



BBGI SICAV S.A.

Quarterly Management Statement

15 November 2016



A Global
Infrastructure
Company

BBGI SICAV S.A. ('BBGI' or the 'Company'), the listed global infrastructure investment company, is today issuing this Quarterly Management Statement ("QMS"). Any reference to the Company or BBGI below also refers to its subsidiaries (where applicable). This statement relates to the period from 1 July 2016 to 14 November 2016.

Highlights

- Portfolio performance and cash receipts during the period were slightly ahead of the business plan and underlying financial models.
- On 26 October 2016, the Company paid an interim dividend of 3.125 pence per share, which is in line with the Company's revised annual dividend target of 6.25 pence per share.
- The net effect of foreign exchange movements on the Investment Basis NAV ("NAV") from 1 July to 11 November 2016 was an increase of approximately £13.4 million.
- Construction of the Mersey Gateway Bridge, Ohio River Bridges and North Commuter Parkway projects is progressing well with no significant delays currently expected.
- In October, BBGI was part of a consortium shortlisted to develop a bid for the Fargo-Moorhead flood diversion P3 in North Dakota, USA.
- The Company's shares continue to trade at a premium to NAV closing at £1.44 on 11 November 2016, representing a premium of 19.2% to the 30 June 2016 NAV of £1.208.
- Total Shareholder Return since listing in December 2011 to 11 November 2016 of 78.81% equating to a compound annual growth rate of 12.62%.

Asset Performance

The existing portfolio of projects continues to perform well with no material exceptions. Cash flows generated from the projects in the period are slightly in excess of project budgets and Management's expectations.

Dividends

BBGI announced in August 2016 an increase in its 2016 dividend target from 6.00 pence per share to 6.25 pence per share, which represents an increase of 4.16%. The 2016 interim dividend of 3.125 pence per share was paid on 26 October 2016.

Portfolio

BBGI's existing portfolio comprises 39 projects spread across a range of sectors including roads, education, healthcare and justice. All the projects in BBGI's portfolio are availability-based and are supported by contracted, government-backed revenue streams, with inflation protection characteristics. The portfolio analysis below is based on the existing portfolio value as at 30 June 2016 adjusted for subsequent foreign exchange movements.

The portfolio currently has the following estimated sector, geographical and project status split:

- Sector split: 39% Roads & Bridges, 22% Justice, 22% Health, 15% Education and 2% other assets
- Geographical split: 39% UK, 27% Canada, 21% Australia, 9% Continental Europe and 4% USA
- Status split: 96% operational, 4% late stage construction and 0% early stage construction^{1,2}

¹ Early-stage construction assets are scheduled to become operational in 2017 and 2018. The late-stage construction asset is scheduled to become operational in December 2016.

² BBGI has equity and subordinated debt subscription obligations in Mersey Gateway Bridge ("MGB") and equity subscription obligations in North Commuter Parkway ("NCP"), collectively amounting to approximately £23.5 million. The subscription obligations are due for payment upon the scheduled construction

Assets in Construction

BBGI currently has three assets in construction. Ohio River Bridges in the US is expected to become operational in late 2016, Mersey Gateway Bridge in the UK in 2017 and North Commuter Parkway in Canada in 2018. Construction for each of the three projects continues to be on schedule with no significant completion delays currently expected.

Valuation of the Portfolio

The Company reports its NAV semi-annually when it publishes its results for the half and full year periods ending in June and December respectively. The Company, in its QMS, also provides guidance in terms of the impact of foreign exchange movements in the period on the NAV.

Over the period from 1 July 2016 to 11 November 2016 there has been a continued depreciation in the value of Sterling against the AUD, CAD, EUR, NOK and USD. The overall impact on the NAV, as calculated at 30 June 2016, is an increase of approximately £13.4 million.

Hedging

In July, the Company entered into a number of additional currency forwards, in accordance with its hedging policy.

Net Debt

As at 11 November 2016, the Company had net debt of approximately £23.0 million, 4.4% of the NAV as calculated at 30 June 2016, after taking account of approximately £22.3 million of currently available cash.

As at 11 November 2016 the amount utilised under the credit facility was £70.3 million, of which £25.1 million is being used to cover letters of credit and the remaining £45.2 million is drawn to provide bridge financing for acquisitions. BBGI retains the flexibility under the accordion tranche to further increase the total facility from £110 million to £180 million. No commitment fees are paid on the £70 million unused accordion tranche.

The facility is used primarily to fund acquisitions and provide letters of credit for investment obligations, and the intention is to repay the facility from time to time through equity fundraisings. The term of the facility is three years from establishment and it will expire in January 2018.

Regulatory

At the Company's EGM in April 2016, the shareholders voted unanimously in favour of amending the Company's Articles of Association ("Articles") in order to remove the NAV +5% premium limitation imposed when setting the price of secondary issuances of the same class of shares. This amendment of the Articles remains subject to the enactment of a new bill into Luxembourg law with the bill currently going through the Luxembourg Parliamentary legislative process.

Outlook and Investment Opportunities

The Supervisory and Management Boards are pleased to report that the portfolio of assets continues to perform well, and are confident of the Company's ability to deliver predictable dividends to shareholders.

The landscape for secondary market for social and transport infrastructure remains very competitive. We evaluated a number of opportunities during the period but did not find sufficient value to justify the Company's further participation. BBGI will continue to follow a path of disciplined growth, being selective and surgical in its approach to identifying opportunities and buying secondary assets on an opportunistic

completion of the respective projects. Assuming, for pro-forma purposes only, that the equity and/or subordinated debt subscription obligations for MGB and for NCP were paid down then the current estimated portfolio split would be 93% operational, 3% early-stage construction and 4% late-stage construction.

basis. We believe that this approach ensures that the Company does not deviate from its investment objectives and is in the best interest of shareholders.

In addition, we continue to identify and assess additional attractive opportunities in new “greenfield” infrastructure projects which we believe are typically better priced on a risk-adjusted basis. During the period the Company was shortlisted for the Fargo-Moorhead flood diversion P3 in North Dakota, USA and is currently in the process of submitting documents to prequalify for the Silvertown Tunnel PPP project in London, UK.

BBGI is a member of one of three consortia which were short-listed in Q1 2016 to develop proposals for the Gordie Howe International Bridge, a project that will connect Michigan, US and Ontario, Canada. The Request for Proposal was issued on 10 November 2016. BBGI is also member of a consortium to pre-qualify for an upcoming pipeline of PPP road projects in Norway.

Due to the internal management structure, the interests of the management of BBGI and its shareholders are aligned and management is not incentivised to grow the Company to the detriment of its return targets.

Cautionary Statement

This QMS aims to give an indication of material events and transactions that have taken place during the period from 1 July 2016 to 14 November 2016, and their impact on the financial position of the Company. These indications reflect BBGI's current views and are subject to a number of risks and uncertainties and could change. Factors which could cause or contribute to such differences include, but are not limited to, general economic and market conditions, and specific factors affecting the financial prospects or performance of individual investments within the portfolio of BBGI.

This QMS contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Undue reliance should not be placed on any such statements because they speak only as at the date of this document and, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and BBGI's actions to differ materially from those expressed or implied in the forward-looking statements.

This QMS has been prepared solely to provide additional information to shareholders as a body and should not be relied upon by any other party or for any other purpose.

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