Interim Report 2019

Low-risk investment — Long-term returns

BBGI INVESTING IN GLOBAL INFRASTRUCTURE

www.bb-gi.com

About BBGI

BBGI (the 'Company', and together with its subsidiaries, the 'Group') is a global infrastructure investment company helping to provide the responsible capital required to build and maintain the developed world's transport and social infrastructure.

These are the infrastructure assets that citizens rely on every day to keep local economies moving, and as a long-term custodian we partner with the public sector to help deliver and manage them.

In doing so, we follow a low-risk, globally diversified and internally managed investment strategy to deliver long-term and predictable shareholder returns.

Front cover:
Golden Ears Bridge, Canada

Inside cover:
E18, Norway

Contents

Listing	Chapter 15 premium listing, closed-ended investment company
Trading	Main Market
ISIN	LU0686550053
SEDOL	B6QWXM4
Ticker	BBGI
Indices	FTSE 250, FTSE 350 and FTSE All-Share

To ensure continuity of listing post-Brexit, the Company has notified the FCA under its Temporary Permissions Regime ('TPR'), of its intention to continue to market its fund into the UK.

Why Invest in BBGI

BBGI provides access to a diversified portfolio of infrastructure investments that generates long-term, predictable, stable income. The healthy demand for responsible private sector finance for public infrastructure continues to be underpinned by the widening infrastructure spending gap in the developed countries where BBGI invests.

In return for long-term investment into essential infrastructure assets such as roads, bridges, schools, healthcare and justice facilities using the public-private partnership ('PPP') or similar style procurement models, BBGI receives stable, predictable cash flows over the life of the contracts with government or government-backed counterparties which secure these investments.

The predictability of these governments or government-backed revenues allows BBGI to return to investors a stable and progressive income stream in the form of a semi-annual dividend. By applying value-driven active asset management, prudent financial management, and a selective acquisition approach, BBGI pursues a low-risk, globally diversified and internally managed investment strategy.

1 Low-risk[1]

An investment platform, fully committed to a strict investment strategy into availability-based assets with a focus on investing principally in lower risk roads and bridges. This generates stable, predictable cash flows backed by secure, highly visible contracted public sector revenues that carry no exposure to demand or regulatory risk assets.[2]

2 Globally diversified

The investment strategy is deployed in stable, well-established developed markets where governments and local authorities maintain support for availability-based models to finance public infrastructure. This provides focused exposure to highly rated investment grade countries, across the UK, North America, Australia and Continental Europe.

3 Internally managed

An in-house management team that is focused on delivering shareholder value, incentivised by shareholder returns and growth in Net Asset Value ('NAV') per share. This means that no NAV-based management or acquisition fees are charged and the internal management team's interests are fully aligned with those of the shareholders, resulting in full pricing discipline. As a result, the Company consistently maintains the lowest comparative ongoing charges for its shareholders.[3]

1 References to 'low-risk' throughout this Interim Report are made in comparison to other infrastructure asset classes.
2 References to regulatory risk assets throughout this report mean assets which are subject to regulatory pricing reviews.
3 In comparison to the latest publicly available information for all LSE-listed equity infrastructure companies.

Cautionary Statement

Certain sections of this Interim Report, including the Chairman's Statement and the Strategic Report of the Management Board, have been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. This additional information should not be relied on by any other party or for any other purpose.

These sections may include statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'anticipates', 'forecasts', 'projects', 'expects', 'intends', 'may', 'will' or 'should' or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Management and Supervisory Boards concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects and distribution policy of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Management and Supervisory Boards expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

In addition, these sections may include target figures and guidance for future financial periods. Any such figures are targets only and are not forecasts.

This report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters that are significant to BBGI SICAV S.A. and its subsidiaries when viewed as a whole.

Six Months in Numbers

Financial highlights

Investment Basis NAV

up 10.8% as at 30 June 2019
(31 December 2018: £774.5 million)[4]

£858.1m

NAV per Share

up 2.0% as at 30 June 2019
(31 December 2018: 133.5pps[5])

136.2pps

Total Shareholder Return ('TSR')

since IPO[6]

110.9%

FY 2018: 111.4%

Annual Total Shareholder Return

since IPO[7]

10.4%

FY 2018: 11.2%

2019 Target Minimum Dividend

7.00pps

up 3.7% on the 2018 dividend. 2019 interim dividend declared of 3.50pps to be paid on 17 October 2019

Dividend Guidance 2020

7.18pps

up 2.6% on the 2019 dividend target

Cash Dividend Cover[8]

1.3x

FY 2018: 1.5x

Annualised Ongoing Charges[9]

0.89%

FY 2018: 0.93%

Portfolio highlights

- Diversified global portfolio of 48 high-quality, availability-based PPP infrastructure assets with portfolio performance and cash receipts in line with business plan.
- Value enhancements achieved through accretive management resulting in a 0.5 per cent increase in NAV.
- Further de-risking of assets, including Stanton Territorial Hospital which became fully operational.
- Support for the Company's investment case proven by equity capital of £75 million raised through an oversubscribed new ordinary share issue in June 2019.
- At 30 June 2019, the Group had, on an Investment Basis, a net cash position of £20.3 million, consisting of a total cash balance of £87.3 million and total borrowings outstanding of £66.9 million.[10]
- Selective acquisition strategy which resulted in two additional follow-on equity stakes being acquired in the period with a total value of approximately £57.4 million.
- Attractive global pipeline of availability-based assets in highly rated investment grade countries including a pipeline agreement with a North American contractor which provides additional investment opportunities in availability-based PPP assets.
- Signatory to the United Nations Responsible Investment Principles ('UNPRI') and commitment as a long-term investor in public infrastructure assets with strong relationships with all significant stakeholders.

4 Please refer to page 27 for further detail on Investment Basis NAV.
5 'Pence per share.'
6 The TSR combines share price appreciation and dividends paid since IPO in December 2011 to show the total return to the shareholder expressed as a percentage. Based on share price at 30 June 2019 and after adding back dividends paid or declared since the Company's IPO.
7 On a compound annual growth rate basis. This represents the steady state annual growth rate based on share price at 30 June 2019 and after adding back dividends paid or declared since the Company's IPO.
8 Calculated as: (Distributions received from investments at fair value through profit or loss less net cash flows from operating activities)/(cash dividends paid). Please refer to page 27 for further details.
9 Please refer to page 26 for the definition of the Ongoing Charges percentage.
10 Proceeds from the capital raise were used to fully repay all outstanding borrowings post balance sheet date.

Portfolio at a Glance

Based on portfolio value at 30 June 2019

Investment type

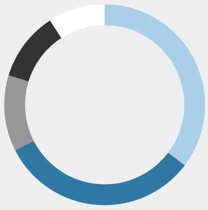
100% availability-based PPP revenue stream with no exposure to demand or regulatory risk assets subject to regulatory reviews.

Investment status

Low-risk 100% operational portfolio.

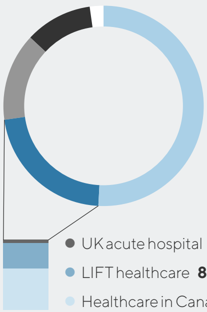
Geographical split

Geographically diversified in stable, developed countries.



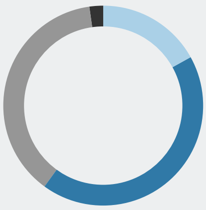
Sector split

Well-diversified sector exposure with large allocation to lower risk availability-based roads and bridges,[1] and less than 1% exposure to UK acute health.



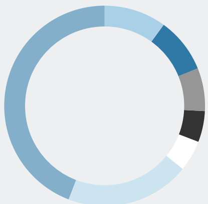
Investment life

Long investment life with 60% of portfolio by value with a duration greater than 20 years; average life of 21.2 years. Average portfolio debt maturity of 18.5 years.



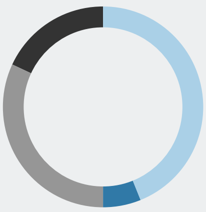
Top five investments

Well-diversified portfolio with no major single asset exposure.



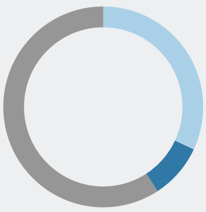
Investment ownership

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



Country rating

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



1 Includes one rail project in Canada

Portfolio at a Glance *continued*

Project portfolio cash flow

The chart below illustrates a steady stream of portfolio cash flows deriving from the underlying assets until 2051.[11] The predictability of these stable, contracted and long-term cash flows is enhanced by government or government-backed counterparties with index-linked provisions providing a positive inflation linkage of 0.5 per cent.

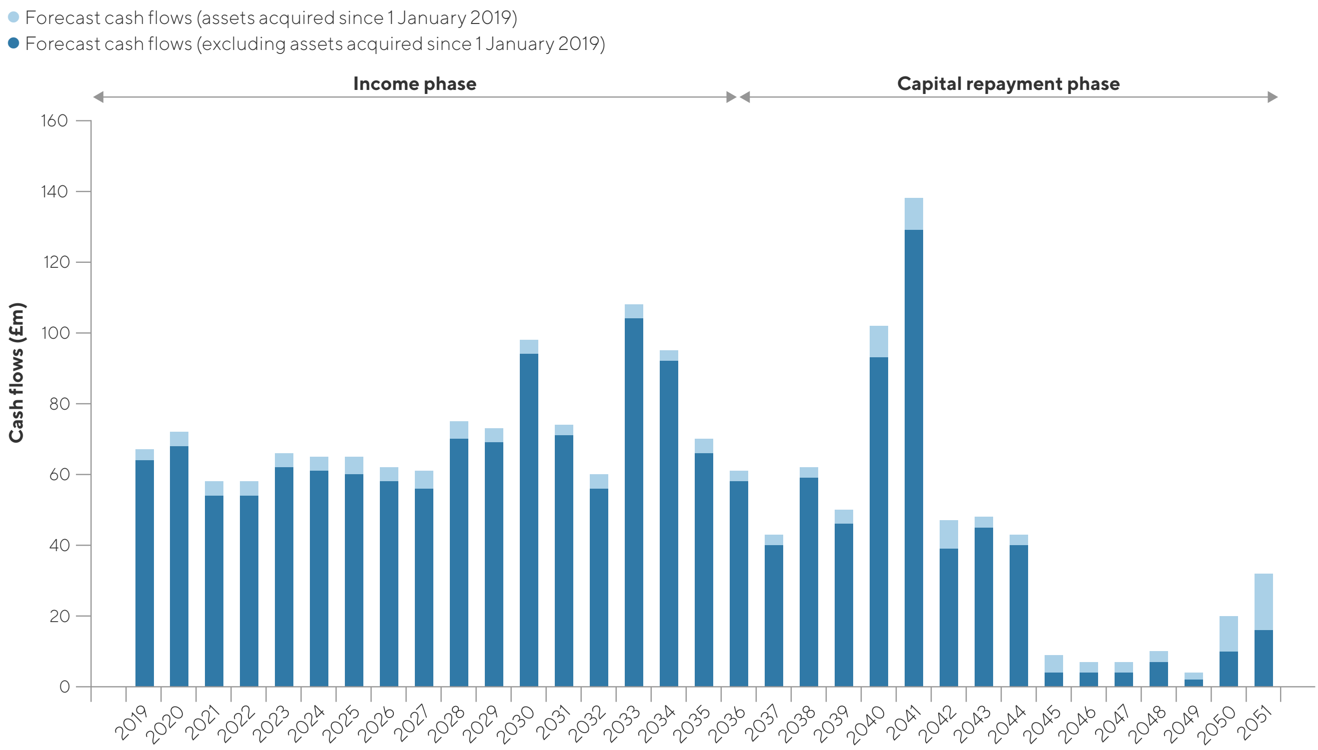
The two investments made in H1 2019 contributed to both stable cash flows and the weighted average length of the portfolio. Based on current estimates, and if there were to be no further acquisitions, the existing portfolio is forecast to enter into the repayment phase in 2035, whereby cash inflows from the portfolio will be paid to the Company's shareholders as capital and the portfolio valuation will reduce as assets reach the end of their concession term.

The Company has a weighted average portfolio life of 21.2 years, a decrease of 0.1 years compared with 31 December 2018.

Our investments

The Company's portfolio consists of interests in 48 high-quality, availability-based infrastructure assets in the transport, healthcare, education, justice and other services sectors.

Located in the UK, North America, Australia and Continental Europe, 100 per cent of the assets are operational.



11 This illustrative chart is a target only, as at 30 June 2019, 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.

Chairman's Statement

Dear Shareholders,

I am delighted to report that the Company has delivered another strong set of results in the reporting period.

In following our proven investment strategy managing a high-quality, globally diversified portfolio of low-risk, availability-based infrastructure assets, we have generated a 10.8 per cent increase in NAV to £858.1 million and an increase of 2.0 per cent to 136.2 pence on a per-share basis.

The Company's portfolio continued to perform in line with expectations due to the sustainability of the long-term cash flows our portfolio's assets generate, and the security and predictability of the government or government-backed contracts that underpin them.

This robust performance supports the Company's established progressive dividend policy which has delivered a Total Shareholder Return since IPO of 110.9 per cent, or 10.4 per cent on a compound annual basis. Accordingly, we are pleased to declare an interim cash dividend distribution of 3.5pps payable on 17 October 2019, in line with our 2019 target minimum dividend guidance of 7.00pps. Furthermore, the Board is providing 2020 dividend guidance of 7.18pps, which represents an increase of 2.6 per cent.

Value-driven active asset management

Over the period, the Management Board and the Company's investment teams maintained their focus on active asset management, where sustaining positive client relationships remains a key component of our operating model. This helped ensure a very high level of asset availability – at 99.7 per cent – which contributed significantly to generating cash receipts in line with our business plan.

The portfolio's underlying assets are now fully operational following the opening of Stanton Territorial Hospital – a state-of-the-art integrated healthcare facility in Canada – to its first patients in May 2019.

The Company's value-driven approach resulted in £3.9 million of operational and accretive enhancements, contributing to a 0.5 per cent increase in the Company's NAV.

The portfolio's assets recorded no material lock-ups or events of defaults and all deductions over the period were either borne by third-party facility managers and road operators, or were part of planned lifecycle budgets.

Prudent financial management

The investor support for our investment strategy was again demonstrated in the oversubscription of the Company's £75 million equity issue in June 2019.

In raising additional equity from both new and existing investors to repay the whole of the drawn amount under the Company's Revolving Credit Facility ('RCF'), we continue to manage our balance sheet prudently.

Selective acquisition strategy

Our investment activity in the first half of the year saw the Company acquire further equity interests in Ohio River Bridges in the US and A1/A6 motorway in the Netherlands.

By leveraging our pre-emption rights, transacting swiftly or by maximising specific asset knowledge, we were able to deploy a combined total of £57.4 million of new cash investment on accretive terms into existing assets and, in so doing, we increased the portfolio's geographic diversification and increased our allocation to lower risk, availability-based road and bridge assets. This encapsulates our focus on originating stable, predictable cash flows with secure, highly visible contracted public sector revenues.

We continue to see opportunity to procure new or additional interests from high-quality, market-leading contractors to achieve this objective. In mobilising the Management Board's strength of industry relationships through bilateral negotiations, we are providing a solution to those contractors increasingly looking to divest their financial interests in such assets.

Corporate governance

A direct benefit of the Company's internal management structure is our ability to maintain the lowest comparative ongoing charges[12] for our shareholders at 0.89 per cent on an annualised basis, compared to 0.93 per cent at 31 December 2018. The Management Board's interests continue to be fully aligned with shareholders.

In May 2019, the Supervisory Board welcomed the appointment of Sarah Whitney as an Independent Non-Executive Director and member of the Audit Committee. Sarah brings over 30 years' experience in real estate and financial services to complement the strength and capability of the Company's non-executive and executive teams.

Outlook

In 2019 to date, there have been no material changes to the official policy governing the infrastructure markets in which we invest. Governments and procuring authorities in our priority markets continue to support the role of responsible private capital to finance the infrastructure assets that citizens rely on every day to keep local economies moving.

