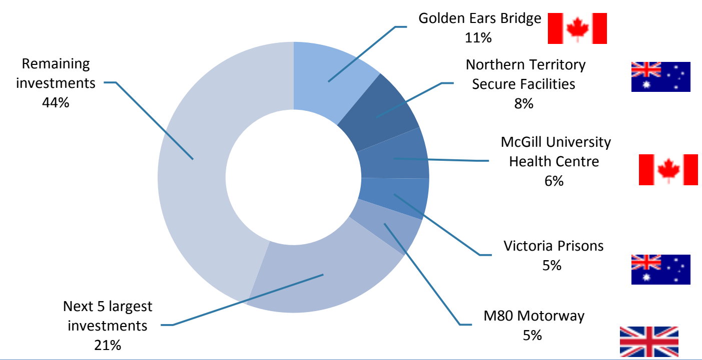
Investment Status



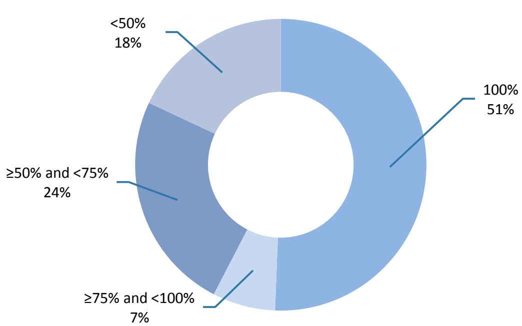
Low risk 100% operational[1] portfolio

Top 5 Investments



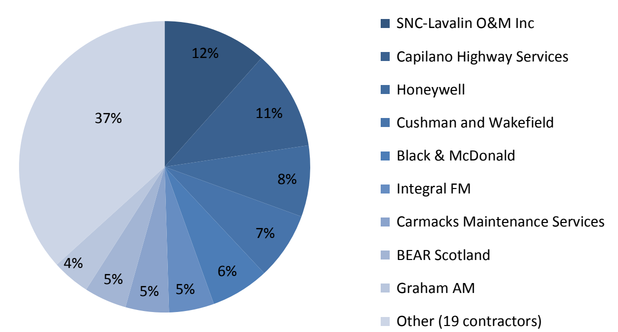
Well-diversified portfolio with no major single asset exposure

Investment Ownership



82% of assets in the portfolio 50% owned or more

Counterparty Risk – Facility Manager/O&M Contractor[2]



Diversified supply chain partners and no major single name exposure

[1] By value. Although one asset – North Commuter Parkway – is considered a construction asset where the present value of future project distributions are effectively offset by the present value of the future equity subscription obligation

[2] When there is more than one contractor, the value of the project is allocated equally between the contractors




ACTIVE ASSET MANAGEMENT

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ACTIVE ASSET MANAGEMENT

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Portfolio performance	▪ Portfolio performance and cash receipts ahead of business plan ▪ No lock-up or defaults in the portfolio ▪ Maintained high level of asset availability (c. 99.7%[1]) with deductions either borne by third-party facility managers and road operators or part of planned (lifecycle) budgets
SNC-Lavalin Partnership	▪ Completion of the acquisition of initial five operational availability-based PPP assets in Canada with a value of c. CAD 191 million (GBP 111m); last asset, McGill University Health Centre, transferred in June 2018 ▪ All assets are performing in line with expectations ▪ Canada viewed as a stable, reliable and well developed operating environment
Construction de-risking	▪ Construction de-risking has resulted in a significant organic NAV growth of approximately 5.2%[2] since listing ▪ *North Commuter Parkway (CAN):* construction on schedule for completion H2 2018 ▪ *Mersey Gateway Bridge (UK):* moved closer to stable operation ▪ *Ohio River Bridges (USA):* moved from ramp-up phase to stable operational phase
Strong relationships	▪ Successfully maintained good dialogue and relationship with public sector clients ▪ No material counterparty issues to report at subcontractor level and no exposure to Carillion plc's liquidation in UK

Long-term custodianship	▪ Value-driven active management and prudent financial management drives long-term, responsible ownership of public infrastructure assets
	▪ Additional portfolio enhancements carried out to enhance environmental and sustainability performance of individual assets, including:
	  ▪ *Avon & Somerset Police accommodation (UK):* conversion of a shipping container into a residential unit for the homeless; help to renovate a property for the support and rehabilitation of women with addiction problems
	  ▪ *Mersey Gateway Bridge (UK):* great showcase of how large infrastructure projects can help rejuvenate an entire region by focusing on social and community benefits. The project attracted more than 470 permanent jobs during the construction period and will help to create over 4,000 permanent new jobs through regeneration and inward investments. In addition the travel times reduced by 10 minutes per journey. The bridge was officially opened by Her Majesty Queen Elizabeth II and The Duchess of Sussex on 14 June 2018
	  ▪ *Golden Ears Bridge (CAN):* Project Company with the support of its O&M Contractor provided equipment and volunteer staff to help against high risks of flooding nearby communities

[1] Calculated as percentage of actual availability payments received divided by scheduled payments
[2] Cumulative annual NAV growth




VALUATION

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PORTFOLIO VALUE MOVEMENT

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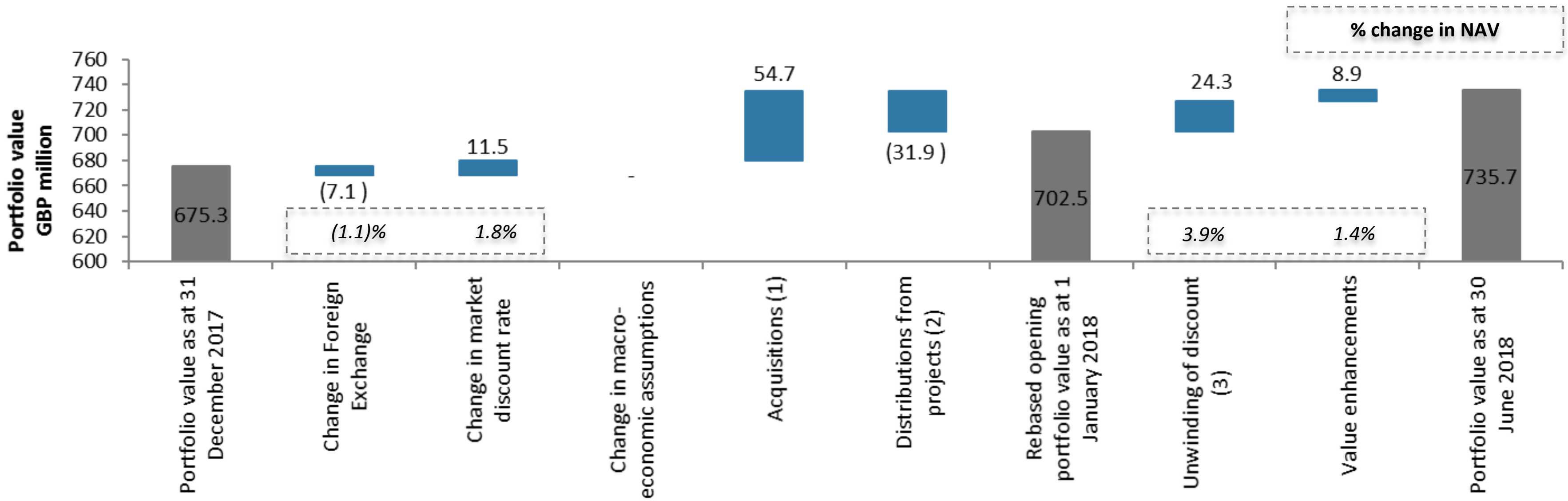
Active asset management delivers accretive value enhancements