The global diversification of the Company's portfolio underpins our long-term investment horizon and is a natural hedge to political uncertainty. Whilst political risk remains most evident in the UK as the Labour Party's policy agenda evolves, we continue there and elsewhere to demonstrate the long-term value which we provide to our public sector clients, contributing positively to the communities and environments in which we operate.

Despite our broad investment policy, we are committed to a strict low-risk, availability-based investment strategy. The Management Board's global industry relationships provide a platform to pursue selective acquisitions, the pipeline for which remains most promising in Europe and North America.

This provides me with full confidence in the Company's ability to continue generating stable, predictable returns to our shareholders with a low correlation to the wider equity markets.

Colin Maltby
Chairman

12 In comparison to the latest publicly available information for all LSE-listed equity infrastructure companies

Investment Proposition

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

The Company seeks to provide its shareholders with unique access to a global portfolio of high-quality infrastructure assets which generate stable, predictable cash flows over the life of government or government-backed contracts that typically extend to more than 20 years in length.

The predictability of these government-backed revenues enables BBGI to return to investors a sustainable and progressive income stream in the form of a semi-annual dividend.

The Company's investment policy dictates that no more than 25 per cent of the Company's portfolio value calculated at the time of investment will be derived from assets whose revenue streams are not public sector or government-backed, and is currently at 0 per cent. To ensure a spread of investment risk, any new acquisition will not have an acquisition value greater than 25 per cent of the portfolio value at the time at which it is acquired.

The Company follows a low-risk, globally diversified and internally managed investment strategy to target an internal rate of return ('IRR') in the region of 7 to 8 per cent on the IPO issue price of 100pps.

Strategic Pillars	Investment Strategy	Target Outcomes
1 Low risk[1]	— Pure-play PPP investment platform — Availability-based investment strategy with principal focus on lower risk roads and bridges	— Stable, predictable cash flows — Secure, highly visible, contracted public sector revenues — No demand or regulatory[2] risk exposure
2 Globally diversified	— Focused exposure to highly rated investment grade countries — Stable, well developed operating environments	— UK/Europe — North America — Australia
3 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[3]

1 References to 'low risk' throughout this report are made in comparison to other equity infrastructure asset classes.
2 References to regulatory risk assets throughout this report means assets which are subject to a regulator or regulatory pricing reviews.
3 In comparison to the latest publicly available information for all LSE-listed equity infrastructure companies.

Operating Model

The Management Board follows a proven operating model of value-driven active asset management, prudent financial management and a selective acquisition strategy to preserve value and achieve portfolio growth. These three functional pillars are fundamental to the Company's success.

We ensure stable operational performance through an active asset management approach, where we actively seek to identify and incorporate value enhancements over the lifetime of asset ownership.

In turn, this helps to reduce cost to our public sector clients and ultimately the asset's end-users and enhance the operational efficiency of each asset. This approach allows the Company to generate a high level of asset availability, which supports the generally high client satisfaction rates.

Our prudent financial management is defined by focused cost management, which helps generate portfolio-wide savings and maintains the sustainability of the Company's portfolio performance.

By taking measured exposure to assets under construction and managing them through into stable operation, we de-risk assets and seek to increase shareholder value. Our portfolio is currently 100 per cent operational but we continue to seek measured exposure to construction assets.

The portfolio's geographical diversification brings with it exposure to multiple currencies. We actively seek to manage geographical concentration and mitigate foreign exchange risk by balance sheet hedging through FX forward contracts, hedging of forecast portfolio distributions and borrowing in non-Sterling currencies. Furthermore, Euro-denominated running costs provide a natural hedge against the Euro-denominated portfolio distributions.

The Company's selective acquisition strategy ensures that the Management Board's focus remains within its core area of expertise and that the strategic pillars defined by the Company's investment proposition are upheld.

Value-driven active asset management

We pursue a standardised approach across all investments in the portfolio to help drive operational and value enhancements and preserve value, including:

- Ensuring fulfilment of contractual and legal obligations, which additionally serves to maintain high availability levels and prevent deductions
- Strong client relationship management, including regular meetings, to understand client needs and uphold client satisfaction
- Focused and active asset management including site visits to all significant assets annually and management of issues if and when they arise
- Focused cost management and portfolio-wide cost-saving initiatives leveraging economies of scale (e.g. portfolio insurance, Management Service Agreements for Project Companies)
- Applying a high-quality corporate governance framework, as part of an enhanced ESG profile
- Identifying and continuing initiatives at the individual asset level to outperform base case (e.g. lifecycle reviews, continuous improvement initiatives)
- Measured exposure to construction risk to support NAV uplift by de-risking assets over the construction period

Prudent financial management

We maintain focus and attention to cash performance at the asset and portfolio level to drive efficiencies and generate portfolio optimisation, including:

- Focused management at the asset level to ensure distributions are on time, and on or above budget
- The portfolio's geographical diversification brings with it exposure to multiple currencies. We actively seek to manage and mitigate foreign exchange risk through our hedging strategy
- Maintaining modest cash balances to limit cash drag
- Maintain a low and competitive ongoing charge through an efficient internal management strategy
- Progressive future dividend growth underpinned by strong portfolio distributions

Selective acquisition strategy

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

- Extensive industry relationships in multiple geographies to pursue off-market opportunities
- Pre-emption rights to acquire co-shareholders' interests
- Global exposure to avoid geographical concentration
- Revolving corporate debt facility to support transaction execution and maintain prudent leverage
- Pipeline agreement with SNC-Lavalin covering five availability-style PPP investment opportunities
- Maintain focus on the Management Board's core area of expertise

Operating Model *continued*

Strategic investment partnerships

The Company continues to leverage strong relationships with leading construction companies to source a potential pipeline that supports a low-risk and globally diversified investment strategy.

Typically, these contractors have secured the mandate to design and build new assets but are increasingly looking to divest financially – thereafter often maintaining a long-term partnership through facility management contracts.

The Company is an attractive partner to contractors for a number of reasons:

- We have extensive asset credentials and a strong track record that can assist with the government shortlisting process for public procurement of infrastructure projects
- Having a financial partner is a pre-requisite for some construction companies, so they can avoid consolidating the asset company debt onto the balance sheet of the parent company
- Our cost of capital is often lower than that of construction companies, so involving BBGI can make the bid more competitive
- We are a long-term investor, which is attractive to government and government-backed counterparties
- We are considered a reliable source of liquidity should a construction partner decide to sell in the future.

BBGI also has a well demonstrated history of sourcing assets through off-market transactions where there are often opportunities to secure transactions by differentiation other than price, such as structuring flexibility, speed of execution or other factors.

Stanton Territorial Hospital, Canada

Portfolio Review

Portfolio summary

Based on portfolio value at 30 June 2019

The Company's assets at 30 June 2019 consist of interests in 48 high-quality, availability-based PPP infrastructure assets in the transport, healthcare, education, justice and other[13] sectors. The portfolio has no exposure to demand-based or regulatory risk assets and benefits from a well-diversified sector exposure. The Company has a 51.2 per cent[14] allocation to lower risk availability-based roads and bridges.

The concessions granted to asset-holding companies in the Company's portfolio are predominantly done so by a variety of public sector clients or government-backed counterparties.

Located in the UK, North America, Continental Europe and Australia, all asset-holding companies in the portfolio operate in stable, well-developed and highly rated investment grade countries.

Portfolio breakdown[15]

No	Asset	Country	Equity Stake %[1]
	Transport infrastructure		
1	A1/A6 Motorway	Netherlands	18.2
2	Canada Line	Canada	26.7
3	E18 Motorway	Norway	100
4	Golden Ears Bridge	Canada	100
5	Kicking Horse Canyon	Canada	50
6	M1 Westlink	UK	100
7	M80 Motorway	UK	50
8	Mersey Gateway Bridge	UK	37.5
9	N18 Motorway	Netherlands	25.48
10	North Commuter Parkway	Canada	50
11	Northeast Stoney Trail	Canada	100
12	Northwest Anthony Henday Drive	Canada	50
13	Ohio River Bridges	US	66.66
14	Southeast Stoney Trail	Canada	40
15	William R. Bennett Bridge	Canada	80

No	Asset	Country	Equity Stake %[1]
	Social infrastructure		
16	Avon & Somerset Police HQ	UK	100
17	Barking Dagenham. Havering (LIFT)	UK	60
18	Bedford Schools	UK	100
19	Belfast Metropolitan College	UK	100
20	Burg Prison	Germany	90
21	Clackmannanshire Schools	UK	100
22	Cologne Schools	Germany	50
23	Coventry Schools	UK	100
24	East Down Colleges	UK	100
25	Frankfurt Schools	Germany	50
26	Fürst Wrede Military Base	Germany	50
27	Gloucester Royal Hospital	UK	50
28	Kelowna and Vernon Hospital	Canada	50
29	Kent Schools	UK	50
30	Lagan College	UK	100

13 Includes a military base, a fire station and two local government administrative buildings.
14 Includes one rail project in Canada.
15 By sector, in alphabetical order.

Portfolio Review *continued*

Portfolio breakdown *continued*

No	Asset	Country	Equity Stake %[1]
31	Lisburn College	UK	100
32	Liverpool & Sefton Clinics (LIFT)	UK	60
33	McGill University Health Centre	Canada	40
34	Mersey Care Hospital	UK	79.6
35	North London Estates Partnership (LIFT)	UK	60
36	North West Regional College	UK	100
37	Northern Territory Secure Facilities	Australia	100
38	Restigouche Hospital Centre	Canada	80
39	Rodenkirchen Schools	Germany	50

No	Asset	Country	Equity Stake %[1]
40	Royal Women's Hospital	Australia	100
41	Scottish Borders Schools	UK	100
42	Stanton Territorial Hospital	Canada	25
43	Stoke & Staffs Rescue Service	UK	85
44	Tor Bank School	UK	100
45	Unna Administrative Centre	Germany	44.1
46	Victoria Prisons	Australia	100
47	Westland Town Hall	Netherlands	24.99
48	Women's College Hospital	Canada	100

1 The percentages in the table above represent the Group's economic ownership with the following exceptions: A1/A6 Motorway, N18 Motorway, Unna Administrative Centre and Westland Town Hall, where the percentage represents the legal ownership.

For portfolio statistics, refer to Portfolio at a Glance on p.3.

Operating model in action

Value-driven active asset management

A variety of active asset management initiatives during the period resulted in over £3.9 million of operational and value-accretive enhancements, equating to a 0.5 per cent increase in NAV. In addition, the Company paid a dividend of 3.375pps generating a NAV total return of 4.6 per cent.

Following the opening of Stanton Territorial Hospital to patients during the period, the portfolio's assets are all fully operational. Owing to the Management Board's value-driven active asset management, the availability level[16] of the Company's assets was recorded at approximately 99.7 per cent and deductions were either borne by third-party facility management companies and road operators or were part of planned lifecycle expenditures. No assets were reported to be in a material lock-up or event of default at period end.

As at 30 June 2019, 100 per cent of the assets in the Company's portfolio were operational, leading to a 0.2 per cent uplift in NAV.

The Management Board continues to place a great emphasis on building and maintaining a transparent and regular dialogue with the Company's public sector clients and operating partners. Our relationship management ensures that we identify issues as they arise, if not before. Assets under the Company's management are active facilities, meaning we proactively identify efficiencies and help facilitate variations that benefit our clients, their end-users, and the ultimate valuation of our portfolio.

Prudent financial management

Our focused asset management has ensured that the Company continues to benefit from distributions from its projects that are on time and in line with our expectations.

The Company raised gross proceeds of £75 million through an issue of new ordinary shares at 153pps. The proceeds were used, subsequent to the reporting period end, to repay existing debt and maintain a modest cash balance as part of our prudent management of the Company's balance sheet. This value-accretive share issue also contributed to our NAV per share increase.

Selective acquisition strategy

The Company has in place a Revolving Credit Facility of £180 million which runs until 2022, with the possibility to increase the total commitment to £250 million by utilising an accordion provision. This allows the management team to execute portfolio acquisitions efficiently and enables the Company to be a trusted and repeat partner in the markets in which we invest.

The Company continued to pursue a selective acquisition strategy over the period. The Company benefitted from the Management Board's ability to source attractive investment opportunities in a competitive marketplace by maintaining full pricing discipline for new acquisitions.

These additions to the portfolio, which amounted to approximately £57.4 million, included the Company's follow-on investments into two availability-based PPP assets in the transport sector. The assets were secured on accretive terms consistent with the Company's strategy and reinforced the Management Board's commitment to avoiding style drift.

16 Calculated as percentage of actual availability payments received divided by scheduled payments.

Portfolio Review *continued*

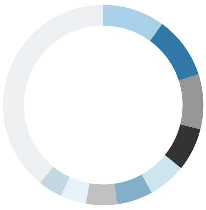
Roads

– *A1/A6 Motorway (Netherlands):* In June 2019, the Company completed the acquisition of a further equity interest in the A1/A6 PPP road project in the Netherlands. This road is part of the Schiphol-Amsterdam-Almere ('SAA') expansion involving the reconstruction and widening of an 18km motorway including reversible lanes. The asset became operational in 2017 and the concession runs until 2042. In August 2019, subsequent to the reporting period, the Company acquired the remaining interests of Boskalis and VolkerWessels (the original vendors) in the asset and now owns 37.1 per cent of the equity interest.
– *Ohio River Bridges (US):* In May 2019, the Company completed the acquisition of a further 33.3 per cent equity interest in the Ohio River Bridges PPP Project and now owns 66.6 per cent of the equity in the project. The asset became operational in 2016 and the concession runs until 2051.

As high-quality, stable, operational PPP assets, both acquisitions further strengthened the global footprint of the Company's portfolio of investments in AAA/AA+ rated countries and increased our majority allocation to road and bridge assets where we continue to see attractive risk-adjusted returns.

Supply chain monitoring

The Management Board continually reviews the potential concentration risk in respect of operational and maintenance ('O&M') contractors. The table below illustrates the level of road operator and facility manager exposure as a percentage of portfolio value.[17]



The Management Board has not identified any significant risk exposure and therefore remains comfortable with the current contractor allocation.

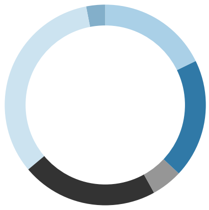
The Company benefits from a diversified supply chain with no concentrated exposure, a geographically diversified contractor base and a rigorous supply chain monitoring policy. In addition, we continue to have risk mitigation measures at our disposal in the event of supply chain failure and pay close attention to how subcontractors are performing on an ongoing basis. We believe that these factors ensure that the Company is well placed in the event of any issues arising from operational and maintenance contractors.

SNC-Lavalin, our largest FM contractor, has been in the news recently. SNC-Lavalin is a large Canadian engineering company and has a market capitalisation of approximately C$2.8 billion (as of 28 August 2019). SNC-Lavalin is rated BBB- and BB+ by DBRS and Standard & Poor's Ratings Services respectively. Their performance where we have them as an operator remains strong. We will, however, continue to monitor their performance and financial situation as we do for all subcontractors. BBGI has ongoing positive dialogue with SNC-Lavalin and it continues to be business as usual. The current pipeline agreement with SNC-Lavalin covers five PPP assets and we expect that these assets will be offered to BBGI in the short to medium term.

Construction defects

The Company continuously monitors the quality of the assets with the objective to identify any construction defects early on and to implement the appropriate remediation measures. The responsibility for, and the cost of, remediation and potentially related deductions falls to the relevant construction subcontractor on each asset subject to statutory limitation periods and is a key component of the Company's effective counterparty risk management.

Latent defects limitation/ warranty periods remaining



Latent defects risk mitigated by a remaining coverage of 82% of portfolio value.

In one case, a material construction defect was identified and the contractor is currently being pursued to implement the necessary rectification works. A claim may need to be pursued through a court procedure. Based on a cautious approach, the Company has increased the discount rate for this project and also included a provision with the effect on the NAV being less than 1 per cent.

Otherwise, there are no material defects on any of the Company's portfolio assets.

17 When a project has more than one FM contractor and/or O&M contractor the exposure is allocated equally among the contractors.

Market Trends and Pipeline

2019 and beyond

The Company has significant investment expertise in key developed infrastructure markets internationally, and its global portfolio provides a platform to access opportunities and build relationships with potential vendors to support the Company's selective acquisition strategy. The Management Board continues to believe that geographic diversification is in the best interests of the Company's long-term growth.

PPP procurement and levels of competition between markets vary. In all of the Company's target markets, under-investment in public infrastructure persists and constraints on public finance necessitates the involvement of the private sector to deliver the long-term finance and expertise required to build, maintain and operate much-needed infrastructure assets – and in turn, deliver proven value for money for the public sector.

Investment activities in 2019 and beyond will involve sourcing and originating, bidding for and winning new operational availability-based assets, with consideration for measured exposure to construction assets to support valuation uplift.

The pipeline for availability-style transactions remains strong within the Company's target markets. The Company will maintain its selective acquisition strategy in assessing any potential new assets and we remain confident in our ability to originate attractive investment opportunities which match our investment criteria. We anticipate these will come from a variety of sources, including:

— soliciting off-market transactions through the Company's extensive network of market participants in Europe, North America and Australia;

— a pipeline agreement with SNC-Lavalin covering five availability-style PPP investment opportunities;

— participating in primary investment opportunities and bidding on new availability-based assets as part of public sector procurement processes, including offshore transmission assets ('OFTOs');

— acquiring equity interests from co-shareholders in existing assets; and

— participating selectively in competitive sale processes.

The Company will continue to source assets that fit the requirements of its low-risk and globally diversified investment strategy.

UK

In November 2018, the UK Government reconfirmed the vital role that private finance plays in supporting investment in public infrastructure, with around half of the projected £600 billion of infrastructure investment over the next ten years forecast to come from the private sector.[18]

18 Analysis of the National Infrastructure and Construction Pipeline 2018. Infrastructure and Projects Authority, November 2018.

At the devolved level in the UK, Wales' PPP sector continues to provide a promising pipeline of opportunities, including the A465 motorway, the Velindre Cancer Hospital and the 21st Century Schools Programme – all of which are procured under the Mutual Investment Model, an equivalent to the PPP procurement method. The Company is currently a short-listed bidder on the A465 motorway and expects to submit its bid in Q4 2019.

The Management Board notes that some other asset classes are demonstrating a risk-return profile that fits with the Company's low-risk, availability-based investment strategy. This includes OFTOs whose long-term availability-based income stream from creditworthy government-backed counterparties shows similarities with the low-risk nature of traditional PPP assets. A recent change in the transaction structure means that the regulated availability-type revenue stream will now be for a 25-year period instead of the previous 20-year concession period. This modification reduces or eliminates the importance of residual value assumptions, thus making the asset class more consistent with the Company's risk appetite, and area of expertise. Accordingly, the Company has formed a consortium and has been shortlisted to bid on the next round (OFTO Tender Round 6) which includes three assets. We expect to submit a bid on the Beatrice OFTO in September 2019, with the preferred bidder to be announced at the end of Q4 2019.

Canada

Canada has remained one of the world's most prolific PPP markets and is one of the most mature and stable of the Company's target geographies in providing a well-defined, highly visible pipeline of PPP investment opportunities. Almost 300 assets across Canada have been procured under the PPP model since the late 1990s, with those already in operation or under construction valued at C$138 billion, including highways and bridges, hospitals, courthouses, and transit links. A recent poll by Nanos Research showed that a majority of Canadians remain fully supportive of PPPs to build much-needed infrastructure.

Westland Town Hall, The Netherlands

Market Trends and Pipeline *continued*

The Company is currently a shortlisted bidder on two projects in Canada and bids are expected to be submitted in Q4 2019.

With 13 assets in Canada, the Company is well positioned to participate in the primary pipeline. Additionally, the Company estimates that further investment opportunities in excess of £150 million could result from the pipeline agreement with SNC-Lavalin (list of assets shown below); all of which will be assessed on a case-by-case basis.

The Canadian secondary market is expected to be active in 2019 and 2020 as assets developed over the last several years come into operation and may come to market.

USA

The US PPP market shows great potential but the deal flow remains nascent. We are currently tracking several possible transactions and are in active discussions regarding upcoming transportation and social infrastructure opportunities. As the largest investor in Ohio River Bridges – one of a limited number of high-profile availability-style transportation assets to have reached construction completion – the Company has an emerging track record to mobilise future investment opportunities as the US PPP market evolves.

Continental Europe

Continental European infrastructure markets remain active with certain countries offering an attractive pipeline of new assets. We believe these markets are likely to provide attractive investment opportunities over the medium term. These include:

Norway: The biggest upcoming PPP in the region is the kr9.5 billion (c. £850 million) 9km Rv555 Sotra Road on the west coast of Norway, with pre-qualification for the asset expected to take place later in 2019. The kr6-7 billion (c. £540-630 million) E10/Rv85 road in the northern counties of Nordland and Troms is expected to follow the Sotra asset.

Netherlands: Following our recent investment in three assets in the Netherlands in December 2018, we are actively assessing further transportation and social infrastructure investment opportunities.

Belgium: The Company is teamed with an experienced contractor for two upcoming PPP projects. The pipeline of road and prison PPP assets remains promising and includes the Company's consortium participation in the pre-qualification for the €900 million (c. £800 million) R4 Ghent ring road PPP project in Belgium.

Germany: The expectation is that the road PPP scheme will continue with one to two new procurements each year. With six existing assets in Germany, strong credentials and German language skills within our Management Board and acquisition team, the Company is well positioned to consider these upcoming opportunities.

Otherwise we continue to see PPP pipelines in Southern Europe in countries including Spain, Italy, Portugal and Greece. While some of these programmes may be viewed as attractive in terms of their size and the availability-style nature of the assets, the credit rating of the counterparties and certain risk transfer expectations make these investment opportunities unattractive to the Company. Consequently, BBGI has not focused on these opportunities.

Ohio River Bridges, US

Market Trends and Pipeline *continued*

Australia

New construction assets in the transport sector and increasingly in the social infrastructure sector look to dominate the Australian landscape following the New South Wales and federal elections in Q2 2019. Overall, the near term is expected to generate a relatively small number of very large PPPs compared to previous periods where there had been a steady stream of smaller acquisitions. This may change, however, if Victoria and New South Wales embark on rumoured PPP procurement in schools.

The Company has three large operational assets in Australia and will continue to monitor this market and is hopeful that some select opportunities may emerge in 2019 and 2020.

Pipeline agreement assets:

Asset	Sector	Estimated Asset Capital Value	Concession Length After Construction Completion
Confederation Line (Ottawa, ON)	Rail	C$3.2 billion	30 years
Eglinton Crosstown LRT (Toronto, ON)	Rail	C$9.1 billion	30 years
Highway 407 East Extension Phase I (Ontario)	Road	C$1.2 billion	30 years
John Hart Generating Station (Campbell River, BC)	Energy	C$1.1 billion	15 years
New Corridor for the Champlain Bridge (Montreal, QC)	Road & Bridge	C$3.2 billion	30 years

Primary bidding opportunities:

Region	Sector	Estimated Asset Capital Value	Expected Concession Length	Investment Status
North America	Road	£170 million	23 years	Shortlisted as one of three bidders
North America	Accommodation	£100 million	30 years	Shortlisted as one of three bidders
Continental Europe	Accommodation	£270 million	25 years	Shortlisted as one of three bidders
Continental Europe	Road	£1.5 billion	25 years	Pre-qualification submitted on one project and agreement with industrial partners to bid on one road asset
UK	Road	£400 million	33 years	Shortlisted as one of three bidders
UK	OFTO	£2.7 billion	25 years	Shortlisted to bid for the three assets in Tender Round 6

Victoria Prisons, Australia

Operating and Financial Review

The Management Board is very pleased to present the Operating and Financial Review for the six months ended 30 June 2019.

Highlights and Key Performance Indicators

Please see page 2 for a summary of Six Months in Numbers for 2019. Certain key performance indicators ('KPIs') for the last 3.5 years are highlighted below:

KPI	Target	Dec-16	Dec-17	Dec-18	Jun-19	Commentary
Dividends (paid or declared)	Progressive long-term dividend growth in pps	6.25	6.50	6.75	7.00 target, 3.5 interim dividend	50% of the 2019 target declared
NAV per share	Positive NAV per share growth	13.1%	3.0%	2.8%	2.0%	Achieved
Compound Annual Shareholder Return Since IPO[19]	7% to 8% on IPO issue price of £1 per share	11.2%	10.5%	11.2%	10.4%	Achieved
Ongoing Charges	Competitive cost position	0.98%	0.99%	0.93%	0.89%[20]	Achieved
Cash Dividend Cover[21]	>1.0x	1.3x	1.5x	1.5x	1.3x	Achieved
Asset availability	>98% asset availability	✓	✓	✓	✓	Achieved
Single asset concentration risk (as a percentage of portfolio value)	To be less than 25% of portfolio at time of acquisition	13% (GEB)	12% (GEB)	11% (GEB)	10% (GEB)	Achieved
Availability-based assets (as a percentage of portfolio value)	Maximise availability-based assets	100%	100%	100%	100%	Achieved

Asset Management

Cash Performance

The Company's portfolio of 48 high quality, availability-based PPP infrastructure investments performed well during the period, with cash flows in line with the business plan and the underlying financial models.

Construction exposure

The Company's investment policy is to invest principally in assets that have completed construction and are operational. Accordingly, investment in assets that are under construction will be limited to 25 per cent of the portfolio value. The rationale for this approach is to be able to produce a stable dividend for our shareholders, while at the same time gaining some exposure to the potential NAV uplift that occurs when assets move from a successful construction stage to the operational stage.

As at 30 June 2019, 100 per cent of the assets were operational.

The Management Board believes that the Company's ability to meet its dividend targets would not be compromised by having some measured construction exposure. Further information on construction risk can be obtained from the Company's prospectus, which is available on the Company's website.

19 On a compound annual growth rate basis. This represents the steady state annual growth rate based on share price at 30 June 2019 and after adding back dividends paid or declared since the Company's IPO.
20 Annualised estimate based on projected recurring costs.
21 Calculated as: (Distributions received from investments at fair value through profit or loss less net cash flows from operating activities)/(cash dividends paid).

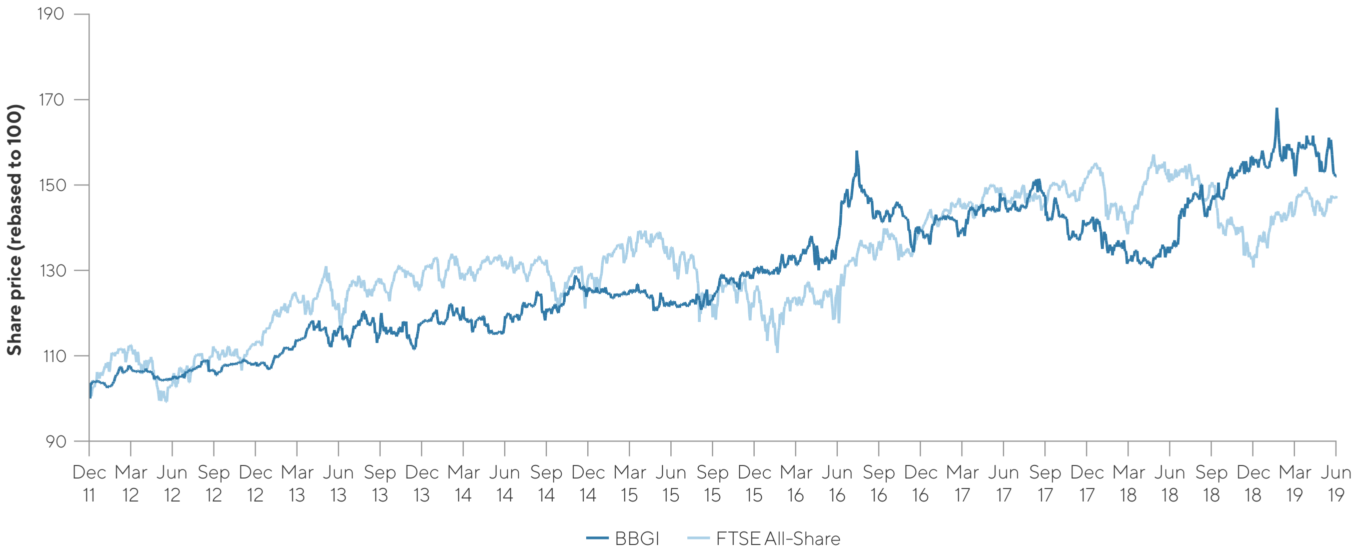
Operating and Financial Review *continued*

Investment performance

Return track record

The Company's share price continued to maintain a strong premium to NAV through the reporting period. We continue to believe that a key benefit of the portfolio is the high-quality cash flows derived from long-term availability-based government or government-backed contracts. As a result, the portfolio performance is largely unaffected by the many wider economic factors, such as GDP growth, that may cause market volatility in other sectors.

BBGI Share Price Performance



The share price closed the period at £1.52 on 28 June 2019, representing an 11.6 per cent premium to the NAV per share at the period end.

TSR from IPO to 30 June 2019 was 110.9 per cent, or 10.4 per cent on a compound annual basis.

Against the FTSE All-Share, the Company has shown a low five-year correlation of 23 per cent and a beta of 0.21 (30 per cent and 0.37 over the last 12 months).

Distribution policy

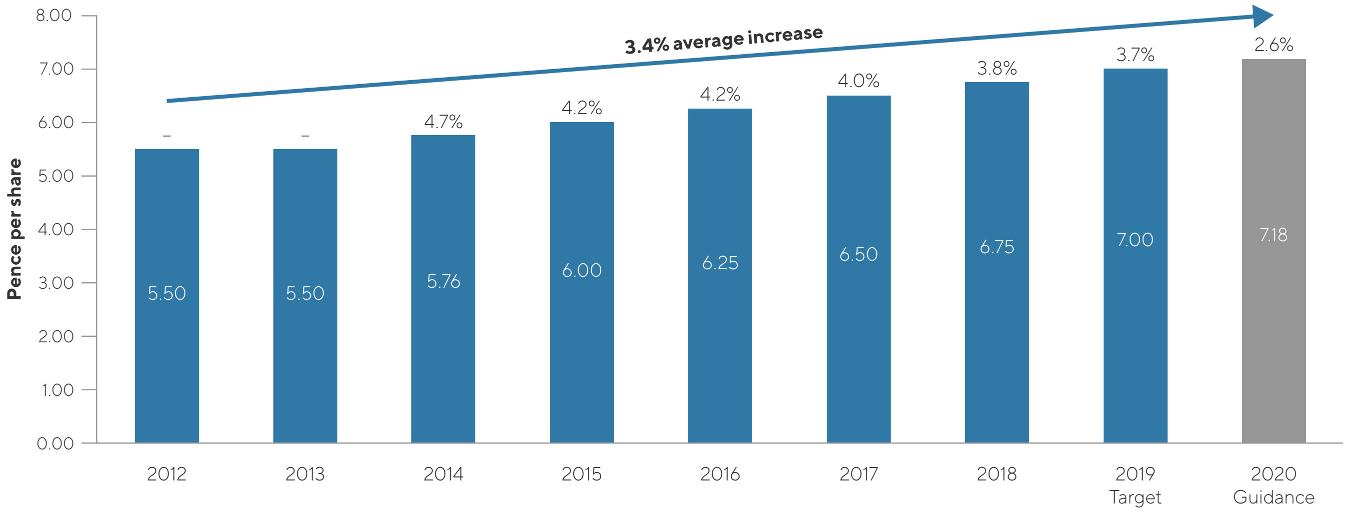
Distributions on the ordinary shares are planned to be paid twice a year, normally in respect of the six months to 30 June and the six months to 31 December.

Operating and Financial Review *continued*

Dividends

On 4 April 2019, the Company paid a second interim dividend of 3.375pps for the period 1 July 2018 to 31 December 2018. Together with the first interim dividend (which was paid in October 2018), the total dividend for the year ended 31 December 2018 amounted to 6.75pps. The Board has declared a 2019 interim dividend of 3.50pps, which is in line with its increased target of 7.00pps, to be paid on 17 October 2019. Furthermore, the Board is providing 2020 dividend guidance of 7.18pps, which represents an increase of 2.6 per cent on the 2019 target.