+12.6%
NAV increase

=

Financial: +11.2% NAV increase

- **1.1%:** FX impact
+ **1.8%:** reduction in market discount rate
+ **3.9%:** discount rate unwinding
+ **6.6%:** Other financial: change in other net assets/liabilities (including tap issue), equity investments, distributions

+

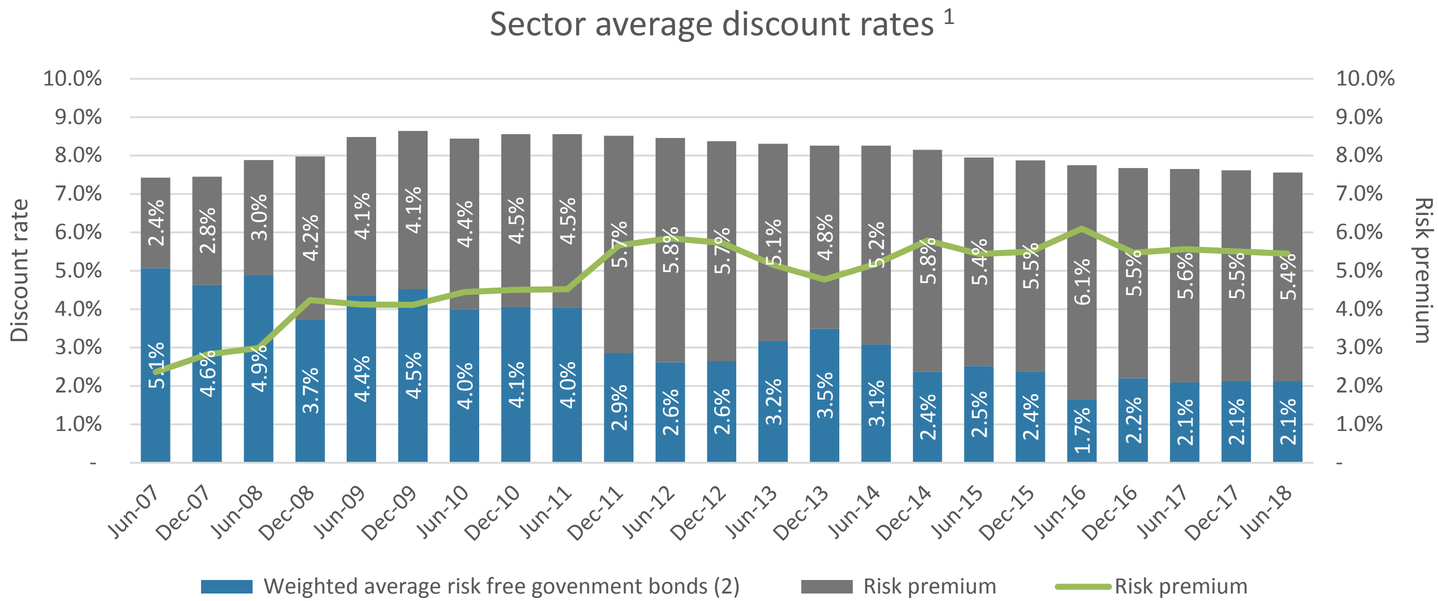
Operational / value accretive enhancements: +1.4% NAV increase

- Adjusted discount rate risk premium: asset specific and construction derisking
- Lower costs realised and forecast on some projects due to focus on cost management
- Net effect of inter alia cash optimization and restructuring on certain projects and more conservative refinancing assumptions on Northern Territories Secure Facilities, Australia
- Positive impact of actual inflation above forecast

[1] This includes the purchase price paid for the interest in McGill University Health Centre in Canada and the further 33.33% interest in East Down Colleges PPP project in Northern Ireland
[2] Reduction in the portfolio value is offset by the receipt of a corresponding cash amount at the Group level
[3] As the Company moves closer to receiving the forecast dividend payments, the time value of those cash flows on a net present value basis increases

DISCOUNT RATES

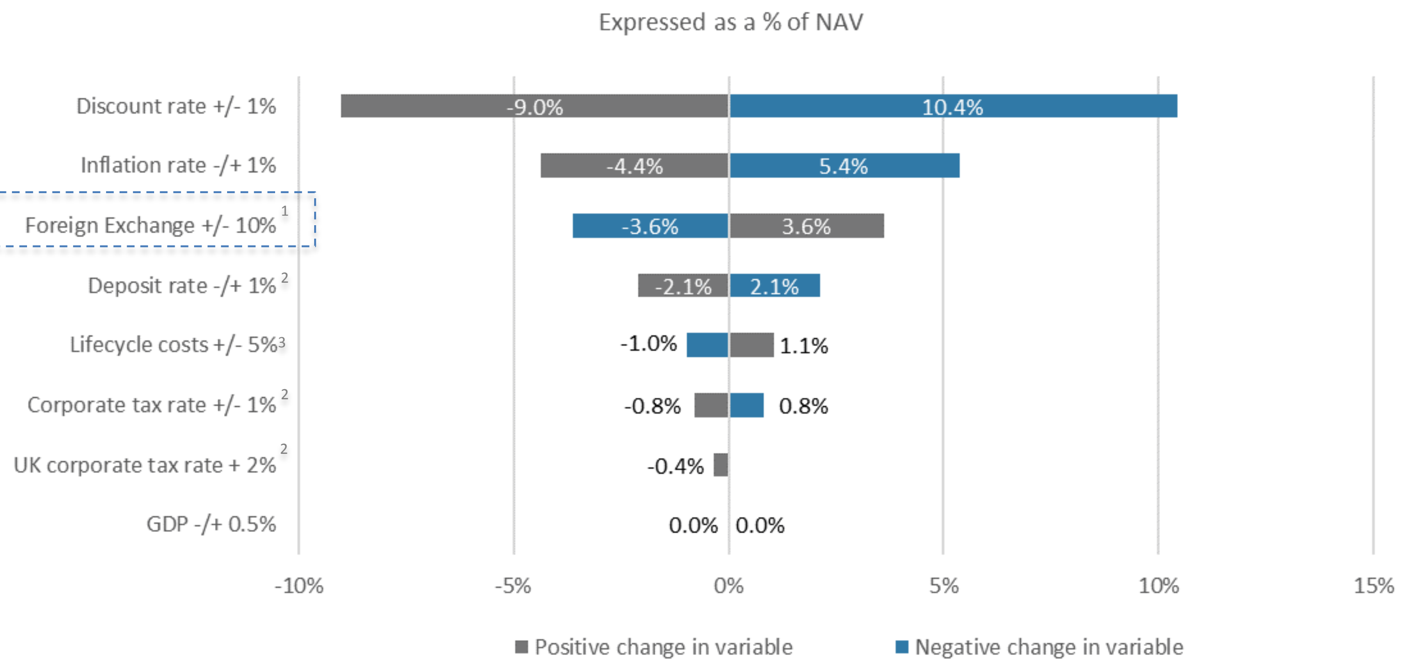
Significant risk premium above risk free rate



- Weighted average discount rate of 7.20% at 30 June 2018 (31 December 2017: 7.45%)
- BBGI individual asset discount rates range between 6.80% and 8.82%
- Recent market developments and transactions suggest that discount rates in the secondary market continued to move downward
- The decrease in BBGI's weighted average discount rate is a result of the above observations and of further asset de-risking
- Sector average discount rates slightly higher than in 2007 but risk premium significantly increased from 2.4% to 5.4%

[1] Average discount rates of BBGI and listed peers
[2] Based on the geographical breakdown of BBGI portfolio as at 30 June 2018

KEY SENSITIVITIES



This sensitivity takes into account the balance sheet hedging through lending in CAD in place at 30 June 2018. By excluding this hedging element, the NAV sensitivity would be -/+5.7% to a 10% change in FX.