Proven progressive dividend policy



– Average dividend increase of 3.4 per cent from 2012 to 2020
– FY 2020 dividend guidance of 7.18pps,[22] up 2.6 per cent

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

Risk

Principal Risks and Uncertainties

Each quarter, the Board reviews and considers updates to the Company's principal risks, and the controls and strategies used to mitigate those risks. The risks to which the Company is exposed have not materially changed since those set out in detail in the 31 December 2018 Annual Report.

These risks and uncertainties are expected to remain relevant to the Group for the next six months of its financial year and include (but are not limited to):

Foreign exchange risk – an inherent risk of holding a global portfolio of assets and continues to be closely monitored by the Management Board. Risk mitigants in place include: (i) the hedging of forecast investments distributions over a rolling four-year time horizon; (ii) the use of balance sheet hedging; (iii) the ability to borrow under the RCF in the currency of the underlying investments thereby creating a natural hedge; and (iv) euro-denominated running costs provide a natural hedge against the Euro-denominated portfolio distributions. The above mitigants are implemented to: (i) provide protection to the level of GBP dividends that the Company aims to pay on the ordinary shares; and (ii) limit the NAV movement to minus 3 per cent for a 10 per cent adverse movement in foreign exchange rates.

Management continue to carry out various stress tests to assess the Company's ability to pay its target dividend under a range of scenarios. Refer to the Valuation Section of this report for further detail and the outcome of these tests.

Macroeconomic assumption risk – the risk that the macroeconomic assumptions, including deposit and inflation rates, used when forecasting future cash flows as part of the portfolio valuation exercise are not necessarily representative of future economic outcomes. The Management Board appreciates that such assumptions, although reviewed by a third-party valuation expert and reflecting latest available market data, are estimates only. As a result, the Management Board carries out sensitivity analyses on these assumptions in order to assess the impact on the NAV. Refer to pages 19 to 24 of the Valuation section of this report for further details.

Taxation risk – the risk that changes in tax law, tax rates and global tax initiatives could have an adverse effect on the Group's cash flows, thereby reducing returns to investors.

The Company and its advisers will continue to review relevant tax developments to assess whether any changes are required in order to minimise the impact, if any, on Group cash flows. Furthermore, BBGI has a global portfolio of assets, thereby reducing the tax concentration risk on any one country.

Credit and counterparty risk – the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Company applies strict criteria when identifying/assessing potential counterparties and undertakes a due diligence process before committing to enter into contractual relationships. All counterparties are kept under regular review during the course of the contractual relationship with the Company.

Nationalisation of historical PFI projects – representatives of the UK Labour Party have voiced their ambition to bring specific historical Private Finance Initiative ('PFI') contracts 'back in-house' were the Labour Party elected to a majority-led government. Whilst the Board recognises this as a potential risk we remain unconvinced by the practicalities of nationalising PFI contracts given the complexities involved and the significant compensation that would be required to terminate these contracts.

Brexit – the Company is incorporated in Luxembourg and is listed on the London Stock Exchange, raising questions around the continuity of listing and marketing in the UK post Brexit. To ensure continuity of listing in the event of a hard Brexit, the Company has informed the FCA during the reporting period that it wishes to have temporary permission to be marketed in the UK. During the Temporary Permissions Regime ('TPR'), the Company will be able to be marketed in the UK on the same terms and subject to the same conditions as it could before exit day. To continue marketing the Company in the UK after the end of the TPR, the Company must notify under the UK national private placement regime. The Company will be directed by the FCA to make this notification within two years from exit day. The TPR is expected to last for three years after exit day, with a power for HM Treasury to extend the regime by no more than 12 months at a time in certain circumstances.

Furthermore, Brexit poses a risk to performance of the wider UK economy, which may adversely impact the performance of certain infrastructure asset classes. While the Brexit outcome remains uncertain, regardless of the outcome BBGI's portfolio cash flows are contracted and, unlike demand-based assets, are not sensitive to the performance of the wider economic environment.

Access to capital – the Company continues to assess the risk that a disruption to the equity markets could lead to an inability to raise new capital. Such a disruption could limit the Company's ability to grow and its ability to repay debt drawn under its RCF. To the extent that the Company does not have cash reserves pending investment, the Company expects to bridge finance further investments by way of the credit facility. Although the Company has had a credit facility in place since July 2012 (which has subsequently been refinanced on two occasions), there can be no guarantee that this will always be the case or that it will be able to issue further shares in the market.

The Board of BBGI and its corporate brokers regularly assess market sentiment. The Board will not undertake material commitments if there is a concern that a subsequent raising of capital to repay the RCF may be problematic.

Furthermore, the Company has a two-and-a-half year term remaining on its RCF, which expires in January 2022.

Valuation

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

The valuation is determined using the discounted cash flow methodology. The cash flow forecasts, generated by each of the underlying assets, are received by the Company or its subsidiaries, adjusted as appropriate to reflect risks and opportunities, and discounted using asset-specific discount rates. The valuation methodology remains unchanged from previous reporting periods.

The Company uses the following assumptions ('Assumptions') for the cash flows:

		30 June 2019	31 December 2018
Weighted average discount rate		7.10%	7.20%
Indexation	UK	2.75%	2.75%
	Canada	2.00%/2.35%	2.00%/2.35%
	Australia	2.5%	2.5%
	Germany	2%	2%
	Netherlands[1]	2%	2%
	Norway[1]	2.25%	2.25%
	USA[2]	2.5%	2.5%
Deposit rates (p.a.)	UK	1% to 2022, then 2.5%	1% to 2020, then 2.5%
	Canada	1% to 2022, then 2.5%	1% to 2020, then 2.5%
	Australia	2% to 2022, then 3.0% – 4.0% (short – medium term)	2% to 2020, then 3.0% – 4.0% (short – medium term)
	Germany	1% to 2022, then 2.5%	1% to 2020, then 2.5%
	Netherlands	1% to 2022, then 2.5%	1% to 2020, then 2.5%
	Norway	1.8% to 2022, then 3.0%	1.8% to 2020, then 3.5%
	USA	1% to 2022, then 2.5%	1% to 2020, then 2.5%
Corporate tax rates (p.a.)	UK	19% to 2019, then 17%	19% to 2019, then 17%
	Canada[3]	26.5%/27%/29%	26.5%/27%/29%
	Australia	30%	30%
	Germany[4]	15.8% (incl. Solidarity, excl. Trade tax)	15.8% (incl. Solidarity, excl. Trade tax)
	Netherlands	25% in 2019, 22.5% in 2020, then 20.5%	25% in 2019, 22.5% in 2020, then 20.5%
	Norway	22%	23%
	USA	21%	21%

1 Represents CPI indexation only. Certain projects are, however, subject to a basket of indices.
2 80 per cent of the US asset indexation factor for revenue is contractual and not tied to CPI.
3 Individual tax rates vary among Canadian Provinces.
4 Individual local trade tax rates are considered additionally.

Valuation *continued*

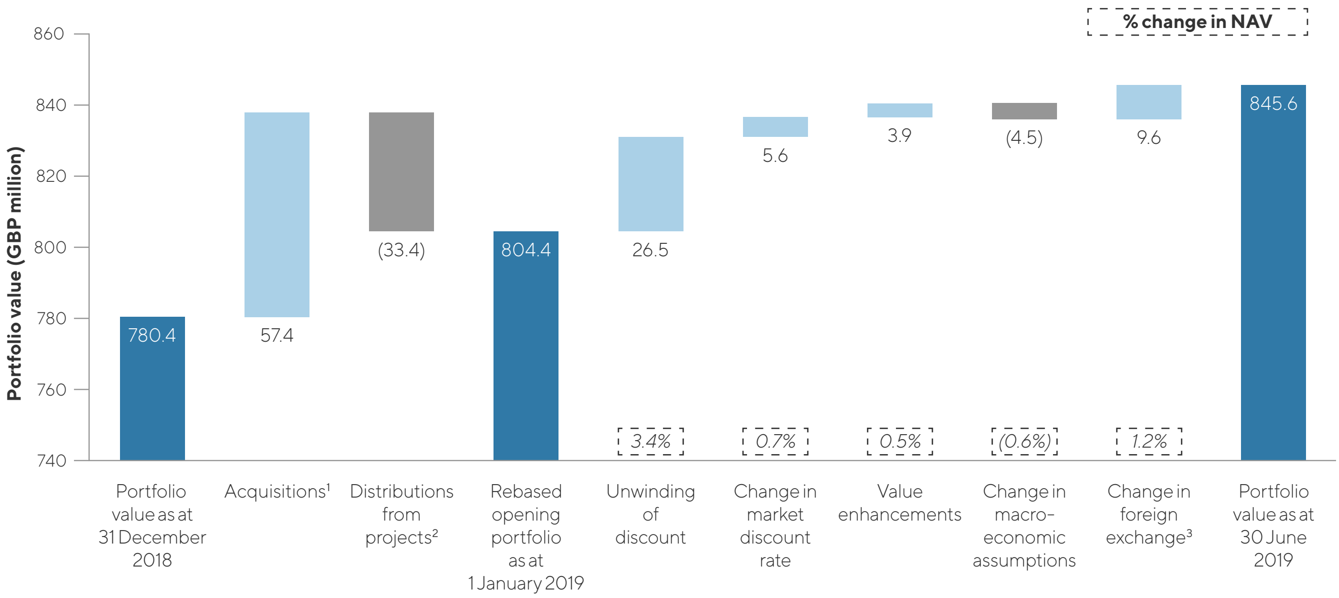
Key Project Company and portfolio cash flow assumptions underlying NAV calculation

The following is an overview of the key assumptions and principles applied in the valuation and forecasting of future cash flows:

- The discount rates and the Assumptions as set out above continue to be appropriate.
- The updated financial models for the Project Companies accurately reflect the terms of all agreements relating to the Project Companies and represent a fair and reasonable estimation of future cash flows accruing to the Project Companies.
- The cash flows are converted to Sterling at either the hedged rate or at the reporting period closing rate for unhedged future cash flows.
- Cash flows to and from the Project Companies are received and paid at the times anticipated.
- Non-UK assets are valued in local currency and converted to Sterling at either the period-end exchange rates or the hedge rate, with all currency hedge contracts settled in accordance with the terms of the contract.
- Where the operating costs of the Project Companies are fixed by contract, such contracts are performed, and where such costs are not fixed, they remain within the current budgets.
- Where lifecycle costs/risks are borne by the Project Companies, they remain in line with the current budgets.
- Contractual payments to the Project Companies remain on track and are not terminated before their contractual expiry date.
- Any deductions or abatements during the operations period of the Project Companies are fully passed down to subcontractors under contractual arrangements or are part of the planned (lifecycle) budgets.
- Where the Project Companies own the residual property value in an asset, that the projected amount for this residual value is realised.
- In cases where the Project Companies have contracts which are in the construction phase, they are either completed on time or any delay costs are borne by the construction contractors.
- There are no tax or regulatory changes in the future which negatively impact cash flow forecasts.

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

Portfolio movement 31 December 2018 to 30 June 2019



1 Refer to page 10 for further details.
2 While distributions from assets reduce the portfolio value, there is no impact on the Company's NAV as the effect of the reduction in the portfolio value (investments at fair value through profit or loss) is offset by the receipt of cash at the consolidated Group level. Distributions are shown net of withholding tax.
3 The result from balance sheet hedging is recorded at the consolidated Group level and does not impact portfolio value. During the period, the Company recorded a loss of £3.1 million on balance sheet foreign exchange hedging contracts entered into in November 2018.

Valuation *continued*

NAV movement 31 December 2018 to 30 June 2019	£ million
Net asset value at 31 December 2018	774.5
Add back: other net liabilities at 31 December 2018[1]	5.9
Portfolio value at 31 December 2018	780.4
Acquisitions	57.4
Distributions from assets[2]	(33.4)
Rebased opening portfolio value at 1 January 2019	804.4
Unwinding of discount	26.5
Change in market discount rate	5.6
Value enhancements	3.9
Change in macroeconomic assumptions	(4.5)
Change in foreign exchange	9.6
Portfolio value at 30 June 2019	845.6
Other net liabilities at 30 June 2019[1]	12.5
Net asset value at 30 June 2019	858.1

1 These figures represent the assets and liabilities of the Group, after excluding the portfolio of asset investments, and include, amongst other items, the Group's net cash/(borrowings) and the fair valuation of the foreign exchange hedging derivatives.
2 Net of withholding tax.

Key drivers for NAV growth

Growth based on rebased valuation

During the period, the Company recognised £30.5 million, or a 3.9 per cent increase in NAV, from the unwinding of discounts and value-accretive enhancements. The portfolio value growth from unwinding of discount during the period was approximately £26.5 million, or a 3.4 per cent change in NAV. As the Company moves closer to forecast asset dividend payment dates, the time value of those cash flows increases on a net present value basis.

The remaining £3.9 million, or a 0.5 per cent change in NAV, represents the net effect of value accretive enhancements across the portfolio through active management, which include amongst others:

— Enhanced operational performance through active asset management

— Net effect of updated realised or projected O&M, insurance, lifecycle, and other Project Company costs

— Net valuation effect from adjusting risk premium reflected in specific asset discount rates (e.g. asset moving towards the stable operational phase)

The net effect of inflation, against the 31 December 2018 modelled Assumptions, on the portfolio value has been slightly negative and is included in the value above.

General market activity

The demand for PPP infrastructure assets remained strong during the first half of 2019, evidenced by continued acquisitions at robust valuations.

Following on from the acquisition of John Laing Infrastructure Fund in September of 2018, a consortium of investors acquired a further 15 per cent in the Intercity Express Programme Phase 1 PPP asset (UK), following an initial 30 per cent acquisition at the end of 2018. In February and July 2019, a listed infrastructure company acquired a 40 per cent stake in N17/N18 Gort to Tuam PPP Scheme (Ireland) for €23 million and an interest in the Blankenburg Connection PPP asset (Netherlands) for approximately €50 million. Other notable transactions include: the acquisition of Perth Stadium (Australia) by AMP Capital, the acquisition of Iqaluit International Airport Improvement P3 (Canada) by Concert Infrastructure Fund, and the acquisition of Northeast Anthony Henday Ring Road P3 (Canada) by a co-shareholder from ACS Infrastructure Canada and Hochtief.

Market intelligence of these transactions suggests that discount rates in the secondary market remained very competitive.

Valuation *continued*

Discount rates

The discount rates used for individual asset cash flows are based on BBGI's knowledge of the market, taking into account intelligence received from bidding activities, advisers and publicly available information on relevant transactions. Furthermore, the discount rates used as part of the portfolio valuation process are reviewed by an independent third-party valuation professional.

The discount rates used for individual assets range between 6.70 per cent and 9.00 per cent. The value-weighted average rate is 7.10 per cent (31 December 2018: 7.20 per cent). This methodology calculates the weighted average based on the value of each asset in proportion to the total portfolio value, i.e. based on the net present value of their respective future cash flows.

We have differentiated the asset classes with respect to discount rates. For stable operational assets, such as typical schools, hospitals and roads assets, we have applied discount rates at the lower end of the range mentioned above. Adjustments have been applied to acute hospitals in the UK where a risk premium of 50 basis points continues to be applied. This risk premium reflects the special situation in the UK where some public health clients are under cost pressure and are actively looking for savings. This drive for cost savings has resulted in some large deductions on UK acute hospitals and, consequently, distribution lock-ups. To date, BBGI has not been affected. The only UK acute hospital in the portfolio is Gloucester Royal Hospital, which represents less than 1 per cent of the overall portfolio value, and there are no similar assets identified in the current pipeline.

BBGI continues to apply a modest risk premium for complex prison assets to reflect the higher complexity of such assets and has also applied a risk premium to a limited number of other assets to reflect the individual situations.

Valuation sensitivities

The portfolio value is sensitive to changes in discount rates and macroeconomic assumptions. The sensitivities are also shown in Note 12 to the financial statements.

Discount rate sensitivity

The discount rate that is applied to each individual portfolio asset projected cash flows, for the purposes of valuing the portfolio, is the single most important assessment and variable. The following table shows the sensitivity of the NAV to a change in the discount rate:

Discount Rate Sensitivity	**Change in Net Asset Value 30 June 2019**
Increase by 1% to 8.10%[1]	£(72.3) million, i.e. (8.4)%
Decrease by 1% to 6.10%[1]	£84.0 million, i.e. 9.8%

1 Based on the weighted average discount rate of 7.10 per cent.

Foreign exchange and sensitivity

BBGI values its portfolio of assets by discounting anticipated future cash flows. The present values of these cash flows are converted to Sterling at either the hedged rate, for a predetermined percentage of cash flows forecast to be received over the next four years, or at the closing rate for unhedged future cash flows.

A significant proportion of the Company's underlying investments are denominated in currencies other than Sterling. The Company maintains its accounts, prepares the valuation and pays distributions in Sterling. Accordingly, fluctuations in exchange rates between Sterling and the relevant local currencies will affect the value of the Company's underlying investments. During H1 2019, the appreciation of Sterling against the Australian Dollar and Euro and its depreciation against the Norwegian Krone, Canadian Dollar and US Dollar accounted for a net increase in the portfolio value of £9.6 million. Since IPO in December 2011, the net cumulative effect of foreign exchange movement on the portfolio value has been an increase of £0.9 million or 0.1 per cent of NAV at 30 June 2019.

Valuation *continued*

The table below shows those closing rates, which were used to convert unhedged future cash flows into the reporting currency at 30 June 2019.

GBP/	Impact valuation	at 30 June 2019	at 31 December 2018	Change in F/X
AUD	▼	1.808	1.805	(0.15)%
CAD	▲	1.661	1.736	4.34%
EUR	▼	1.117	1.113	(0.35)%
NOK	▲	10.830	11.056	2.04%
USD	▲	1.270	1.274	0.30%

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

The Group uses forward currency derivative contracts to (i) hedge 100 per cent of forecasted cash flows on a four-year rolling basis, and (ii) to implement balance sheet hedging in order to limit the decrease in the NAV to approximately 3 per cent for a 10 per cent adverse movement in foreign exchange rates. This is achieved by hedging a portion of the non-Sterling and non-Euro portfolio value.[23] The benefit of the Company's hedging strategy can also be expressed as a theoretic or implicit portfolio allocation to Sterling exposure. In other words on an unhedged basis the portfolio allocation to Sterling exposure would need to be approximately 73 per cent to obtain the same NAV sensitivity to a 10 per cent adverse change in foreign exchange rates as shown below.

The following table shows the sensitivity of the NAV to a change in foreign exchange rates:

Foreign Exchange Sensitivity	Change in Net Asset Value 30 June 2019
Increase by 10%[1]	£(25.8) million, i.e. (3.0)%
Decrease by 10%[1]	£17.4 million, i.e. 2.0%

1 Sensitivity in comparison to the spot foreign exchange rates at 30 June 2019 and taking into account the contractual and natural hedges in place, derived by applying a 10 per cent increase or decrease to the Sterling/foreign currency rate.

Inflation sensitivity

PPP projects in the portfolio have availability-based revenue streams stemming from government or government-backed counterparties, which are typically subject to yearly inflation adjustments. Indices used differ between countries. UK projects typically use RPI while in other countries Consumer Price Index or basket of indices are used. Revenues are either partially or totally indexed. Road operators, facility manager and management service provider contracts have similar indexation arrangements.

The asset cash flows are positively linked with inflation. The table below demonstrates the effect on the NAV of a percentage point change in inflation rates compared to the Assumptions in the table above:

Inflation Sensitivity	Change in Net Asset Value 30 June 2019
Inflation +1%	£40.9 million, i.e. 4.8%
Inflation –1%	£(34.4) million, i.e. (4.0)%

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

Valuation *continued*

Deposit rate sensitivity

Project Companies typically have cash deposits which are required to be maintained as part of the senior debt funding requirements (e.g. six months debt service reserve accounts, maintenance reserve accounts). The asset cash flows are positively correlated with the deposit rates. The table below demonstrates the effect on the NAV of a percentage point change in deposit rates compared to the Assumptions above:

Deposit Rate Sensitivity	Change in Net Asset Value 30 June 2019
Deposit rate +1%	£15.5 million, i.e. 1.8%
Deposit rate –1%	£(15.3) million, i.e. (1.8)%

Lifecycle costs sensitivity

Lifecycle is the cost of planned interventions or replacing material parts of an asset to maintain it over its life. It involves larger items that are not covered by routine maintenance and for roads it will include items such as replacement of asphalt, rehabilitation of surfaces, or replacement of electromechanical equipment. Lifecycle obligations are largely passed down to the facility maintenance provider but are typically retained on road and bridge assets.

Of the 48 assets in the portfolio, 16 assets retain the lifecycle obligations. The remaining 32 assets have this obligation passed down to the subcontractor. The table below demonstrates the impact on the NAV of a change in lifecycle costs:

Lifecycle Costs Sensitivity	Change in Net Asset Value 30 June 2019
Increase by 5%[1]	£(8.4) million, i.e. (1.0)%
Decrease by 5%[1]	£8.5 million, i.e. 1.0%

1 Sensitivity applied to the 16 assets in the portfolio which retain the lifecycle obligation, i.e. the obligation is not passed down to the subcontractor.

Corporate tax rate sensitivity

The profits of each portfolio company are subject to corporation tax in the country where the company is located. The table below demonstrates the effect on the NAV of a percentage point change in tax rates compared to the Assumptions outlined above:

Corporate Tax Rate Sensitivity	Change in Net Asset Value 30 June 2019
Tax rate +1%	£(6.9) million, i.e. (0.8)%
Tax rate –1%	£7.0 million, i.e. 0.8%

Senior debt refinancing sensitivity

Assumptions are used where a refinancing of senior debt financing is required for an asset during the remaining asset concession term. There is a risk that such assumptions may not be achieved. The table below shows the effect of a +100bps adjustment to the forecasted margins. The base rate for senior debt is either fixed or a long-term interest swap is available with the effect that none of our assets is subject to changes in base rates.

Senior Debt Refinancing Sensitivity	Change in Net Asset Value 30 June 2019
Margin +1%[1]	£(5.9) million, i.e. (0.7)%

1 The NTSF asset is the only remaining asset in the BBGI portfolio with refinancing risk.

GDP sensitivity

The BBGI portfolio is not sensitive to GDP.

The principal risks faced by the Group and the mitigants in place are outlined on page 18.

Financial Results

The Consolidated Financial Statements of the Company for the six months ended 30 June 2019 are on pages 31 to 52.

Basis of Accounting

The Group has prepared its Consolidated Financial Statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. In accordance with IFRS, the Company qualifies as an Investment Entity and as such does not consolidate its investments in subsidiaries that qualify as investments at fair value through profit or loss ('FVPL investments'). Certain subsidiaries that are not FVPL investments, but instead provide investment related services or activities that relate to the investment activities of the Group, are consolidated.

Income and Costs

Pro forma Income Statement

	Period ended 30 Jun 19 £ million	Period ended 30 Jun 18 £ million
Income from FVPL investments ('FVPL income')	**42.4**	38.9
Other operating income	**0.4**	2.1
Operating income	**42.8**	41.0
Administration expenses and net finance result	**(5.3)**	(5.4)
Other operating expenses	**(11.8)**	(0.6)
Profit before tax	**25.7**	35.0
Tax expense (income tax)	**(1.4)**	(0.9)
Profit from continuing operations	**24.3**	34.1
Basic earnings per share (pence)	**3.86**	6.45

The Group's FVPL investments have performed well during the period. A combination of the positive effect of unwinding of discount, value enhancements, changes in market discount rates and a foreign exchange gain have contributed to a **FVPL income** of £42.4 million (30 June 2018: £38.9 million). A more detailed analysis of the movement in FVPL investments is highlighted on page 20 in the Valuation section of this Report.

The Company continued to pursue a selective acquisition strategy over the period, resulting in follow-on investments into two availability-based PPP assets in the transport sector. The Company benefitted from the Management Board's ability to source attractive investment opportunities in a competitive marketplace by maintaining full pricing discipline for new acquisitions. Acquisition costs in the period, including those costs incurred in relation to active bids, amounted to £0.8 million (30 June 2018: £0.6 million). Unsuccessful bid costs in the period were less than £0.1 million.

The administration expenses and net finance result decreased slightly to £5.3 million during the period (30 June 2018: £5.4 million). While there was a slight increase in administration expenses, this was offset by the reduction in borrowing costs over the same period. The Group Level Corporate Cost Analysis section below provides further details.

Other operating expenses increased to £11.8 million (30 June 2018: £0.6 million). The significant increase was mainly resulting from a 'mark to market' loss of £10.4 million on the Group's forward currency contracts, against a 'mark to market' gain of £1.2 million over the comparative period in 2018. A counterbalance to this mark to market loss has been an increase of £9.6 million in the portfolio value resulting from foreign exchange gains over the same period. The Group has implemented a policy of using forward currency contracts to hedge a portion of its anticipated foreign currency cash flows and uses short-term forward currency contracts to hedge part of the non-Sterling, non-Euro denominated portfolio values.

Profit from continuing operations for the period ended 30 June 2019 decreased to £24.3 million (30 June 2018: £34.1 million), primarily due to the 'mark to market' loss mentioned above. Excluding the said loss, the profit from continuing operations has increased by 1.8 per cent from the prior period.

Financial Results *continued*

Group Level Corporate Cost Analysis

The table below details the costs incurred by the Group under IFRS.

Corporate costs	Period ended 30 June 19 £ million	Period ended 30 June 18 £ million
Net finance costs	**1.1**	1.6
Staff costs	**2.4**	2.3
Fees to Non-Executive Directors	**0.1**	0.1
Professional fees	**0.6**	0.6
Office and administration	**0.9**	0.6
Acquisition-related costs	**0.8**	0.6
Taxes (including non-recoverable VAT)	**1.6**	1.0
Corporate costs	**7.5**	6.8

The decrease in net finance costs from £1.6 million in the comparative to £1.1 million in the current period was due predominantly to a decrease in utilisations under the RCF during the period. The cash flow analysis section of this report provides further information regarding utilisation and repayments under the RCF during the year.

Ongoing Charges

Based on current forecasts, the Group is projecting the Ongoing Charge at 31 December 2019 to be 0.89 per cent[24] (31 December 2018: 0.93 per cent).

The Ongoing Charges percentage is prepared in accordance with the AIC-recommended methodology.[25] The percentage represents the annualised reduction or drag on performance caused by recurring operational expenses and provides an indication of the level of recurring costs likely to be incurred in managing the Group in the future.

As the Group is internally managed, it is not subject to performance fees or acquisition-related fees. The Ongoing Charges include an accrual for the Short-Term Incentive Plan ('STIP')/bonuses and the Long-Term Incentive Plan ('LTIP') and exclude all non-recurring costs such as the costs of acquisition/disposal of assets, financing charges and gains/losses arising from assets.

Cash flows

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

	Period ended 30 June 19 £ million	Period ended 30 June 18 £ million
Distributions from FVPL investments	**31.6**	32.5
Net cash flows from operating activities	**(6.6)**	(8.3)
Additional FVPL investments	**(57.4)**	(54.7)
Net cash flows from financing activities	**104.7**	122.7
Impact of foreign exchange gain/(loss) on cash and cash equivalents	**0.7**	0.4
Net cash inflow	**73.0**	92.6

Distributions from FVPL investments during the period of £31.6 million (30 June 2018: 32.5 million) were in line with business plan. Distributions from FVPL investments are shown above gross of withholding tax. During the period, distributions amounting to £2.9 million were received by non-consolidated Group subsidiaries and as a result are not reflected in the above distributions from FVPL investments.

24 The figure used for 31 December 2019 is based on a forecast of recurring costs for the year ended 31 December 2019. The figure is therefore subject to change.
25 Additional information regarding Ongoing Charges and ongoing charges percentage can be obtained from the AIC website www.theaic.co.uk.

Financial Results *continued*

Additions to the FVPL investments, which amounted to £57.4 million, included the Group's follow-on investments in two availability-based PPP assets in the transport sector, the A1/A6 Motorway in the Netherlands and the Ohio River Bridges in the US.

Net cash flows from financing activities during the period include the following:

	£ million
Net proceeds from the June 2019 capital raise	**73.9**
Net cash inflow from borrowings during the reporting period	**50.3**
Dividends paid during the reporting period	**(19.4)**

All amounts borrowed under the RCF at 30 June 2019 were repaid post balance sheet date using proceeds from the capital raise.

For the period ended 30 June 2019, the Group has a cash dividend cover ratio[26] of 1.3x (year ended 31 December 2018: 1.5x) and is calculated as follows:

	Period ended 30 Jun 19 £ million (except ratio)	Year ended 31 Dec 18 £ million (except ratio)
Distributions received from Investments	**31.6**	55.1
Less: Net cash flows from operating activities under IFRS (consolidated)	**(6.6)**	(15.4)
Net distributions	**25.0**	39.7
Divided by: Cash dividends paid under IFRS (consolidated)	**19.4**	26.5
Cash Dividend Cover (ratio)	**1.3x**	1.5x

The cash dividend cover ratio, when adjusted for £2.9 million cash distributions outside of the consolidated Group entities at 30 June 2019, is 1.4x.

Balance Sheet

Pro forma Balance Sheet

	30 Jun 19			31 Dec 18		
	Investment Basis[1] £ million	Adjust £ million	Consolidated IFRS £ million	Investment Basis £ million	Adjust £ million	Consolidated IFRS £ million
FVPL investments	**845.6**	**–**	**845.6**	780.4	–	780.4
Adjustments to FVPL investments	**–**	**3.8**	**3.8**	–	0.8	0.8
Other assets and liabilities (net)	**(4.6)**	**1.0**	**(3.6)**	(4.5)	0.8	(3.7)
Net cash/(borrowings)	**20.3**	**(3.3)**	**17.0**	(3.9)	–	(3.9)
Derivative financial liability	**(3.2)**	**(3.4)**	**(6.6)**	2.5	0.9	3.4
Net asset value attributable to ordinary shares	**858.1**	**(1.9)**	**856.2**	774.5	2.5	777.0

1 Represents the value of the Group's total assets less the value of its total liabilities under the Investment Basis. The Investment Basis NAV represents the residual interest of the shareholders in the Group, after all the liabilities of the Group, if any, are settled. The Investment Basis NAV per share is the Investment Basis NAV divided by the number of Company shares issued and outstanding. This information presents the residual claim of each Company shareholder to the net assets of the Group.

As at 30 June 2019, the Group has 48 availability-based FVPL investments (31 December 2018: 48). A detailed analysis of the increase in FVPL investments over the period is provided under the Portfolio movement bridge graph on page 20 of the Valuation section of this report.

The adjustments to FVPL investments reflects certain cash balances that are not included in the Investment Entity consolidation but have been reflected as distributions in the portfolio valuation. This amount is included as part of the cash balance under the Investment Basis NAV.

The derivative financial liability adjustment of £3.4 million reflects the fair value of forward currency contracts used to hedge future portfolio distributions reflected in accordance with IFRS.

26 The ratio can be viewed as a proxy as to the ability of the Company to pay target dividends in future. If the Group has a high dividend cover ratio, there is a lesser risk that the Group will not be able to continue making dividend payments.

Financial Results *continued*

A reconciliation of net cash/(borrowings) under IFRS and Investment Basis NAV is as follows:

	30 Jun 19 £ million	31 Dec 18 £ million
Loans and borrowings under IFRS (consolidated)	**(66.4)**	(14.3)
Add back: Debt issuance cost under IFRS (consolidated)	**(0.8)**	(1.0)
Deduct: Interest payable under IFRS (consolidated)	**0.3**	–
Outstanding loan drawdowns	**(66.9)**	(15.3)
Cash and cash equivalents under IFRS (consolidated)	**83.4**	10.4
Cash balance not included under IFRS (consolidated) and outside of asset valuation	**3.8**	1.0
Net cash (borrowings) under Investment Basis NAV	**20.3**	(3.9)

Three-year comparative of Investment Basis NAV

	30 Jun 19	31 Dec 18	31 Dec 17
NAV (millions)	**858.1**	774.5	622.5
NAV per share (pence)	**136.2**	133.5	129.9

The Investment Basis NAV increased by 10.8 per cent to £858.1 million at 30 June 2019 (31 December 2018: £774.5 million). Furthermore, the Investment Basis NAV per share has grown by 2.0 per cent to 136.2pps at 30 June 2019 (31 December 2018: 133.5pps).