[1] Taking into account the contractual and natural hedges in place, see also revised hedging strategy
[2] Applied to the long-term rates in comparison to the macroeconomic assumptions
[3] Applied to the 15 projects where Project Company retains the lifecycle risk

RISK MANAGEMENT
Foreign exchange and hedging

Target to reduce NAV sensitivity to FX to 3% for a 10% adverse FX movement

Natural hedge for EUR denominated income

Majority of BBGI 's running costs are paid in EUR

Balance sheet hedging through FX forward contracts

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

Continued mitigation of FX rate risk

Hedging of forecast portfolio distributions

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

Borrowing in non GBP

CAD borrowing created a natural hedge for CAD assets – non GBP borrowings will be replaced by through FX forward contracts

Gain of £0.8 million on FX borrowing realised, partially offsetting negative FX impact

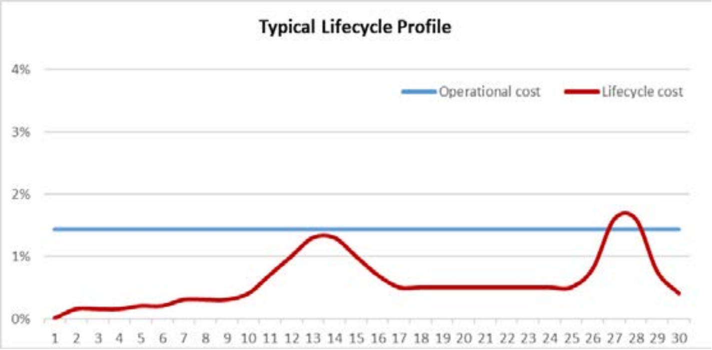
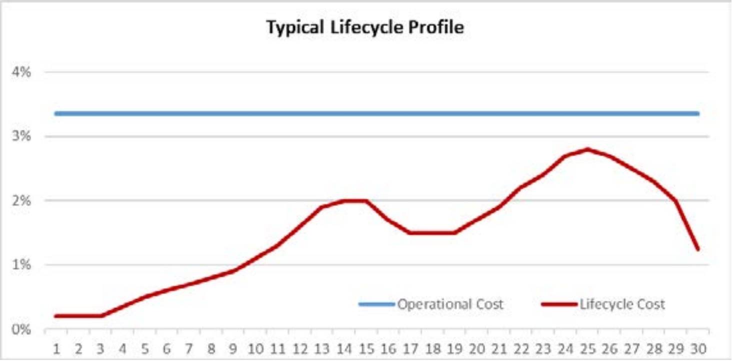
RISK MANAGEMENT
General

Taxation	▪ Impact of change in global international tax environment – including BEPS – being monitored constantly ▪ No material impact to date
Supply chain exposure	▪ Rigorous monitoring of supply chain exposure ▪ No exposure to Carillion plc's liquidation as either a construction contract or facilities management provider ▪ Diversified supply chain in place and geographically diversified portfolio mitigates the exposure to this risk

Political risk	▪ Focus on value-driven active management and prudent financial management can generate returns and benefits, not just for BBGI shareholders but for all stakeholders
	▪ Despite enhanced political risk moderating positive sentiment for the UK listed infrastructure sector, continued belief in and demand for private sector investment into public infrastructure
	▪ UK political risk of nationalisation mitigated:
	  ▪ Well-established relations with public sector clients
	  ▪ Diversified global allocation with 35% of portfolio NAV in the UK
	  ▪ Portfolio exposure to UK acute health assets c.1% of NAV, with no similar assets identified in current pipeline
	  ▪ Nationalisation process complex and burdensome with no further clarity provided by proponents of policy to date
	    ▪ Significant debt SWAP breakage and other costs to be paid in addition to outstanding debt in the event of nationalisation
	    ▪ SPV equity investors would need to be bought out, typically requiring a compensation payment

RISK MANAGEMENT
Operational Gearing

Operational gearing typically lower in availability roads & bridges than social infrastructure assets

	Availability roads & bridges	Social infrastructure
		
Lifecycle costs[1]	▪ c. 18% of construction cost over concession period	▪ c. 45% of construction cost over concession period
Lifecycle spending[1]	▪ c. 2-3 consolidated main interventions	▪ Several interventions with more even distribution over operating period
Operational cost[1]	▪ c. 1.4% p.a. of construction cost	▪ c. 3.4% p.a. of construction cost
Maintenance profile	▪ Fewer maintenance groups – less complex coordination	▪ Many maintenance groups – complex coordination and organisation of maintenance and replacement work
Client interaction	▪ 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

[1] Analysis based on assets within the BBGI portfolio, percentages are based on 2018 operational and lifecycle cost compared to original construction cost




INTERNAL MANAGEMENT

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INTERNAL MANAGEMENT

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

IN-HOUSE MANAGEMENT TEAM

ALIGNMENT OF INTEREST

ONGOING CHARGES OF 0.96%[1]

Delivering economic value for shareholders

- No NAV-based management fees
- No acquisition fees
- Lowest Ongoing Charges[2] of all listed equity infrastructure investment companies

No conflict of interest

- Management team incentivised based on total shareholder return and NAV per share growth
- No growth for the sake of growth – pricing discipline and no style drift
- Full management focus, not distracted by other investment mandates

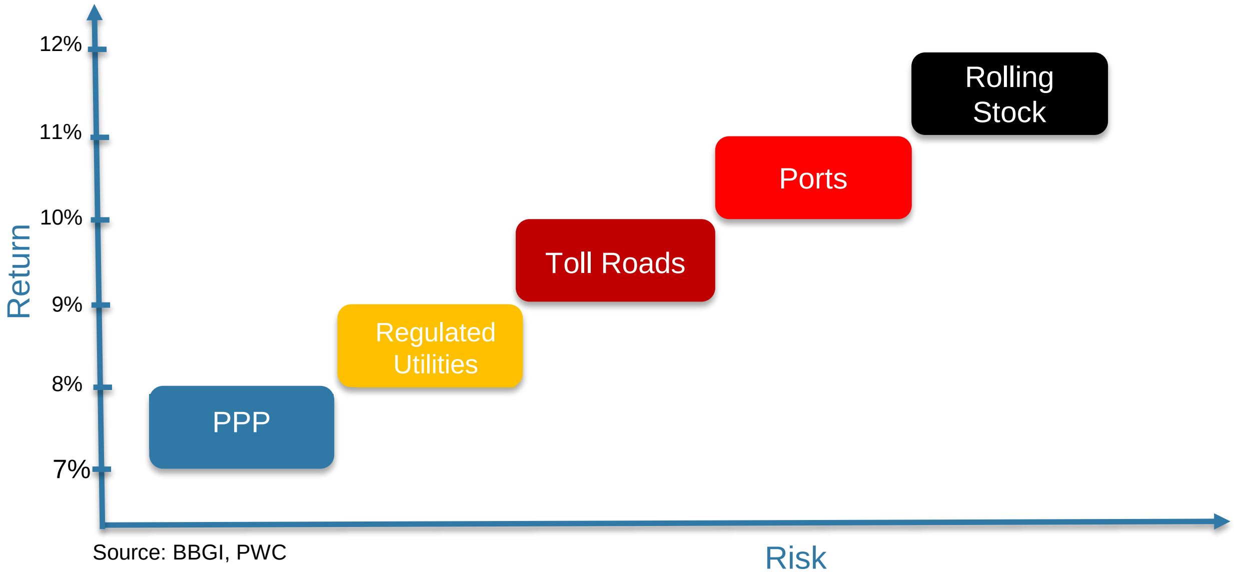
[1] On an annualised basis
[2] In comparison to all LSE-listed equity infrastructure companies as of 30 June 2018