Management Board Responsibilities Statement

The Management Board of the Company is responsible for preparing this half-yearly financial report in accordance with applicable law and regulations. The Management Board confirms that to the best of its knowledge:

– The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union; and

– The Chairman's Statement and the Strategic Report of the Management Board meet the requirements of an interim management report and include a fair review of the information required by:

  - DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events during the first six months and description of the principal risks and uncertainties for the remaining six months of the year; and
  - DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Luxembourg, 29 August 2019

Duncan Ball
Co-CEO

Frank Schramm
Co-CEO

Michael Denny
CFO

Independent Auditor's Review Report to BBGI SICAV S.A.

To the Shareholders of
BBGI SICAV S.A.
6E, route de Trèves
L-2633 Senningerberg

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of BBGI SICAV S.A. (the 'Company') and its subsidiaries (the 'Group') as at 30 June 2019, and the condensed consolidated interim statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial information (the 'condensed consolidated interim financial information'). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' as adopted, for Luxembourg, by the Institut des Réviseurs d'Entreprises. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2019 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Emmanuelle Ramponi
KPMG Luxembourg, Société coopérative Cabinet de révision agréé
Luxembourg
29 August 2019

Condensed Consolidated Interim Statement of Income (Unaudited)

In thousands of Pounds Sterling	Note	Six months ended 30 June 2019	Six months ended 30 June 2018
Continuing operations			
Income from investments at fair value through profit or loss	6	**42,368**	38,850
Other operating income		**429**	2,118
Operating income		**42,797**	40,968
Administration expenses	4	**(4,175)**	(3,820)
Other operating expenses	5	**(11,826)**	(578)
Operating expenses		**(16,001)**	(4,398)
Results from operating activities		**26,796**	36,570
Finance cost	10	**(1,061)**	(1,614)
Finance income		**6**	23
Net finance result		**(1,055)**	(1,591)
Profit before tax		**25,741**	34,979
Tax expense	7	**(1,400)**	(847)
Profit from continuing operations		**24,341**	34,132
Profit from continuing operations attributable to owners of the Company		**24,341**	34,132
Earnings per share			
Basic earnings per share (pence)	9	**3.86**	6.45
Diluted earnings per share (pence)	9	**3.86**	6.45

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Comprehensive Income (Unaudited)

In thousands of Pounds Sterling	Note	Six months ended 30 June 2019	Six months ended 30 June 2018
Profit for the period		**24,341**	34,132
Other comprehensive income for the period		**–**	–
Total comprehensive income for the period attributable to the owners of the Company		**24,341**	34,132

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position

In thousands of Pounds Sterling	Note	30 June 2019 (Unaudited)	31 December 2018 (Audited)
Assets			
Property, plant and equipment		**46**	33
Investments at fair value through profit or loss	6	**845,585**	780,356
Derivative financial asset	12	**–**	1,009
Other assets	11	**5,386**	–
Non-current assets		**851,017**	781,398
Trade and other receivables	14	**3,767**	811
Other current assets		**837**	669
Derivative financial asset	12	**–**	2,446
Cash and cash equivalents		**83,422**	10,444
Current assets		**88,026**	14,370
Total assets		**939,043**	795,768
Equity			
Share capital	8	**713,688**	639,160
Additional paid-in capital	14	**689**	837
Translation reserves	8	**(597)**	(597)
Retained earnings		**142,386**	137,620
Equity attributable to owners of the Company		**856,166**	777,020
Liabilities			
Loans and borrowings		**–**	14,311
Derivative financial liabilities	12	**4,073**	–
Non-current liabilities		**4,073**	14,311
Loans and borrowings	10	**66,352**	18
Trade payables		**87**	97
Derivative financial liabilities	12	**2,509**	–
Other payables	11	**9,599**	3,239
Tax liabilities	7	**257**	1,083
Current liabilities		**78,804**	4,437
Total liabilities		**82,877**	18,748
Total equity and liabilities		**939,043**	795,768
Net asset value attributable to the owners of the Company	8	**856,166**	777,020
Net asset value per ordinary share (pence)	8	**135.93**	133.97

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Changes in Equity (Unaudited)

In thousands of Pounds Sterling	Note	Share capital	Additional paid-in capital	Translation reserves	Retained earnings	Total equity
Balance at 1 January 2019 (Audited)	8,14	**639,160**	**837**	**(597)**	**137,620**	**777,020**
Total comprehensive income for the six months ended 30 June 2019						
Profit for the period		**–**	**–**	**–**	**24,341**	**24,341**
Total comprehensive income for the period		**–**	**–**	**–**	**24,341**	**24,341**
Transactions with owners of the Company, recognised directly in equity						
Issuance of shares through placing of ordinary shares – net of issuance cost	8	**73,914**	**–**	**–**	**–**	**73,914**
Scrip dividend	8	**181**	**–**	**–**	**(181)**	**–**
Cash dividend	8	**–**	**–**	**–**	**(19,394)**	**(19,394)**
Equity settlement of share-based compensation	8,14	**433**	**(433)**	**–**	**–**	**–**
Share-based compensation for the period	14	**–**	**285**	**–**	**–**	**285**
Balance at 30 June 2019		**713,688**	**689**	**(597)**	**142,386**	**856,166**

In thousands of Pounds Sterling	Note	Share capital	Additional paid-in capital	Translation reserves	Retained earnings	Total equity
Balance at 1 January 2018 (Audited)	8,14	506,061	763	(597)	115,133	621,360
Total comprehensive income for the six months ended 30 June 2018						
Profit for the period		–	–	–	34,132	34,132
Total comprehensive income for the period		–	–	–	34,132	34,132
Transactions with owners of the Company, recognised directly in equity						
Issuance of shares through placing of ordinary shares – net of issuance cost	8	59,812	–	–	–	59,812
Scrip dividend	8	2,903	–	–	(2,903)	–
Cash dividend	8	–	–	–	(12,679)	(12,679)
Equity settlement of share-based compensation		411	(411)	–	–	–
Tax settlement of share-based compensation		(420)	–	–	–	(420)
Share-based compensation for the period	14	–	247	–	–	247
Balance at 30 June 2018		568,767	599	(597)	133,683	702,452

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows (Unaudited)

In thousands of Pounds Sterling	Note	Six months ended 30 June 2019	Six months ended 30 June 2018
Cash flows from operating activities			
Profit for the period		**24,341**	34,132
Adjustments for:			
Depreciation		**8**	12
Net finance cost (income)		**1,055**	1,591
Income from investments at fair value through profit or loss	6	**(42,368)**	(38,850)
Change in fair value of derivative financial instruments		**10,382**	(769)
Share-based compensation	14	**285**	247
Income tax expense		**1,400**	847
Foreign currency exchange loss/(gain)	5	**684**	(1,216)
		(4,213)	(4,006)
Changes in:			
– Trade and other receivables		**(9)**	–
– Other assets		**(168)**	(320)
– Trade and other payables		**986**	367
Cash generated from operating activities		**(3,404)**	(3,959)
Finance cost paid		**(639)**	(1,863)
Interest received		**6**	23
Realised gain/(loss) on derivative financial instruments	12	**(345)**	(998)
Tax settlement of share-based compensation		**–**	(420)
Taxes paid		**(2,226)**	(1,018)
Net cash flows from operating activities		**(6,608)**	(8,235)
Cash flows from investing activities			
Acquisition of/additional investments in investments at fair value through profit or loss	6	**(57,446)**	(54,708)
Distributions received from investments at fair value through profit or loss	6	**31,638**	32,457
Acquisition of other equipment		**(21)**	(1)
Net cash flows from investing activities		**(25,829)**	(22,252)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares through placing – net of share issuance cost	8	**73,914**	59,812
Proceeds from issuance of loans and borrowings	10	**60,780**	88,340
Dividends paid	8	**(19,394)**	(12,679)
Payment of loans and borrowings	10	**(10,500)**	(11,719)
Loan issuance cost	10	**(44)**	(1,097)
Net cash flows from financing activities		**104,756**	122,657
Net increase/(decrease) in cash and cash equivalents		**72,319**	92,170
Impact of foreign currency exchange gain/(loss) on cash and cash equivalents		**659**	432
Cash and cash equivalents at 1 January		**10,444**	20,648
Cash and cash equivalents at 30 June		**83,422**	113,250

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

for the six months ended 30 June 2019

1. Reporting entity

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

The Company's registered office is EBBC, 6E, route de Trèves, L-2633 Senningerberg, Luxembourg.

The Company is a closed-ended investment company that invests principally in a diversified portfolio of Public Private Partnership ('PPP')/Private Finance Initiative ('PFI') infrastructure or similar style assets. At 30 June 2019 the Company has no investment in assets that are under construction.

As at 30 June 2019, the Group employed 20 staff (30 June 2018: 19 staff).

Reporting period

The Company's interim reporting covers the period from 1 January to 30 June each year. The Company's condensed consolidated interim statement of financial position, condensed consolidated interim statements of income, condensed consolidated interim statements of comprehensive income and condensed consolidated interim statements of cash flows include comparative figures as at 31 December 2018 or for the six months ended 30 June 2018, as appropriate.

The amounts presented as 'non-current' in the condensed consolidated interim statement of financial position are those expected to be settled after more than one year. The amounts presented as 'current' are those expected to be settled within one year.

These condensed consolidated interim financial statements as at 30 June 2019 and for the six months then ended were approved by the Management Board on 29 August 2019.

2. Basis of preparation

Statement of compliance

The condensed consolidated interim financial statements of the Company have been prepared in accordance with *IAS 34 Interim Financial Reporting* in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the European Union, and do not include all information required for full annual financial statements.

Changes in accounting policy

The accounting policies, measurement and valuation principles applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its annual consolidated financial statements as at and for the year ended 31 December 2018.

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

— IFRS 16: Leases

— IFRIC 23: Uncertainty over Income Tax Treatments

The Group adopted these new standards and amendments to the standards prospectively effective 1 January 2019. The adoption of the new standards and amendments did not have material impact on the Group.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for derivative financial instruments and investments at fair value through profit or loss ('FVPL investments'), which are reflected at fair value.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

2. Basis of preparation continued

Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to direct the relevant activities, i.e. the activities that significantly affect the investee's returns and to obtain those returns. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries

Subsidiaries are investees controlled by the Company (directly or indirectly). The Company controls an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company is an Investment Entity and measures investments in certain subsidiaries at fair value through profit or loss. In determining whether the Company meets the definition of an Investment Entity, management considered the Group structure as a whole.

Although the Company qualifies as an Investment Entity and is required to value certain subsidiaries at fair value, the Company has a number of subsidiaries which provide services that relate to the Company's investment activities. These subsidiaries are consolidated on a line-by-line basis.

Transactions eliminated on consolidation (consolidated subsidiaries)

Intra-group receivables, liabilities, revenue and expenses are eliminated in their entirety when preparing the condensed consolidated interim financial statements. Gains that arise from intra-group transactions and that are unrealised from the standpoint of the Group, at the date of the condensed consolidated interim statements of financial position, are eliminated in their entirety. Unrealised losses on intra-group transactions are also eliminated in the same way as unrealised gains, to the extent that the loss does not correspond to an impairment loss.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Pounds Sterling, the Company's functional currency.

Use of estimates and judgements

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

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

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

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

2. Basis of preparation continued

The Company as an Investment Entity

The Management Board has assessed that the Company is an Investment Entity in accordance with the provisions of IFRS 10. The Company meets the following criteria to qualify as an Investment Entity:

a) *Obtains funds from one or more investors for the purpose of providing those investors with investment management services:*
The Group is internally managed with management focused solely on managing those funds received from its shareholders in order to maximise investment income/returns.

b) *Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both:*
The investment objectives of the Company are to:

- Provide investors with secure and highly predictable long-term cash flows whilst actively managing the investment portfolio with the intention of maximising return over the long term.
- Target an annual dividend payment with the aim to increase this distribution progressively over the longer term.
- Target an IRR in the region of 7 per cent to 8 per cent on the £1 IPO issue price of its ordinary shares, to be achieved over the longer term via active management, to enhance the value of existing investments.

The above-mentioned objectives support the fact that the main business purpose of the Company is to seek to maximise investment income for the benefit of its shareholders.

c) *Measures and evaluates performance of substantially all of its investments on a fair value basis:*
The investment policy of the Company is to invest in equity, subordinated debt or similar interests issued in respect of infrastructure assets that have been developed predominantly under the PPP/PFI or similar styled procurement models. Each of these assets is valued at fair value. The valuation is carried out on a six-monthly basis as at 30 June and 31 December each year.

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

a) *it has more than one investment* – as at 30 June 2019, the Company has 48 investments;

b) *it has more than one investor* – the Company is listed on the London Stock Exchange with its shares held by a broad pool of investors;

c) *it has investors that are not related parties of the entity* – other than those shares held by the Supervisory Board and Management Board Directors, and certain other employees, all remaining shares in issue (more than 99 per cent) are held by non-related parties of the Company; and

d) *it has ownership interests in the form of equity or similar interests* – ownership in the Company is through equity interest.

Fair valuation of financial assets and financial liabilities

The Group accounts for its investments in PPP/PFI entities ('Project Companies') as FVPL investments.

The valuation is determined using the discounted cash flow methodology. The cash flows forecasted to be received by the Company or its consolidated subsidiaries, generated by each of the underlying assets, and adjusted as appropriate to reflect the risk and opportunities, have been discounted using asset-specific discount rates. The valuation methodology is the same one used in previous reporting periods.

The fair value of other financial assets and liabilities, other than current assets and liabilities, is determined by discounting future cash flows at an appropriate discount rate and with reference to recent market transactions, where appropriate. Further information on assumptions and estimation uncertainties are disclosed in Note 12.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs in the valuation methodology, as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

– Level 2: inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3: inputs for the asset or liability that are not based on observable market data ('unobservable inputs').

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

2. Basis of preparation continued

If the inputs to measure fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of fair value hierarchy at the end of the reporting period in which the change has occurred.

Going concern basis of accounting

The Management Board has examined significant areas of possible financial risk including cash and cash requirements. It has not identified any material uncertainties which would cast significant doubt on the Company's ability to continue as a going concern for a period of less than 12 months from the date of approval of the condensed consolidated interim financial statements. The Management Board has satisfied itself that the Company has adequate resources to continue in operational existence for the foreseeable future. After due consideration, the Management Board believes it is appropriate to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial statements.

3. Segment reporting

IFRS 8: Operating Segments adopts a 'through the eyes of the management' approach to an entity's reporting of information relating to its operating segments, and also requires an entity to report financial and descriptive information about its reportable segments.

Based on a review of information provided to the Management Board, the Group has identified five reportable segments based primarily on the geographical concentration risk. As a result, the main factor used to identify the Group's reportable segments is the geographical location of the projects. The Management Board has concluded that the Group's reportable segments are: (1) UK; (2) North America; (3) Australia; (4) Continental Europe; and (5) Holding Activities. These reportable segments are the basis on which the Group reports information to the Management Board.