MARKET TRENDS, OUTLOOK & PIPELINE

RISK & RETURN OF INFRASTRUCTURE ASSET CLASSES

Return requirements – recent history



Source: BBGI, PWC

- PPP has always been at the low end of the risk spectrum – availability-based, long term public sector (backed) revenues which are positively correlated to inflation
- Regulated Utilities, Toll Roads, Airports and Rolling Stock attracted higher returns to reflect the increased risk profile

RISK & RETURN OF INFRASTRUCTURE ASSET CLASSES

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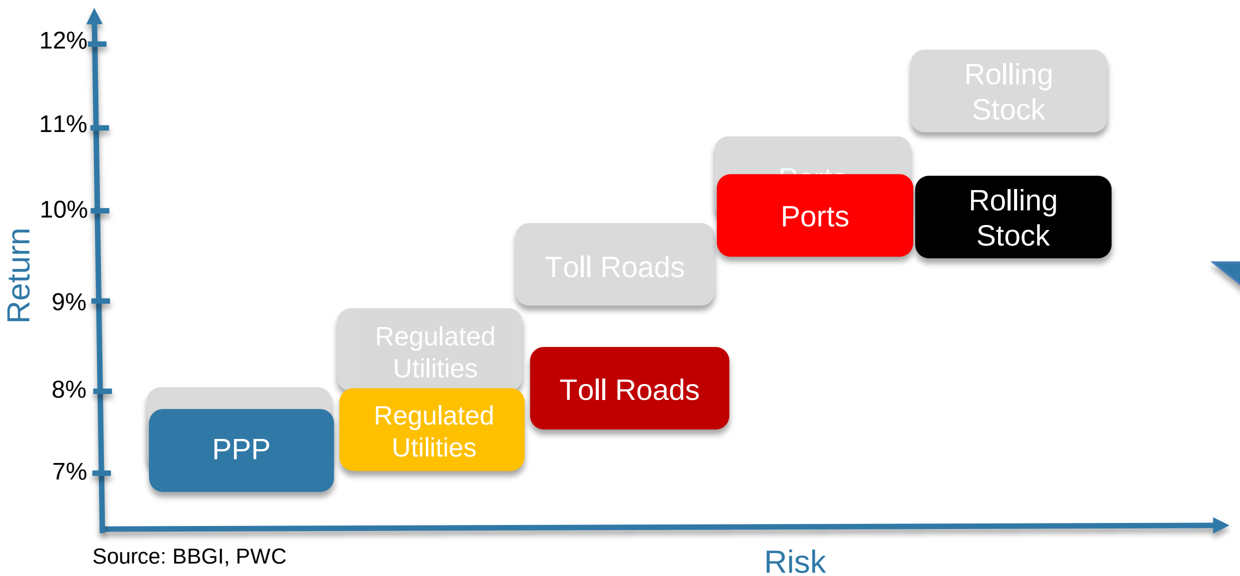
Return requirements – current



Source: BBGI, PWC

While risk profile has remained unchanged, returns have fallen significantly in most infra asset classes

- Overall returns for PPP assets have remained reasonably stable in the last couple of years; recent transactions suggest lower rates of return, especially for large assets or portfolio transactions
- Some infrastructure investment companies investing in both PPP and regulated utilities and toll roads with return profiles similar to PPP/PFI assets. According to a recent PwC study[1] returns have fallen significantly and are as low as 7% for regulated assets and 7.5% for toll roads
- Return requirements for ports and rolling stock have also reduced but more moderately

[1] PwC, Infrastructure Return requirements, Many happy returns? (November 2017)

PPP SECTOR DIFFERENTIATION[1]

BBGI PPP sector exposure towards the lower end of the risk spectrum

Risk	Sector	Description
Higher risk	Acute hospitals	Acute hospitals are more complex buildings due to 24/7 operations and interventions are more challenging and politically most sensitive
	Prisons	Prisons are more complex buildings due to 24/7 operations and interventions are more challenging
	Education	Educational buildings typically have hard and soft FM obligations; 5 days a week operation
	Primary healthcare centres	LIFT (local primary health care centres) typically simple two to three storey buildings and only have hard FM obligations
Lower risk	Roads and Bridges	Roads & Bridges operation & maintenance obligations are typically simple and straight forward

[1] This is a simplified assessment of PPP sector risk and actual risk profile may be different depending on the facts and circumstances

BBGI VIEW ON MARKET OUTLOOK

Pricing and demand

- Strong demand for private infrastructure finance continues
- Primary and secondary markets still viewed as competitive as demand is considerably higher than the number of available assets
- Proven record of sourcing primary projects where barriers to entry are higher and where risk-adjusted returns are consequently more attractive
- Selective approach to high-quality secondary market opportunities in low-risk, availability-based PPP projects
- No appetite to introduce higher risk asset classes
- Bid price at which a consortium of institutional investors proposes to acquire John Laing Infrastructure Fund (JLIF) is at a significant premium to NAV, reflecting positive market sentiment for PPP valuation

Geographies

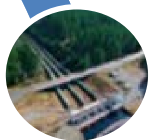
- Deal flow of projects varies by regions but overall attractive pipeline of opportunities
- Fiscally stable and highly-rated investment grade jurisdictions where PPP is a practiced and accepted method for delivering infrastructure investment, principally in Europe, North America, Australia
- Strategic investment partnership with SNC-Lavalin provides attractive access point to build scaled position in North American PPP market and enhances visibility of pipeline opportunities in that region

COMPANY PIPELINE
Availability-based projects

Attractive pipeline (potentially in excess of £200m) of low-risk, availability-based primary and secondary assets

Highway 407 East Phase I | Roads | CANADA
- Extends the world-class 407 ETR Highway by 148 new lane-km once Phase II is completed
- 33-year concession

Confederation Line (Ottawa LRT) | Rail | CANADA
- 12.5 km featuring 13 stops that will connect the eastern and western parts of Ottawa with the downtown core
- 35-year concession



John Hart Generating Facility | Energy | CANADA
- Hydroelectric facility that will generate 132 MW of power and provide up to 17% of Vancouver Island's electricity needs once complete
- 20-year concession

New Champlain Bridge | Bridge | CANADA
- Three corridor of 3.4 km across the St. Lawrence River from the île-des-Soeurs to Brossard
- 35-year concession