Segment information for the six months ended 30 June 2019 is presented below:

In thousands of Pounds Sterling	UK	North America	Australia	Continental Europe	Holding Activities	Total Group
Income from FVPL investments	**12,361**	**26,696**	**(372)**	**3,683**	**–**	**42,368**
Administration expenses	**–**	**–**	**–**	**–**	**(4,175)**	**(4,175)**
Other operating expense – (net)	**–**	**–**	**–**	**–**	**(11,397)**	**(11,397)**
Results from operating activities	**12,361**	**26,696**	**(372)**	**3,683**	**(15,572)**	**26,796**
Finance cost	**–**	**–**	**–**	**–**	**(1,061)**	**(1,061)**
Finance income	**–**	**–**	**–**	**–**	**6**	**6**
Tax expense	**–**	**–**	**–**	**–**	**(1,400)**	**(1,400)**
Profit or (loss) from continuing operations	**12,361**	**26,696**	**(372)**	**3,683**	**(18,027)**	**24,341**

Segment information for the six months ended 30 June 2018 is presented below:

In thousands of Pounds Sterling	UK	North America	Australia	Continental Europe	Holding Activities	Total Group
Income from FVPL investments	17,883	12,472	3,914	4,581	–	38,850
Administration expenses	–	–	–	–	(3,820)	(3,820)
Other operating income – (net)	–	–	–	–	1,540	1,540
Results from operating activities	17,883	12,472	3,914	4,581	(2,280)	36,570
Finance cost	–	–	–	–	(1,614)	(1,614)
Finance income	–	–	–	–	23	23
Tax expense	–	–	–	–	(847)	(847)
Profit or (loss) from continuing operations	17,883	12,472	3,914	4,581	(4,718)	34,132

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

3. Segment reporting continued

Segment information as at 30 June 2019 is presented below:

In thousands of Pounds Sterling	UK	North America	Australia	Continental Europe	Holding Activities	Total Group
Assets						
FVPL investments	**266,419**	**377,313**	**105,446**	**96,407**	**–**	**845,585**
Other non-current assets	**–**	**–**	**–**	**–**	**5,432**	**5,432**
Current assets	**–**	**–**	**–**	**–**	**88,026**	**88,026**
Total assets	**266,419**	**377,313**	**105,446**	**96,407**	**93,458**	**939,043**
Liabilities						
Non-current	**–**	**–**	**–**	**–**	**4,073**	**4,073**
Current	**–**	**–**	**–**	**–**	**78,804**	**78,804**
Total liabilities	**–**	**–**	**–**	**–**	**82,877**	**82,877**

Segment information as at 31 December 2018 is presented below:

In thousands of Pounds Sterling	UK	North America	Australia	Continental Europe	Holding Activities	Total Group
Assets						
FVPL investments	264,541	325,382	110,558	79,875	–	780,356
Other non-current assets	–	–	–	–	1,042	1,042
Current assets	–	–	–	–	14,370	14,370
Total assets	264,541	325,382	110,558	79,875	15,412	795,768
Liabilities						
Non-current	–	–	–	–	14,311	14,311
Current	–	–	–	–	4,437	4,437
Total liabilities	–	–	–	–	18,748	18,748

The holding activities of the Group include the activities which are not specifically related to a specific project or geographical segment above but are incurred by subsidiaries which provide services to the Group as a whole. The total current assets classified under 'holding activities' mainly represent cash and cash equivalents.

Transactions between reportable segments are conducted at arm's length. The accounting methods used for all the segments are similar and comparable with those of the Company or the Group.

4. Administration expenses

In thousands of Pounds Sterling	Six months ended 30 June 2019	Six months ended 30 June 2018
Personnel expenses	**2,374**	2,259
Legal and professional fees	**644**	563
Other expenses	**1,157**	998
	4,175	3,820

The Group has engaged certain third parties to provide legal and other professional services such as depositary, custodian, audit, tax and other services, with the related costs classified under administration expenses.

The legal and professional fees during the period includes amounts charged by the Group's external auditor, which include audit fees of £25,000 (30 June 2018: £21,000) and audit-related fees of £43,000 (30 June 2018: £42,000). There are no non-audit related fees charged by the Group's external auditor in the above amounts (30 June 2018: nil).

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

5. Other operating expenses

In thousands of Pounds Sterling	Six months ended 30 June 2019	Six months ended 30 June 2018
Net loss on derivative financial instruments (see Note 12)	**10,382**	–
Acquisition-related costs	**760**	578
Foreign currency exchange loss	**684**	–
	11,826	578

6. FVPL investments

The movements of FVPL investments are as follows:

In thousands of Pounds Sterling	30 June 2019	31 December 2018
Balance at 1 January	**780,356**	675,314
Acquisitions of/additional investment in FVPL investments	**57,446**	90,515
Income from FVPL investments	**42,368**	70,149
Distributions received	**(31,638)**	(55,067)
Reclassification to other receivables	**(2,947)**	(555)
	845,585	780,356

The impact of unrealised foreign exchange gains or losses on the income from FVPL investments for the period ended 30 June 2019 amounted to a £9.6 million gain (year ended 31 December 2018: £7.4 million loss).

Distributions from FVPL investments are received after: (a) financial models have been tested for compliance with certain ratios; (b) financial models have been submitted to the external lenders of the projects entities ('Project Entities'); or (c) approvals of the external lenders on the financial models have been obtained.

As at 30 June 2019 and 31 December 2018, loan and interest receivable from non-consolidated subsidiaries is embedded within the FVPL investments.

The valuation of FVPL investments considers all future cash flows related to individual projects.

Interest income, dividend income, project-related directors' fee income and other income recorded under the accruals basis at the level of the consolidated subsidiaries for the six months ended 30 June 2019, amounted to £37,051,000 (year ended 31 December 2018: £52,817,000). The associated cash flows from these items were taken into account when valuing the projects.

Acquisitions during the period included the Group's follow-on investments into two availability-based PPP assets in the transport sector as follows:

— *A1/A6 Motorway (Netherlands):* In June 2019, the Company completed the acquisition of a further equity interest in the A1/A6 PPP road project in the Netherlands. This road is part of the Schiphol-Amsterdam-Almere ('SAA') expansion involving the reconstruction and widening of an 18km motorway including reversible lanes. The asset became operational in 2017 and the concession runs until 2042.

— *Ohio River Bridges (US):* In May 2019, the Company completed the acquisition of a further 33.3 per cent equity interest in the ORB – East End Crossing PPP Project and now owns 66.6 per cent of the equity in the project. ORB is a high-quality, stable, operational US PPP project and is now one of the largest investments in the Company's portfolio. The asset became operational in 2016 and the concession runs until 2051.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

7. Taxes

The Company pays an annual subscription tax amounting to 0.05 per cent of its total net assets. For the period ended 30 June 2019, BBGI SICAV S.A. incurred a subscription tax expense of £194,000 (30 June 2018: £154,000). The Company as a SICAV is not subject to taxes on capital gains or income. All other consolidated companies are subject to taxation at the applicable rate in their respective jurisdictions. During the period ended 30 June 2019, the Company recognised a tax expense of £1,400,000 (30 June 2018: £847,000). As at 30 June 2019, the consolidated tax liabilities amounted to £257,000 (31 December 2018: £1,083,000).

A significant portion of the profit before tax results from fair valuation of FVPL investments loss. The net income of the unconsolidated subsidiaries is taxed in their respective jurisdictions.

As a consequence of the adoption of IFRS 10, the Company is classified as an Investment Entity (see Note 2), meaning the tax expenses of the unconsolidated subsidiaries are not included as a separate expense item within these condensed consolidated interim financial statements. Therefore, the consolidated tax expense and tax assets/liabilities, if any, do not include the tax liabilities of the Project Entities. The tax liabilities of the Project Entities are embedded as cash outflows in the fair value calculation of the FVPL investments.

There are no unrecognised taxable temporary differences. The Group has tax losses carried forward amounting to £4,722,000. The Group did not recognise any deferred tax asset on tax losses carried forward.

8. Capital and reserves

Share capital

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

In thousands of Pounds Sterling	30 June 2019	31 December 2018
Share capital as at 1 January	**639,160**	506,061
Issuance of ordinary shares through placing	**75,000**	128,033
Share issuance cost on the placing	**(1,086)**	(1,905)
Share capital issued through scrip dividend	**181**	6,980
Equity settlement of share-based compensation (see Note 14)	**433**	411
Tax settlement of share-based compensation (see Note 14)	**–**	(420)
	713,688	639,160

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

In thousands of shares	30 June 2019	31 December 2018
Shares in issue as at 1 January	**580,005**	479,105
Shares issued through placing of ordinary shares	**49,020**	95,525
Shares issued through scrip dividend	**114**	5,018
Shares issued as share-based compensation	**697**	357
	629,836	580,005

In June 2019, the Company raised gross proceeds of £75,000,000 through a placing of 49,019,601 new ordinary shares of no par value ('Placing'). The Placing price was 153.0 pence per Placing share. The related share issuance cost amounted to £1,086,000.

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

The Company meets the minimum share capital requirement as imposed under the applicable Luxembourg regulation.

Translation reserve

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity except for exchange differences from intragroup monetary items which are reflected in the condensed consolidated interim statements of income. The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

8. Capital and reserves continued

Dividends

A second interim dividend for the period 1 July to 31 December 2018 was declared by the Company during the six months ended 30 June 2019 as follows:

In thousands of Pounds Sterling except as otherwise stated	Six months ended 30 June 2019
2nd interim dividend of 3.375 pence per qualifying ordinary share – for the period 1 July 2018 to 31 December 2018	**19,575**

The second interim dividend was paid in April 2019. The value of the scrip election was £181,000, with the remaining amount of £19,394,000 paid in cash to those investors that did not elect for the scrip.

A second interim dividend for the period 1 July to 31 December 2017 was declared by the Company during the six months ended 30 June 2018 as follows:

In thousands of Pounds Sterling except as otherwise stated	Six months ended 30 June 2018
2nd interim dividend of 3.25 pence per qualifying ordinary share – for the period 1 July 2017 to 31 December 2017	15,582

The second interim dividend was paid in June 2018. The value of the scrip election was £2,903,000, with the remaining amount of £12,679,000 paid in cash to those investors that did not elect for the scrip.

Net Asset Value

The consolidated net asset value and net asset value per share are as follows:

In thousands of Pounds Sterling/pence	30 June 2019	31 December 2018	31 December 2017
Net asset value attributable to the owners of the Company	**856,166**	777,020	621,360
Net asset value per ordinary share (pence)	**135.93**	133.97	129.69

9. Earnings per share

The basic and diluted earnings per share are calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding.

In thousands of Pounds Sterling/shares	Six months ended 30 June 2019	Six months ended 30 June 2018
Profit attributable to ordinary shareholders	**24,341**	34,132
Weighted average number of ordinary shares in issue	**629,836**	529,189
Basic and diluted earnings per share (in pence)	**3.86**	6.45

The weighted average number of shares outstanding for the purpose of computation of earnings per share is computed as follows:

In thousands of shares	Six months ended 30 June 2019	Six months ended 30 June 2018
Shares outstanding as at 1 January	**580,005**	479,105
Effect of shares issued on placing of ordinary shares	**49,020**	47,526
Effect of scrip dividends issued	**114**	2,201
Shares issued as share-based compensation	**697**	357
Weighted average – outstanding shares	**629,836**	529,189

The denominator for the purposes of calculating both basic and diluted earnings per share is the same because the Company has not issued any share options or other instruments that would cause dilution.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

10. Loans and borrowings

The Group has a four-year £180 million Revolving Credit Facility from ING Bank, KfW IPEX-Bank and DZ Bank AG ('RCF') which commenced in January 2018. The borrowing margin amounts to 165 bps over LIBOR. Under the RCF, the Group retains the possibility to consider larger transactions by virtue of having structured a further £70 million incremental accordion tranche, for which no commitment fees will be paid.

As at 30 June 2019, the Group had utilised £68.2 million (31 December 2018: £16.5 million) of the RCF, of which £1.2 million (31 December 2018: £1.2 million) was being used to cover letters of credit.

The interest payable under the RCF as at 30 June 2019 amounted to £272,000 (31 December 2018: £18,000).

The RCF unamortised debt issuance cost amounted to £842,000 as at 30 June 2019 (31 December 2018: £966,000). The unamortised debt issuance cost is netted against the amount borrowed under the RCF.

The total finance cost incurred under the RCF for the period ended 30 June 2019 amounted to £1,061,000 (30 June 2018: £1,614,000), which includes debt issue expense of £168,000 (30 June 2018: £150,000).

Total cash utilisation of the RCF during the period amounted to £60,780,000 (30 June 2018: £88,340,000) and total repayments amounted to £10,500,000 (30 June 2018: £11,719,000). Foreign exchange loss incurred by the Group in relation to the RCF amounted to £1,366,000 (30 June 2018: £777,000).

Subsequent to 30 June 2019, the Group repaid all the outstanding borrowings in full.

Pledges and collaterals

As at 30 June 2019, and 31 December 2018, the Group has provided a pledge over shares issued by consolidated subsidiaries, a pledge over receivables between consolidated subsidiaries and a pledge over the bank accounts of the consolidated subsidiaries.

Based on the provisions of the RCF, in the event of continuing event default, the lender, among other things, will have the right to cancel all commitments and declare all or part of utilisations to be due and payable, including all related outstanding amounts, and exercise or direct the security agent to exercise any or all of its rights, remedies, powers or discretions under the RCF.

The Group has operated and continued to operate comfortably within covenant limits of the RCF during the period.

11. Other payables

Other payables are composed of the following:

In thousands of Pounds Sterling	30 June 2019	31 December 2018
Project acquisition payable	**5,386**	–
Accruals	**4,123**	3,216
Others	**90**	23
	9,599	3,239

Project acquisition payable and the corresponding other asset relates to the acquisition price of projects in which the Group is already committed to acquire during the year.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

12. Fair value measurements

The fair values of financial assets and liabilities, together with the carrying amounts shown in the condensed consolidated interim statement of financial position, are as follows:

	30 June 2019				
In thousands of Pounds Sterling	**Fair value through profit or loss**	**Assets at amortised cost**	**Liabilities at amortised cost**	**Total carrying amount**	**Fair value**
Assets					
FVPL investments	**845,585**	**–**	**–**	**845,585**	**845,585**
Trade and other receivables	**–**	**3,767**	**–**	**3,767**	**3,767**
Cash and cash equivalents	**–**	**83,422**	**–**	**83,422**	**83,422**
Other assets	**–**	**5,386**	**–**	**5,386**	**5,386**
	845,585	**92,575**	**–**	**938,160**	**938,160**
Liabilities					
Loans and borrowings	**–**	**–**	**66,352**	**66,352**	**67,194**
Derivative financial instruments	**6,582**	**–**	**–**	**6,582**	**6,582**
Trade payables	**–**	**–**	**87**	**87**	**87**
Other payables	**–**	**–**	**9,599**	**9,599**	**9,599**
	6,582	**–**	**76,038**	**82,620**	**83,462**

The difference between the carrying amount and the fair value of loans and borrowings relates to the unamortised debt issuance cost of £842,000.

	31 December 2018				
In thousands of Pounds Sterling	**Fair value through profit or loss**	**Assets at amortised cost**	**Liabilities at amortised cost**	**Total carrying amount**	**Fair value**
Assets					
FVPL investments	780,356	–	–	780,356	780,356
Trade and other receivables	–	811	–	811	811
Cash and cash equivalents	–	10,444	–	10,444	10,444
Derivative financial instruments	3,455	–	–	3,455	3,455
	783,811	11,255	–	795,066	795,066
Liabilities					
Loans and borrowings	–	–	14,329	14,329	15,295
Derivative financial instruments	–	–	–	–	–
Trade payables	–	–	97	97	97
Other payables	–	–	3,239	3,239	3,239
	–	–	17,665	17,665	18,631

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

12. Fair value measurements continued

FVPL investments

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

The valuation is determined using the discounted cash flow methodology. The cash flow forecasts, generated by each of the underlying assets, are received by the Company or its subsidiaries, adjusted as appropriate to reflect risks and opportunities, and discounted using asset-specific discount rates. The valuation methodology remains unchanged from previous reporting periods.

The Company uses the following assumptions ('Assumptions') for the cash flows:

		30 June 2019	31 December 2018
Weighted average discount rate		7.10%	7.20%
Indexation	UK	2.75%	2.75%
	Canada	2.00%/2.35%	2.00%/2.35%
	Australia	2.5%	2.5%
	Germany	2%	2%
	Netherlands[1]	2%	2%
	Norway[1]	2.25%	2.25%
	USA[2]	2.5%	2.5%
Deposit rates (p.a.)	UK	1% to 2022, then 2.5%	1% to 2020, then 2.5%
	Canada	1% to 2022, then 2.5%	1% to 2020, then 2.5%
	Australia	2% to 2022, then 3.0% – 4.0% (short – medium term)	2% to 2020, then 3.0% – 4.0% (short – medium term)
	Germany	1% to 2022, then 2.5%	1% to 2020, then 2.5%
	Netherlands	1% to 2022, then 2.5%	1% to 2020, then 2.5%
	Norway	1.8% to 2022, then 3.0%	1.8% to 2020, then 3.5%
	USA	1% to 2022, then 2.5%	1% to 2020, then 2.5%
Corporate tax rates (p.a.)	UK	19% to 2019, then 17%	19% to 2019, then 17%
	Canada[3]	26.5%/27%/29%	26.5%/27%/29%
	Australia	30%	30%
	Germany[4]	15.8% (incl. Solidarity, excl. Trade tax)	15.8% (incl. Solidarity, excl. Trade tax)
	Netherlands	25% in 2019, 22.5% in 2020, then 20.5%	25% in 2019, 22.5% in 2020, then 20.5%
	Norway	22%	23%
	USA	21%	21%

1 Represents CPI indexation only. Certain projects are, however, subject to a basket of indices.
2 80 per cent of the US asset indexation factor for revenue is contractual and not tied to CPI.
3 Individual tax rates vary among Canadian Provinces.
4 Individual local trade tax rates are considered additionally.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

12. Fair value measurements continued

Key Project Company and portfolio cash flow assumptions underlying NAV calculation:

The following is an overview of the key assumptions and principles applied in the valuation and forecasting of future cash flows:

- The discount rates and the Assumptions as set out above continue to be appropriate.
- The updated financial models for the Project Companies accurately reflect the terms of all agreements relating to the Project Companies and represent a fair and reasonable estimation of future cash flows accruing to the Project Companies.
- The cash flows are converted to Sterling at either the hedged rate or at the reporting period closing rate for unhedged future cash flows.
- Cash flows to and from the Project Companies are received and paid at the times anticipated.
- Non-UK assets are valued in local currency and converted to Sterling at either the period-end exchange rates or the hedge rate, with all currency hedge contracts settled in accordance with the terms of the contract.
- Where the operating costs of the Project Companies are fixed by contract, such contracts are performed, and where such costs are not fixed, they remain within the current budgets.
- Where lifecycle costs/risks are borne by the Project Companies, they remain in line with the current budgets.
- Contractual payments to the Project Companies remain on track and are not terminated before their contractual expiry date.
- Any deductions or abatements during the operations period of the Project Companies are fully passed down to subcontractors under contractual arrangements or are part of the planned (lifecycle) budgets.
- Where the Project Companies own the residual property value in an asset, that the projected amount for this residual value is realised.
- In cases where the Project Companies have contracts which are in the construction phase, they are either completed on time or any delay costs are borne by the construction contractors.
- There are no tax or regulatory changes in the future which negatively impact cash flow forecasts.

In forming the above assessments, the Group works with Project Company management teams, as well as using due diligence information from, or working with, suitably qualified third parties such as technical, legal and insurance advisers.

Discount rate sensitivity

The discount rates used for individual assets range between 6.7 per cent and 9.0 per cent. The value-weighted average rate is 7.1 per cent (7.2 per cent as at 31 December 2018). This methodology calculates the weighted average based on the value of each asset in proportion to the total portfolio value, i.e. based on the net present value of their respective future cash flows.

The discount rate that is applied to each individual portfolio asset projected cash flows, for the purposes of valuing the portfolio, is the single most important assessment and variable. The following table shows the sensitivity of the NAV to a change in the discount rate:

	+1% to 8.1% in 30 June 2019		– 1% to 6.1% in 31 December 2018	
Effects in thousands of Pounds Sterling	Equity	Profit or loss	Equity	Profit or loss
30 June 2019	**(72,274)**	**(72,274)**	**83,976**	**83,976**
31 December 2018	(65,140)	(65,140)	75,503	75,503

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

12. Fair value measurements continued

Foreign exchange rate sensitivity

A significant proportion of the Group's underlying investments are denominated in currencies other than Sterling. The Group maintains its accounts, prepares the valuation and pays distributions in Sterling. Accordingly, fluctuations in exchange rates between Sterling and the relevant local currencies will affect the value of the Group's underlying investments.

The table below shows those closing rates which were used to convert unhedged future cash flows into the reporting currency as at 30 June 2019 and 31 December 2018.

	30 June 2019	31 December 2018
GBP/AUD	**1.808**	1.805
GBP/CAD	**1.661**	1.736
GBP/EUR	**1.117**	1.113
GBP/NOK	**10.830**	11.056
GBP/USD	**1.270**	1.274

During the six months period ended 30 June 2019, the appreciation of Sterling against the Australian Dollar and Euro and its depreciation against the Norwegian Krone, Canadian Dollar and US Dollar accounted for a net increase in the portfolio value of £9.6 million.

The following table shows the sensitivity of the FVPL investments due to a change in foreign exchange rates compared to the Assumptions above:

	Increase by 10%		Decrease by 10%	
Effects in thousands of Pounds Sterling	Equity	Profit or loss	Equity	Profit or loss
30 June 2019[1]	**(25,764)**	**(25,764)**	**17,441**	**17,441**
31 December 2018	(20,442)	(20,442)	21,588	21,588

1 Sensitivity in comparison to the spot foreign exchange rates at 30 June 2019 and taking into account the contractual and natural hedges in place, derived by applying a 10 per cent increase or decrease to the Sterling/foreign currency rate.

Inflation sensitivity

The asset cash flows are linked with inflation. The table below demonstrates the effect on the FVPL investments of a change in inflation rates compared to the Assumptions above:

	+1%		–1%	
Effects in thousands of Pounds Sterling	Equity	Profit or loss	Equity	Profit or loss
30 June 2019	**40,890**	**40,890**	**(34,408)**	**(34,408)**
31 December 2018	40,056	40,056	(32,959)	(32,959)

Deposit rate sensitivity

The asset cash flows are positively correlated with the deposit rates. The table below demonstrates the effect on the FVPL investments of a change in deposit rates compared to the Assumptions above:

	+1%		–1%	
Effects in thousands of Pounds Sterling	Equity	Profit or loss	Equity	Profit or loss
30 June 2019	**15,549**	**15,549**	**(15,301)**	**(15,301)**
31 December 2018	15,534	15,534	(16,062)	(16,062)

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

12. Fair value measurements continued

Lifecycle costs sensitivity

Of the Group's 48 FVPL investments, 16 FVPL investments retain the lifecycle obligations. The remaining 32 assets have this obligation passed down to the subcontractor. The table below demonstrates the impact of a change in lifecycle costs on the FVPL investments:

	Increase by 5%[1]		Decrease by 5%[1]	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
30 June 2019	**(8,397)**	**(8,397)**	**8,479**	**8,479**
31 December 2018	(7,717)	(7,717)	7,480	7,480

1 Sensitivity applied to the 16 assets in the portfolio which retain the lifecycle obligation, i.e. the obligation is not passed down to the subcontractor.

Corporate tax rate sensitivity

The profits of each portfolio company are subject to corporation tax in the country where that company is located. The table below demonstrates the effect on the FVPL investments of a change in tax rates compared to the Assumptions outlined above:

	+1%		–1%	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
30 June 2019	**(6,909)**	**(6,909)**	**7,011**	**7,011**
31 December 2018	(6,296)	(6,296)	6,060	6,060

Senior debt refinancing sensitivity

Assumptions are used where a refinancing of senior debt financing is required for an asset during the remaining asset concession term. There is a risk that such assumptions may not be achieved. The table below shows the effect of a +100bps adjustment to the forecasted margins. The base rate for senior debt is either fixed or a long term interest swap is available with the effect that none of our assets are subject to changes in base rates.

	Margin +1%[1]	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**
30 June 2019	**(5,910)**	**(5,910)**
31 December 2018	(6,563)	(6,563)

1 The NTSF asset is the only remaining asset in the BBGI portfolio with refinancing risk.

Derivative financial instruments

The fair value of derivative financial instruments ('foreign exchange forwards') is calculated by discounting the difference between the contractual forward rate and the estimated forecasted exchange rates at the maturity of the forward contract. The foreign exchange forwards are fair valued periodically. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value with changes in the fair value (i.e. 'mark to market' changes) recorded in the consolidated statement of income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The Company does not apply hedge accounting.

The fair value of derivative financial instruments as at 30 June 2019 amounted to a net liability of £6,582,000 (31 December 2018: £3,455,000 – asset). The counterparty bank has an S&P/Moody's credit rating of A+/Aa3.

The net loss on the valuation of foreign exchange forwards for the six months ended 30 June 2019 amounted to £10,382,000 (30 June 2018: £769,000 – gain).

During the six months ended 30 June 2018, the Group realised a loss of £345,000 on the cash settlement of foreign exchange forwards (30 June 2018: £998,000 – realised loss).

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

12. Fair value measurements continued

Other items

The carrying amounts of cash and cash equivalents, receivables and payables that are payable within one year, or on demand approximates their respective fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined in Note 2.

The following table shows the grouping of assets/(liabilities) recognised at fair value under their respective levels as at 30 June 2019:

In thousands of Pounds Sterling	Level 1	Level 2	Level 3	Total
FVPL investment	**–**	**–**	**845,585**	**845,585**
Derivative financial net asset/(net liability)	**–**	**(6,582)**	**–**	**(6,582)**

The following table shows the grouping of assets/(liabilities) recognised at fair value under their respective levels as at 31 December 2018:

In thousands of Pounds Sterling	Level 1	Level 2	Level 3	Total
FVPL investment	–	–	780,356	780,356
Derivative financial asset	–	3,455	–	3,455

The following table shows a reconciliation of the movements in the fair value measurements in Level 3 of the fair value hierarchy:

In thousands of Pounds Sterling	30 June 2019	31 December 2018
Balance at 1 January	**780,356**	675,314
Acquisitions of/additional investment in FVPL investments	**57,446**	90,515
Income from FVPL investments	**42,368**	70,149
Distributions received	**(31,638)**	(55,067)
Reclassification to other receivables	**(2,947)**	(555)
	845,585	780,356

The impact of unrealised foreign exchange losses on the income from FVPL investments for the period ended 30 June 2019 amounted to a £9.6 million gain (year ended 31 December 2018: £7.4 million loss).

13. Subsidiaries established

No additional consolidated subsidiaries were acquired/established during the six months ended 30 June 2019.

14. Related parties and key contracts

All transactions with related parties were undertaken on an arm's-length basis.

Supervisory Board fees

The members of the Supervisory Board of the Company were entitled to a total of £110,000 in fees for the six months ended 30 June 2019 (30 June 2018: £112,500). This amount includes a total ex-gratia fee of £20,000 in relation to the Placing.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

14. Related parties and key contracts continued

Directors' shareholding in the Company

In thousands of shares	30 June 2019	31 December 2018
Duncan Ball	**431**	428
Frank Schramm	**418**	418
Michael Denny	**138**	79
Colin Maltby	**123**	123
Sarah Whitney	**25**	–
	1,135	1,048

Remuneration of the Management Board

Under the current remuneration programme, all staff are entitled to an annual base salary payable monthly in arrears, which is reviewed annually by the Management Board. The Management Board members are entitled to a fixed remuneration under their contracts and are also entitled to participate in a short-term incentive plan and a long-term incentive plan. Compensation under their contracts is reviewed annually by the Supervisory Board.

The total short-term and other long-term benefits recorded in the condensed consolidated interim income statement for key management personnel are as follows:

In thousands of Pounds Sterling	Six months ended 30 June 2019	Six months ended 30 June 2018
Short-term benefits	**1,086**	974
Share-based payment	**285**	246
	1,371	1,220

Share-based compensation

Each of the members of the Management Board received award letters ('2018 Award', '2017 Award', and '2016 Award' respectively) under the Group's long-term incentive plan. These awards are to be settled by BBGI Management Holdco S.à r.l. in the Company's own shares. Of the awards granted, 50 per cent vests by reference to a performance measure based on the Company's Total Shareholder Return ('TSR condition') over the Return Periods (below), and the remaining 50 per cent vests by reference to a performance measure based on the increase in the Company's Investment Basis Net Asset Value per share ('NAV condition'). Further details are as follows:

	2018 Award	2017 Award	2016 Award
Return Period	**December 2018–December 2021**	December 2017–December 2020	December 2016–December 2019
Vesting period	**36 mos. ending 31/12/2021**	36 mos. ending 31/12/2020	36 mos. ending 31/12/2019
Maximum number of shares which will vest	**820,189**	881,626	785,562

The fair value of the equity instruments awarded to the Management Board was determined using a Monte Carlo model, the key parameters of which are listed in the following table:

	2018 Award	2017 Award	2016 Award
Share price at grant date	**£1.565**	£1.405	£1.395
Maturity	**3 years**	3 years	3 years
Annual target dividends (2019 to 2021)	**£0.0700**	–	–
Annual target dividends (2018 to 2020)	**–**	£0.0650	–
Annual target dividends (2017 to 2019)	**–**	–	£0.0625
Volatility	**11%**	10%	10%
Risk-free rate	**Between 0.75%-0.79%**	Between 0.38%-0.56%	0.25%

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the plan is indicative of future trends, which may not necessarily be the actual outcome.

Notes to the Condensed Consolidated Interim Financial Statements *continued*

for the six months ended 30 June 2019

14. Related parties and key contracts continued

The fair value of the awards and amounts recognised as additional paid-in capital in the Group's condensed consolidated interim statement of financial position are as follows:

In thousands of Pounds Sterling	30 June 2019	31 December 2018
2018 Award	**80**	–
2017 Award	**205**	137
2016 Award	**404**	267
2015 Award	**–**	433
Amount recognised in additional paid-in capital	**689**	837

During the period, the Company settled the outstanding obligation under the 2015 Award through issuance of 696,998 shares at 154.5 pence per share. The beneficiaries received their gross share entitlement, with taxes due settled by the beneficiaries separately. The total accrued amount under the 2015 Award as at 31 December 2018 was £433,000. This amount was transferred from additional paid-in capital to share capital at the settlement date.

The amounts recognised as expenses in the Group's condensed consolidated interim income statement are as follows:

In thousands of Pounds Sterling	Six months ended 30 June 2019	Six months ended 30 June 2018
2018 Award	**80**	–
2017 Award	**68**	68
2016 Award	**137**	66
2015 Award	**–**	113
Amount recognised as additional paid-in capital	**285**	247

Receivable component of FVPL investments

As at 30 June 2019, the loan and interest receivable component of FVPL investments, which is included in the FVPL investments, amounted to £173,164,000 (31 December 2018: £173,240,000). The fixed interest charged on the receivables ranges from 6.75 per cent to 13.5 per cent per annum. The receivables have expected repayment dates ranging from 2024 to 2044.

Trade and other receivables

As at 30 June 2019, trade and other receivables include short-term receivables from project holding companies amounting to £3,750,000 (31 December 2018: £803,000). The remaining amount pertains to third-party receivables.

15. Subsequent events

In August 2019, subsequent to the reporting period, the Company acquired the remaining interests of Boskalis and VolkerWessels (the original vendors) in the A1/A6 Motorway and now holds 37.1 per cent of the equity interest in the project.

Board Members, Agents & Advisers

Supervisory Board
- Colin Maltby (Chairman)
- Howard Myles
- Jutta af Rosenborg
- Sarah Whitney (appointed 1 May 2019)

Management Board
- Duncan Ball
- Michael Denny
- Frank Schramm

Registered Office
EBBC, 6E route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

Central Administrative Agent, Luxembourg Registrar and Transfer Agent, Depositary and Principal Paying Agent
RBC Investor Services Bank S.A.
14 Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Receiving Agent and UK Transfer Agent
Link Market Services Trustees Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Depository
Link Market Services Trustees Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Corporate Brokers
Stifel Nicolaus Europe Limited
150 Cheapside
London EC2V 6ET
United Kingdom

Jefferies International Limited
Vintners Place
68 Upper Thames Street
London EC4V 3BJ
United Kingdom

Auditors
KPMG Luxembourg, Société coopérative
39 Avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Registration number
Registre de Commerce et des Sociétés
Luxembourg B163879

Designed and produced by **emperor**
Visit us at **emperor.works**