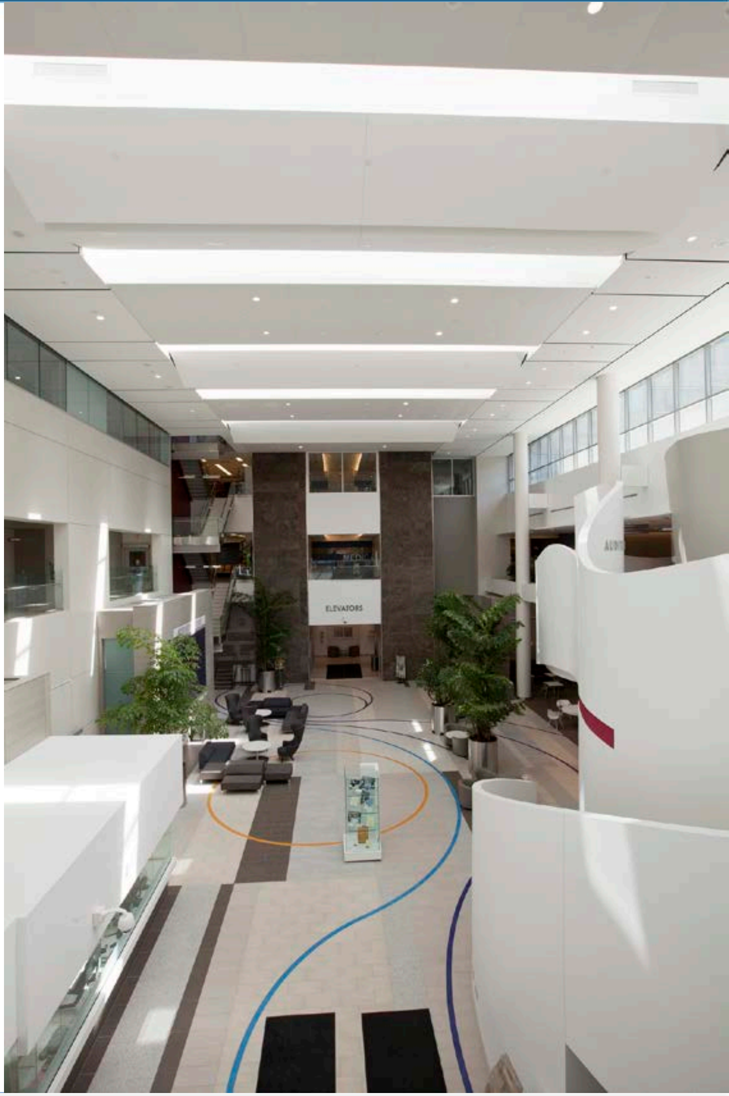
Eglinton Crosstown LRT | Rail | CANADA
- The system is projected to be a 19 km light rail line with up to 25 stations
- 36-year concession

Actively teaming and bidding for availability-based projects (including OFTOs) in North America, Australia and Europe

CONCLUSION

CONCLUSION

- Prudent, low-risk investment strategy continues to deliver long-term, predictable shareholder returns:
  - 2.0% increase in NAV per share
  - FY 2018 target dividend of 6.75p (3.375p declared)
  - FY 2019 dividend guidance to 7.00p[1] (+3.7%)
  - Strong cash dividend cover of 1.9x
  - Annualised shareholder return of 9.4%[2]
- Sole pure-play PPP investment platform & strong global diversification
- £60.8m accretive capital raise
- Completion of McGill University Health Centre in Canada and acquisition of a further 33.33% interest in East Down Colleges in Northern Ireland
- Visibility of pipeline enhanced with North American investment partnership
- Sole internally-managed investment company with highly experienced management team resulting in an annualised Ongoing Charges ratio of 0.96%



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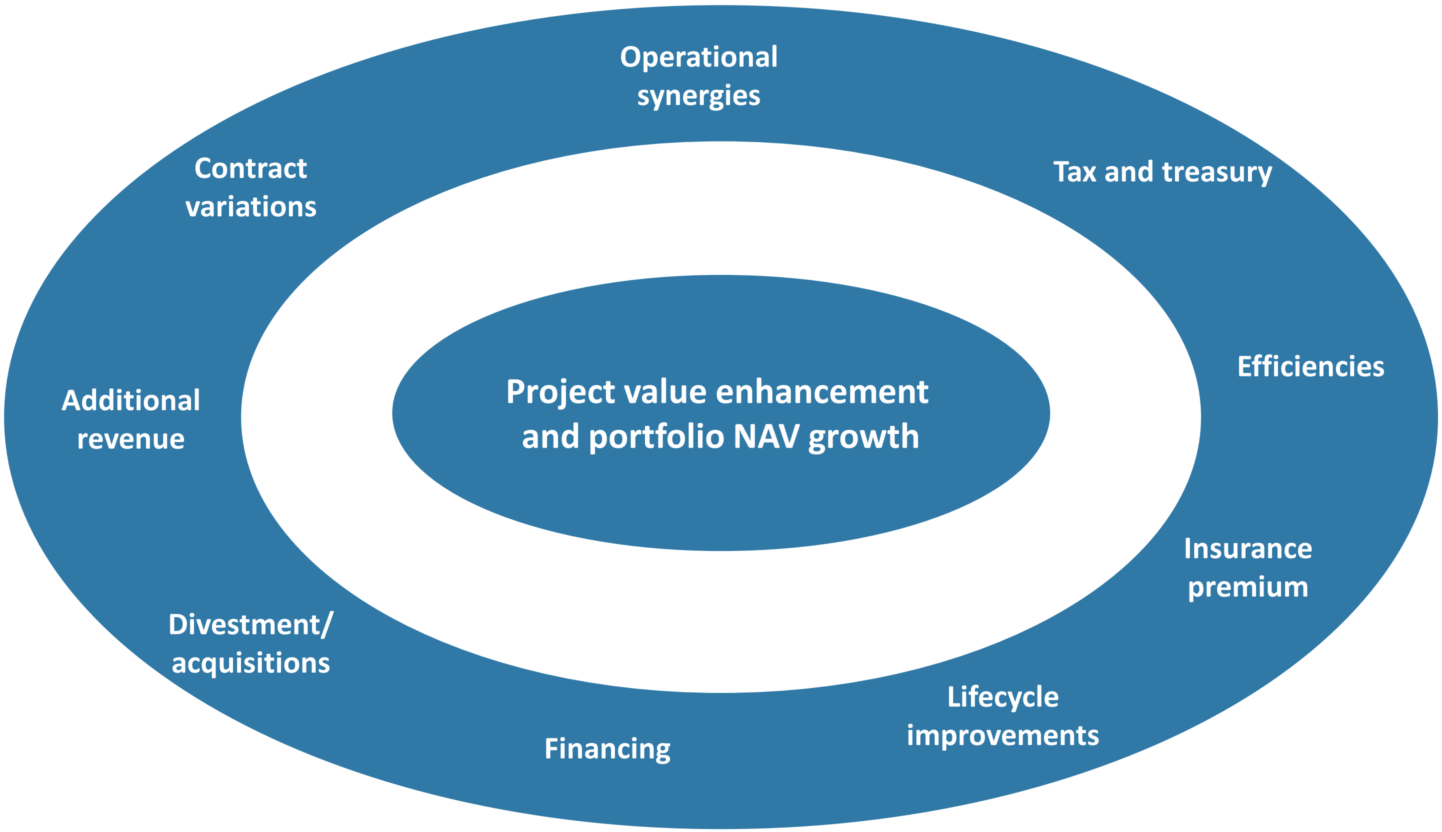
[2] On a compound annual growth rate basis. This represents the steady state annual growth rate based on share price at 30 June 2018 and after adding back dividends paid or declared since listing

APPENDICES

COMPANY OVERVIEW

The Company	▪ Luxembourg Investment Company ▪ Chapter 15 Premium Listing on the UK Official List ▪ £ denominated shares
Investment policy	▪ Infrastructure assets – PPP/PFI or equivalent ▪ Principally operational assets and availability-based revenues ▪ Predominantly public sector-backed counterparties ▪ Single asset target limit of 20% of portfolio, subject to 25% maximum ▪ Construction assets limited to maximum 25% of portfolio ▪ Demand-based assets limited to maximum 25% of portfolio
Portfolio	▪ 44 availability-based PPP assets ▪ Weighted average concession length of 21.6 years ▪ Diverse asset mix with a focus on lower risk, availability-based road and bridge projects
Gearing	▪ Prudent use of leverage with a maximum ratio of 33% of portfolio value
Further investments	▪ Attractive flow of future opportunities with strategic access to North American PPP market through investment partnership
Management	▪ Experienced internal management team with extensive PPP/PFI experience ▪ Supervised by experienced Supervisory Board ▪ Performance-based incentivisation (short- and long-term)
Dividend	▪ Dividend target of 6.75 pence per share in 2018 and dividend guidance for 2019 of 7.00 pence per share
Strategic focus	▪ Low-risk, globally diversified investment proposition, generating 100% availability-based revenue
Ongoing costs	▪ Very competitive annualised Ongoing Charges percentage of 0.96% at 30 June 2018
Discount Management	▪ Discretionary share repurchases and tender offer authorities in place with annual renewal ▪ Next continuation vote in 2019 and every second year thereafter
Financial year end	▪ 31 December

COMPANY OVERVIEW
Value-driven active management



PORTFOLIO OVERVIEW

Transport


Northwest Anthony Henday


Golden Ears Bridge


Kicking Horse Canyon


Northeast Stoney Trail


North Commuter Parkway


Southeast Stoney Trail


William R. Bennett Bridge


E18 Highway


Ohio River Bridges


M1 Westlink


Mersey Gateway Bridge


M80 Motorway


Canada Line

Education


Scottish Borders Schools


Clackmannanshire Schools


Kent Schools


Bedford Schools


Coventry Schools


East Down College


Lisburn College


Tor Bank School


Lagan College


North West Regional College


Belfast Metropolitan College


4 Schools Frankfurt am Main


Schools Cologne


School Cologne Rodenkirchen

PORTFOLIO OVERVIEW

A Global Infrastructure Company

Healthcare

Gloucester Hospital

Liverpool & Sefton Clinics (LIFT[1])

North London Estates Partnerships (LIFT[1])

Barking & Havering Clinics (LIFT[1])

Mersey Care Mental Health Hospital (LIFT)

Royal Women's Hospital

Women's College Hospital

Kelowna and Vernon Hospitals

Restigouche Hospital Centre

McGill University Health Centre

Justice

Victoria Prisons

Burg Prison

Northern Territory Secure Facilities

Avon & Somerset Police Stations

Other

Staffordshire Fire Stations

Unna Administration Centre

Fürst Wrede Barracks

[1] LIFT schemes are schemes procured under the UK National Health Service LIFT (Local Improvement Finance Trust) programme

CONSTRUCTION DE-RISKING

Value enhancement via construction management

Construction de-risking resulted in significant NAV growth of c.5.2%[1]

2013: +0.6%	▪ M80 motorway reaches stable operation ▪ Northwest Anthony Henday moves closer to stable operation
2014: +0.5%	▪ Northwest Anthony Henday reaches stable operation ▪ Mersey Care Mental Health Hospital reaches stable operation ▪ Northern Territory Secure Facilities reaches ramp-up phase ▪ Avon & Somerset Police Stations reaches ramp-up phase
2015: +1.2%	▪ Northern Territory Secure Facilities reaches stable operation ▪ Avon & Somerset Police Stations reaches stable operation ▪ Women’s College Hospital reaches ramp-up phase
2016: +1.4%	▪ Women’s College Hospital reaches stable operation ▪ Ohio River Bridges reaches ramp-up phase
2017: +0.9%	▪ Ohio River Bridges moves closer to stable operation ▪ Mersey Gateway Bridge reaches ramp-up phase
H1 2018: +0.6%	▪ Mersey Gateway Bridge moves closer to stable operation ▪ Ohio River Bridges reaches stable operation ▪ North Commuter Parkway close to completion

Percentage reflects NAV increase following construction de-risking


M80 Motorway


Northwest Anthony Henday


Mersey Care Mental Health Hospital (LIFT)


Northern Territory Secure Facilities


Avon & Somerset Police Stations


Women’s College Hospital


Ohio River Bridges


Mersey Gateway Bridge

[1] Cumulative annual NAV growth since listing

FINANCIAL OVERVIEW
Debt financing

Company level	▪ In January 2018, new four-year revolving credit facility of £180 million with a further accordion tranche of £70 million from ING, KfW and DZ Bank AG ▪ Borrowing margin decreased to 165bps over LIBOR / Tenor of four years, commencing in January 2018 ▪ Additional financial flexibility to pursue suitable new primary and secondary investment opportunities as and when they become available due to further £70 million incremental accordion tranche - no commitment fees to be paid ▪ At 30 June 2018, the Group had utilised £151.2[1] million of the £180 million existing RCF, of which £5.3 million was used to cover letters of credit
Project level	▪ Northern Territory Secure Facilities project is the only asset that requires refinancing (refinancing currently being considered) ▪ All other projects have long-term non-recourse debt in place, which will not require refinancing

[1] Of which approx. £93m was repaid post the balance sheet date

FINANCIAL OVERVIEW
Credit risk management

Country	Number of assets	% of portfolio	S&P Rating	Moody's Rating
Canada	12	38%	AAA	Aaa
UK	21	35%	AA	Aa2
Australia	3	15%	AAA	Aaa
Germany Norway	7	7%	AAA	Aaa
USA	1	5%	AA+	Aaa

Top 5 Projects	Public Sector Counterparty	% of portfolio	S&P Rating	Moody's Rating
Golden Ears Bridge	Translink	11%	AA (DBRS)	Aa2
Northern Territory Secure Facilities	Northern Territory	8%	N/A	Aa2
McGill University Health Centre	McGill University Health Centre	6%	A+ (DBRS)	Aa2
Victoria Prisons	State of Victoria	5%	AAA	Aaa
M80 Motorway	Scottish Ministers[1]	5%	N/A	N/A

- All assets are located in AAA to AA rated countries, including Australia, Canada, Germany, Norway, UK and US
- Public sector counterparties on all assets either have strong investment grade ratings or are government-backed:
  - In the UK, local authorities procuring PPP projects may benefit from central government
  - In Canada, counterparty ratings range from A+ to AAA by S&P and DBRS, and from Aaa to Aa2 by Moody's
  - In Australia, counterparties rated AAA/Aaa and Aa2
  - In US, counterparty rated AA+/Aa1
  - In Germany, benefit of legislative support from the Republic of Germany rated AAA by S&P and Aaa by Moody's
  - In Norway, counterparty is rated AAA

[1] Transport Scotland

Valuation approach

Discount Rate	▪ Weighted average discount rate of 7.20% ▪ Portfolio is 100% operational (by value)
Valuation verification	▪ Review carried out by independent professional third party ▪ Valuation assumptions sensitised and tested ▪ Reviewed by KPMG as part of audit/review process
Valuation approach	▪ The Management Board is responsible for carrying out the valuation of the Company's investments which is presented to the Supervisory Board ▪ Valuation is carried out on a six-monthly basis as at 30 June and 31 December each year ▪ The valuation is determined using discounted cash flow methodology ▪ The cash flows forecast to be received by the Company or its subsidiaries, generated by each of the underlying assets, and adjusted as appropriate to reflect the risk and opportunities, have been discounted using project-specific discount rates ▪ The valuation methodology has not changed since the IPO in 2011

FINANCIAL OVERVIEW
Key macroeconomic assumptions

		30 June 2018	31 December 2017
Indexation	UK Canada Australia Germany Norway[1] USA[2]	Unchanged	2.75% 2.00% / 2.35% 2.5% 2% 2.94% 2.5%
Deposit rates (p.a.)	UK Canada Australia Germany Norway USA	Unchanged	1% to 2020, then 2.5% 1% to 2020, then 2.5% 2% to 2020, then 3.0% - 4.0% (short – medium term) 1% to 2020, then 2.5% 1.8% to 2020, then 3.5% 1% to 2020, then 2.5%
Corporate tax rates (p.a.)	UK Canada[3] Australia Germany Norway USA	Unchanged	19% to 2019, then 17% 26.5% / 27% / 29% 30% 27.9% - 32.5% 23% 21%

[1] Basket of 4 indices
[2] 80% of ORB indexation factor for revenue is contractual and is not tied to CPI
[3] Individual tax rates vary among Provinces

FINANCIAL OVERVIEW
Foreign exchange

Revised hedging policy[1] reflective of prudent financial management
Year 1: 100% | Year 2: 100% | Year 3: 100% | Year 4: 100%

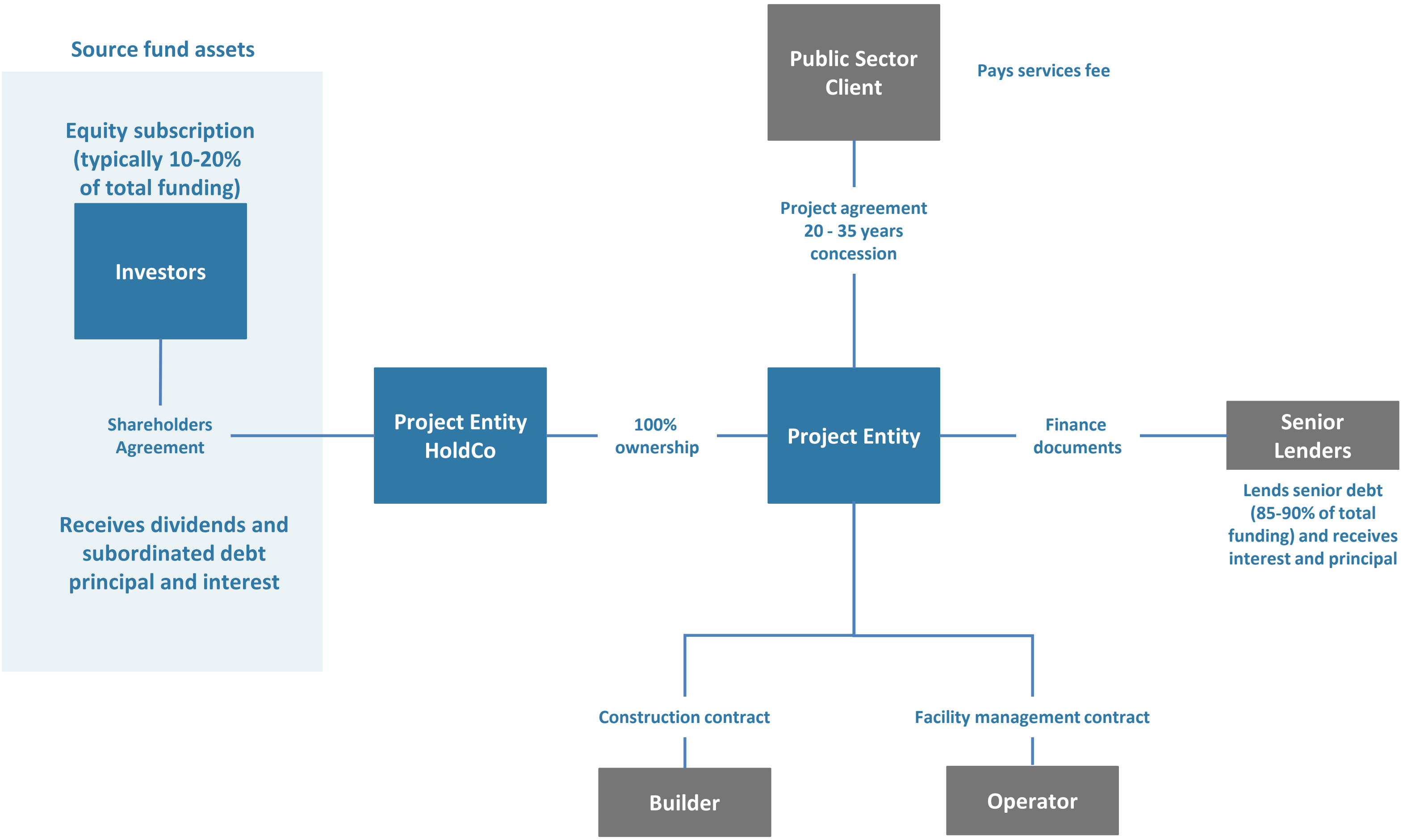
GBP/	Impact on valuation	F/X rates as of 30 June 2018	F/X rates as of 31 December 2017	Change in FX
AUD	↓	1.783	1.729	(3.12)%
CAD	↓	1.735	1.694	(2.42)%
EUR	↓	1.130	1.126	(0.36)%
NOK	↑	10.759	11.085	2.94%
USD	↑	1.321	1.349	2.08%

- Moderate appreciation of Sterling against the AUD, CAD and EUR
- Moderate depreciation of Sterling against the NOK and USD
- Net effect of exchange rate movements on the NAV over the period: £(5.9) million, corresponding to £(7.1) million in portfolio value, partially offset by a £1.2 million gain resulting from the natural hedge effect of foreign currency borrowings and foreign currency gains on cash balances and working capital
- FX impact on portfolio value since listing in Dec 2011: £(8.4) million (1.2% of NAV at 30 June 2018)
- Diversified currency exposure

[1] Applied to portfolio's non-GBP cash flows (except EUR and the CAD covered by natural hedge)

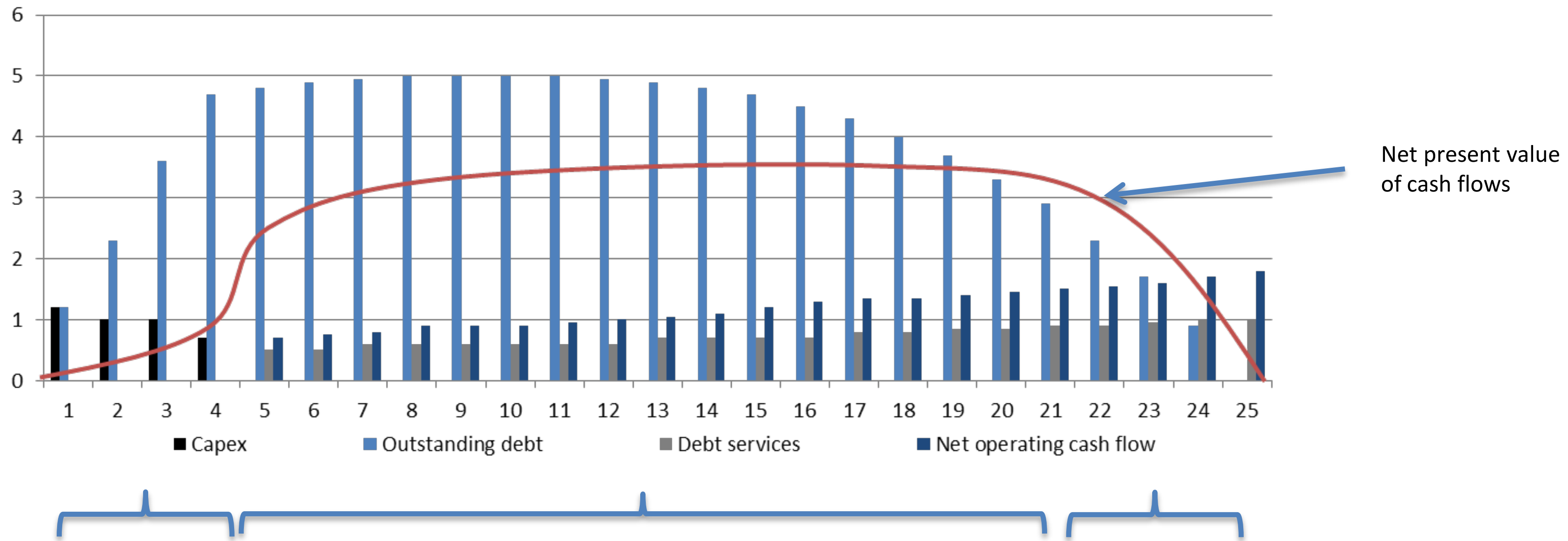
PPP OVERVIEW

Typical ownership structure



PPP OVERVIEW

Typical cash flow profile



Construction Phase	Income Phase	Capital Repayment Phase
Construction Risk No Income	Cash flow from interest on and repayment of subordinate debt and equity dividends	Increased equity distributions once debt is repaid
As projects reach construction completion, risks associated with the cash flows decrease and the discount rate applied to cash flows decreases	Once operational, cash flows from PPP/PFI projects are very predictable	As the end of the concession approaches, payments to investors are a return of capital

MANAGEMENT TEAM

	**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 assets at IPO to 45 assets currently. Mr Schramm has worked in the infrastructure sector, investment banking and advisory business for over 22 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. Additionally, he is a shareholder representative or holds directorships in key assets of BBGI. Prior to his current role with BBGI, he worked at Bilfinger Project Investments (“BPI”) where, as Co-Managing Director, he led the European infrastructure operations with over 60 staff. In this role he was responsible for all European development activities and the asset management of over 20 infrastructure investments. Prior to that role, Mr Schramm was Finance Director of BPI’s infrastructure operations in Continental Europe, responsible for all project finance activities including all divestment activities. Before joining BPI in November 2003, Mr Schramm worked at Macquarie Bank in the investment banking group from 2000 until 2003, with responsibility for structured finance transactions. Prior to that he was employed at Deutsche Anlagen Leasing from 1998 to 2000, and Bilfinger Berger BOT GmbH from 1995 to 1998.
	**Duncan Ball** Co-CEO Along with Frank Schramm, Duncan Ball has been Co-CEO of BBGI from inception and was actively involved in the establishment and IPO listing of BBGI in 2011 and the subsequent growth from 19 assets at IPO to 45 assets currently. Mr Ball has worked in the infrastructure sector, investment banking and advisory business for over 29 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. Additionally, he is a shareholder representative or holds directorships in key assets of BBGI. Prior to his current role with BBGI, he worked at BPI where he was responsible for arranging and managing all project finance activities related to the Company's public-private partnerships developments in North America. Prior to joining BPI, Mr Ball was a senior member of the North American infrastructure team at Babcock & Brown and was instrumental in helping establish the company’s infrastructure business in Canada. Before joining Babcock & Brown, Mr Ball was Managing Director and Co-Head of Infrastructure for North America for ABN AMRO Bank. Mr Ball worked at Macquarie Bank where he helped establish Macquarie’s infrastructure practice in Western Canada. Mr Ball worked within the investment banking group at both RBC Capital Markets and CIBC World Markets prior to working at Macquarie’s. Mr Ball studied at Harvard Business School after obtaining a Bachelor of Commerce Degree from Queen’s University in Canada. Duncan is also a CFA charter holder and is a graduate of the Rotman School of Business Directors Education Programme at the University of Toronto.

SUPERVISORY BOARD

David Richardson
Independent Chairman
David Richardson currently holds a number of non-executive directorships, including Senior Independent Director of Assura plc, and non-executive director of The Edrington Group Ltd. Mr Richardson's executive career has focused on financial roles, including over 20 years with Whitbread plc where he was Strategic Planning Director and, subsequently, Finance Director. He was instrumental in transforming Whitbread from a brewing and pubs company into a market leader in hotels, restaurants and leisure clubs. Mr Richardson has previously served as Chairman of the London Stock Exchange Primary Markets Group, Corporate Governance Committee of the Institute of Chartered Accountants in England and Wales, Four Pillars Hotels Ltd., Forth Ports plc and De Vere Group plc, and has also held non-executive directorships at Serco Group plc, Tomkins plc, Dairy Crest plc, World Hotels AG and The Restaurant Group plc. Mr Richardson graduated from the University of Bristol with a degree in Economics and Accounting, and qualified as a Chartered Accountant in 1975.

Colin Maltby
Senior Independent Director
Colin Maltby has been involved in the financial sector since 1975 when he joined NM Rothschild's international currency management department. Between 1980 and 1995, he held various roles at Kleinwort Benson Group plc, including as a Group Chief Executive at Kleinwort Benson Investment Management, as well as a Director of Kleinwort Benson Group plc.
From 1996 to 2000 Mr Maltby was appointed Chief Investment Officer at Equitas Limited, and from 2000 to 2007 he worked for BP, as Chief Executive for BP Investment Management Limited and Head of Investments for BP plc. Since 2007, he has served as advisor to institutional investors and as an independent non-executive director of several listed companies. Mr Maltby holds MA and MSc degrees from Oxford University and has been a member of the Chartered Institute for Securities and Investment since its formation in 1992.

Howard Myles
Independent Director and Chairman of the Audit Committee
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 holds an MA from Oxford University. He is a Fellow of the Institute of Chartered Accountants, a Fellow of the Chartered Institute for Securities and Investment, and a non-executive director of a number of listed investment companies.

Jutta af Rosenborg
Member of the Supervisory Board (appointed from 1 July 2018)
Jutta af Rosenborg has extensive experience in management and strategy derived from senior operational roles in a number of companies and vast experience with group finance and auditing, risk management, merger & acquisitions and streamlining of business processes.
Ms. af Rosenborg currently holds a number of non-executive directorships including Standard Life Aberdeen PLC (FTSE 100), JPMorgan European Investment Trust PLC (London Stock Exchange), NKT A/S (NASDAQ Copenhagen), Nilfisk Holding A/S (NASDAQ Copenhagen) and PGA European Tour.
Ms. af Rosenborg served as the Chief Financial Officer, Executive Vice President of Finance and IT and Member of Board of Management at ALK-Abelló A/S. Prior to this, Ms. af Rosenborg served at Chr. Hansen Holding A/S as its Vice President of Group Accounting from 2000 to 2003. From 1978 to 1992, she worked for the Audit Group at Deloitte.
Ms. af Rosenborg obtained a certificate in Business Administration from Copenhagen Business School in 1982 and gained an MSc in Business Economics and Auditing from Copenhagen Business School in 1987 and qualified as a state authorised public accountant in 1992.

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